CHAPTER 14
Place of Supply

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Sr.No.	Description	Que.No.	No. of Illustration
1	Study Mat	Q. 1, 2, 3, 4, 5, 6, 8, 9, 10	9
2	RTP/MTP	-	-
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4	Other	Q. 7	1
Total No. of Illustrations			10

01. Sec 10: POS of goods other than supply of goods imported into or exported from India

Sec 10(1)(b): For Bill To – Ship To transactions

Q1. X Electronics is registered under GST in Ahmedabad, Gujarat. Mr. A (registered in Rajasthan) purchased 5 mobile phones and instructed X Electronics to deliver these mobile phones to Mr. B in Pune, Maharashtra. What is the place of supply for supply made between X Electronics and Mr. A and between Mr. A and Mr. B? [ICAI Case 13 Sub-Q1] [ICAI Case 48 Sub-Q3 - Similar]

(a) Rajasthan, Maharashtra
(b) Gujarat, Rajasthan
(c) Maharashtra, Rajasthan
(d) Gujarat, Maharashtra

[**Reason**: There are two supplies involved. For supply by X Electronics to Mr. A, POS is the principal place of business of the third person (Mr. A), which is **Rajasthan u/s 10(1)(b)**. For supply by Mr. A to Mr. B, POS is location where goods are at time of delivery termination, which is **Maharashtra u/s 10(1)(a)**.]

Q2. XYZ Private Limited, registered in Delhi, purchased certain gift items from a vendor located in Ludhiana, Punjab for distribution to the participants in a distributor conclave organized by it. The gift items were delivered to the hotel in Udaipur, Rajasthan for distribution to the participants of the conclave. The cost of such gift items was 25 lakhs (exclusive of tax @18%). The value of individual gift items was restricted to ₹ 75,000. What shall be the place of supply in relation to the gift items purchased by the company? [ICAI Case 24 Sub-Q2]

(a) Rajasthan i.e. the location where the goods were received
(b) Delhi i.e. the principal place of business of the company
(c) Punjab i.e. the location from where the goods were dispatched
(d) Permanent location of participants receiving the gifts

[**Reason**: Refer **sec 10(1)(b) of IGST Act**- Transaction is in the nature of bill-to-ship supply where gifts are dispatched at the direction of the company to the location of conclave (i.e. hotel in Udaipur). Place of supply = **Delhi** (principal place of business of the company).]

Sec 10(1)(ca): For supply made to URP

Q3. M/s Fashion Freaks (FF) is a partnership firm engaged in manufacturing readymade garments. It has many branches that are located at different places. Mr. X a tourist resident of Delhi and unregistered under GST coming from Jhansi, Uttar Pradesh visited Branch-A at Bhopal of FF and purchased Men's readymade garments valued at ₹ 29,000/- inclusive of GST. FF raised tax invoice for the above said transaction mentioning name and only state of Mr. X being Delhi and the garments were delivered at the counter itself. 'Place of Supply' for the sale of garments to Mr. X by Branch-A at Bhopal will be: [ICAI Case 15 Sub-Q1 - Similar] [ICAI Case 19 Sub-Q3]

(a) Madhya Pradesh

(b) Delhi

(c) Not applicable as it is an intra-state supply

(d) Uttar Pradesh

[**Reason**: Refer **sec 10(1)(ca) of IGST Act**- POS for supply of goods to URP = location as per address (name of state is sufficient) of URP recorded in invoice. Address recorded is Delhi. Thus, **POS is Delhi.** Delivery location is irrelevant for determining POS.]

Q4. Mr. Mohanraj of Kerala is supplying cosmetics & is unregistered under GST. In April, he ordered an I-phone online for his son studying in Pune, Maharashtra, through an ECO. He gave his Kerala address for billing and his son's hostel address in Maharashtra for delivery. The supplier located in Delhi dispatched the phone from his godown located in Karnataka. In respect of I-phone purchased by Mr. Mohanraj in April, place of supply will be____________. [ICAI Case 8 Sub-Q1]

(a) Kerala

(b) Delhi

(c) Karnataka

(d) Maharashtra

[**Reason**: Refer **sec 10(1)(ca) read with Cir. No. 209/3/2024**- if an URP places an order on an e-commerce platform for supply of goods to be delivered at an address different from billing address, POS shall be the address of delivery of goods recorded on the invoice. POS = Delivery address = **Maharashtra**.]

