

## Understanding Place of Supply of Goods under GST – A Practical Guide (Sec 10 & 11 of IGST Act)

Author: CA Devesh Thakur

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### Introduction

The concept of **Place of Supply** plays a crucial role in determining whether a supply is **inter-state or intra-state**, which further affects whether **IGST or CGST & SGST** will be levied. For **goods**, this is governed by **Sections 10 and 11 of the IGST Act**.

Let's decode these sections with practical illustrations.

### Applicable Provisions: Sec 10 & Sec 11 of IGST Act

#### Section 10 – When the supply of goods is within India

This section applies when **both supplier and recipient are located in India**.

#### Section 11 – When the supply of goods involves import/export

This section deals with supplies where either the supplier or recipient is **located outside India**.

### Section 10 – Detailed Scenarios and Examples

#### Movement of Goods by Supplier, Recipient or Other Person

##### Provision:

If the supply involves movement of goods (by the supplier, recipient, or any other person), the **place of supply** is the **location where movement terminates for delivery**.

##### Example:

- Supplier (S) in Delhi sends goods to recipient (R) in Agra.
- Movement terminates in Agra.

**Place of Supply: Agra (Uttar Pradesh)**

**Inter-State Supply – IGST Applicable**

### “Bill To – Ship To” Scenario

##### Provision:

When goods are delivered by the supplier to a third person on the direction of the buyer (deemed recipient), the place of supply is the location of the person who gave the direction.

##### Example:

- Buyer (3rd Person) in Kerala instructs Seller (S) in Haryana to deliver goods directly to another recipient (R) in Delhi.

- Though goods are delivered to Delhi, they are billed to Kerala.

**Place of Supply: Kerala**

**Deemed that 3rd person has received the goods**

#### No Movement of Goods

##### Provision:

When there is **no movement of goods**, the place of supply is the **location of the goods at the time of delivery**.

##### Example:

- Goods picked up by buyer from a retail store in Delhi.

**Place of Supply: Delhi**

**Intra-State Supply – CGST + SGST Applicable**

#### Goods Installed or Assembled at Site

##### Provision:

If goods are supplied and are to be installed or assembled at a site, the place of supply is the **place of installation/assembly**.

##### Example:

- Machinery sent from Kerala and installed in Gujarat.

**Place of Supply: Gujarat**

Tax determined based on location of installation

#### Goods Supplied on Board a Conveyance

##### Provision:

Where goods are supplied on board a conveyance (e.g. train, aircraft, vessel), the place of supply is the **location at which such goods are taken on board**.

##### Example:

- Goods supplied on Vande Bharat train while boarding in Delhi.

**Place of Supply: Delhi**

#### Section 11 – Import and Export of Goods

##### Goods Imported into India

##### Provision:

Place of supply for imports is the **location of the importer**.

##### Example:

- Goods imported by a company in Mumbai.

**Place of Supply: Mumbai**

## Goods Exported from India

### Provision:

Place of supply for exports is **outside India**, but for GST compliance, it is deemed to be the **location outside India**.

### Example:

- Goods exported from Delhi to the USA.  
**Place of Supply: USA (outside India)**  
**Export – Zero-Rated Supply**

### Summary

Scenario	Section	Place of Supply	Example
Movement of goods	Sec 10	Place where movement terminates	Delhi → Agra → <b>Agra</b>
Bill to – Ship to	Sec 10	Location of the person who ordered	Kerala orders, ship to Delhi → <b>Kerala</b>
No movement of goods	Sec 10	Location at time of delivery	Picked from Delhi retail store → <b>Delhi</b>
Goods installed/assembled	Sec 10	Place of installation/assembly	Installed in Gujarat → <b>Gujarat</b>
Supplied on a conveyance	Sec 10	Location where goods taken on board	Vande Bharat, boarded in Delhi → <b>Delhi</b>
Import of goods	Sec 11	Location of importer	Importer in Mumbai → <b>Mumbai</b>
Export of goods	Sec 11	Outside India	Export to USA → <b>Outside India</b>

### Conclusion

Understanding the **Place of Supply** is key to determining the correct GST liability. Whether you're a trader, manufacturer, or a service provider dealing in goods, a correct classification under **Section 10 or 11 of the IGST Act** can ensure compliance and smooth business operations.