

**Place of Supply of Services (Location of supplier as well as are in India)**

**Q 13. What is the default presumption for place of supply in respect of B2B supply of services?**

Ans. The terms used in the IGST Act are registered taxpayers and unregistered person. The presumption in case of supplies to registered person is the location of such person until and unless otherwise specified.

**Q 14. What is the default presumption for place of supply in respect of unregistered recipients?**

Ans. In respect of unregistered recipients, the usual place of supply is the location of the recipient, where the address on records exists. However, in many cases, the address of recipient is not available, in such cases, location of the supplier of services is taken as proxy for place of supply.

**Q 15. What is the place of supply in case of services in relation to immovable property?**

Ans. Any service provided directly in relation to an immovable property including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or coordination of construction shall be the location at which the immovable property is situated. (Section 12(3) of the IGST Act)

**Q 16. What is the place of supply in respect of a service of interior decorator in relation to a palace in Nepal by an interior designer from Mumbai to a person from Delhi?**

Ans. The place of supply shall be the location of recipient viz Delhi. (Proviso clause to section 12(3) of IGST Act)

**Q 17. The place of supply in relation to immovable property is the location of immovable property. Suppose a road is constructed from Delhi to Mumbai covering multiple states. What will be the place of supply?**

Ans. Where the immovable property is located in more than one State, the supply of service shall be treated as made in each of the States in proportion to the value for services separately collected or determined, in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf. (The Explanation clause to section 12(3) of the IGST Act, for domestic supplies)

**Q 18. What is the place of supply of services of accommodation services in homestays in Goa?**

Ans. The place of supply shall be Goa, the location of the homestay. (Section 12(3) of the IGST Act).

**Q 19. What would be the place of supply of services provided for organizing an event, say, IPL cricket series which is held in multiple states?**

Ans. In case of an event, if the recipient of service is registered, the place of supply of services for organizing the event shall be the location of such person.

However, if the recipient is not registered, the place of supply shall be the place where event is held. Since the event is being held in multiple states and a consolidated amount is charged for such services, the place of supply shall be taken as being in each state in proportion to the value of services so provided in each state. (The Explanation clause to section 12(7) of the IGST Act)

**Q 20. What will be the place of supply of goods services by way of transportation of goods, including mail or courier?**

Ans. In case both location of supplier & location of recipient is in India: If the recipient is registered, the location of such person shall be the place of supply.

However, if the recipient is not registered, the place of supply shall be the place where the goods are handed over for their transportation (section 12(8) of the IGST Act.)

However, where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods (This proviso to section 12(8) has been inserted vide the IGST (Amendment) Act, 2018, however, the notification to bring it into effect is yet to be issued)

In case location of supplier or location of recipient is outside India: The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods. For courier, the place of supply of services shall be the location of the recipient of services. Wherever the location of the recipient of services is not available in ordinary course of business, the Place of supply shall be location the supplier of service.

**Q 21. A film star from Mumbai gets his cosmetic surgery done in a Hospital in Delhi. What should be the place of supply?**

Ans. The place of supply shall be based on the principle of place of performance and shall be in Delhi. (Section 12(4) of IGST Act)

Other such similar services requiring physical presence of natural person (recipient) like restaurant and catering services, personal grooming, fitness, beauty treatment, health

services including cosmetic and plastic surgery shall be the location where the services are actually performed.

**Q 22. What will be the place of supply in case of training services provided in Goa?**

Ans. When provided to a registered person: The place of supply shall be the location of such registered person. If M/s Mahindra & Mahindra Ltd, Mumbai conducts training for its employees at Goa, the place of supply shall be Mumbai.

When provided to a person other than a registered person: The place of supply shall be the location where the services are actually performed viz Goa

**Q 23. What will be the place of supply of passenger transportation service, if a person travels from Mumbai to Delhi and back to Mumbai?**

Ans. If the person is registered, the place of supply shall be the location of recipient. If the person is not registered, the place of supply for the forward journey from Mumbai to Delhi shall be Mumbai, the place where he embarks.

However, for the return journey, the place of supply shall be Delhi as the return journey has to be treated as separate journey. (The Explanation clause to section 12(9) of the IGST Act)

**Q 24. Suppose a ticket/ pass for anywhere travel in India is issued by M/s Air India to a person. What will be the place of supply?**

Ans. In the above case, the place of embarkation will not be available at the time of issue of invoice as the right to passage is for future use. Accordingly, place of supply cannot be the place of embarkation. In such cases, the default rule shall apply. (The proviso clause to section 12(9) of the IGST Act)

**Q 25. What will be the place of supply for mobile connection? Can it be the location of supplier?**

Ans. For domestic supplies: The location of supplier of mobile services cannot be the place of supply as the mobile companies are providing services in multiple states and many of these services are inter-state. The consumption principle will be broken if the location of supplier is taken as place of supply and all the revenue may go to a few states where the suppliers are located.

The place of supply for mobile connection would depend on whether the connection is on postpaid or prepaid basis. In case of postpaid connections, the place of supply shall be the location of billing address of the recipient of service.

In case of pre-paid connections, the place of supply shall be the place where payment for such connection is received or such pre-paid vouchers are sold. However, if the recharge is done through internet/e-payment, the location of recipient of service on record shall be the

taken as the place of service.

For international supplies: The place of supply of telecom services is the location of the recipient of service.

**Q 26. A person in Goa buys shares from a broker in Delhi on NSE (in Mumbai). What will be the place of supply?**

Ans. The place of supply shall be the location of the recipient of services on the records of the supplier of services. So Goa shall be the place of supply.

**Q 27. A person from Mumbai goes to Kullu-Manali and takes some services from ICICI Bank in Manali. What will be the place of supply?**

Ans. If the service is not linked to the account of person, place of supply shall be Kullu i.e. the location of the supplier of services. However, if the service is linked to the account of the person, the place of supply shall be Mumbai, the location of recipient on the records of the supplier.

**Q 28. A person from Gurgaon travels by Air India flight from Mumbai to Delhi and gets his travel insurance done separately in Mumbai. What will be the place of supply of insurance service?**

Ans. The location of the recipient of services on the records of the supplier of insurance services shall be the place of supply. So Gurgaon shall be the place of supply. (Proviso clause to section 12(13) of the IGST Act)

**Q 29. A person from Gurgaon travels by Air India flight from Mumbai to Delhi and gets his travel insurance done in Mumbai. What will be the place of supply?**

Ans. The location of the recipient of services on the records of the supplier of insurance services shall be the place of supply. So Gurgaon shall be the place of supply. (Proviso clause to section 12(13) of the IGST Act)