02. Sec 12: POS of services if location of supplier & recipient is in India

Sec 12(3): For services relating to immovable property

Q5. SS interior designers (registered in Indore, Madhya Pradesh) provided interior

designing services to Mr. P (registered in Ahmedabad, Gujarat) for his office interior in Jaipur, Rajasthan. What will be the place of supply for services provided to Mr. P? [ICAI Case 17 Sub-Q3]

(a) Gujarat

(b) Rajasthan

(c) Madhya Pradesh

(d) Gujarat or Rajasthan at option of Mr. P

[**Reason:** Refer **sec 12(3) of IGST Act-** POS for services provided directly in relation to an immovable property including those by interior decorators = location of the immovable property i.e. Jaipur, Rajasthan.]

Q6. XYZ Private Limited, registered in Delhi, organized a distributor conclave in Udaipur, Rajasthan where distributors from Rajasthan, Gujarat and Madhya Pradesh participated. The total cost of hotel accommodation was ₹ 25 lakh (exclusive of tax @18%, if any), which was paid by the Delhi office to the Hotel located in Rajasthan. Which of the following statements is correct under GST law in relation to the hotel accommodation service received by the company? [ICAI Case 23 Sub-Q2 - Similar] [ICAI Case 24 Sub-Q1]

(a) The hotel shall charge CGST and SGST on the invoice issued to the company.

(b) The hotel shall charge IGST on the invoice issued to the company.

(c) The hotel shall issue a bill of supply to the company.

(d) The hotel shall charge CGST and SGST to the extent charges are related to participants of Rajasthan and IGST to the extent charges are related to participants of Gujarat and Madhya Pradesh, on invoice issued to the company.

[**Reason:** Refer **sec 12(3) of IGST Act-** POS of accommodation service in any immovable property for organizing any official function = location at which the immovable property is located (Rajasthan). LOS is also Rajasthan. Supply is intra-State, therefore CGST and SGST shall be charged.]

Q7. Paradize Resorts is engaged in hospitality in Rajasthan. Mr. Ajay, a GST-registered person in Madhya Pradesh, availed lodging accommodation services at the resort for two nights and three days. Owing to extensive compliance requirements, the management is also exploring the possibility of transferring the hotel business as a going concern. Which of the following statement(s) is/are correct? [ICAI Case 3 Sub-Q5]

Statement 1: The place of supply of services provided to Mr. Ajay will be the location of the immovable property, i.e., Rajasthan.

Statement 2: No GST is payable in case of transfer of business as a going concern.

(a) Both statements are correct

(b) Only Statement 1 is correct

(c) Only Statement 2 is correct

(d) Both statements are incorrect

[**Reason**: **Statement 1 is correct** - POS of hotel accommodation services u/s 12(3) of IGST Act is the location of immovable property (Rajasthan). **Statement 2 is correct** - Transfer of business as going concern, as a whole or an independent part thereof is exempted under Entry 2 of exemption.]

Sec 12(5): For training & performance appraisal services

Q8. M/s. Cute & Co., a partnership firm registered under GST in Bengaluru, Karnataka, provided training and performance appraisal services in Bengaluru to following persons:

(a) ABC Private Limited, a registered supplier in the State of Kerala for ₹3,00,000.

(b) Babu Cones, a proprietorship concern of Rajasthan, not registered under GST, for ₹1,00,000.

Amounts are exclusive of taxes. The place of supply of training and performance appraisal services provided to ABC Private Limited and Babu Cones is ___ and ___ respectively. [ICAI Case 18 Sub-Q2] [MTP-2 Sep 25 - Similar]

(a) Kerala, Bengaluru

(b) Kerala, Rajasthan

(c) Bengaluru, Bengaluru

(d) Bengaluru, Rajasthan

[**Reason**: Refer **sec 12(5) of IGST Act**- For training and performance appraisal to ABC Pvt. Ltd., registered in Kerala, POS = **Kerala which is the location of registered recipient**. For training to an URP - Babu Cones, POS = **Bengaluru** which is the place where service is actually performed.]

Sec 12(7): For organisation of Events

Q9. Grand Wedding Planners (Chennai) is hired by Mr. Laddoo Singh (unregistered person based in Hyderabad) to plan and organise his wedding. The place of supply is

(i) ………… if wedding is to be held at New Delhi, or

(ii) ………… if wedding is to be held in Seychelles.

(a) New Delhi, Hyderabad
(b) New Delhi, Seychelles
(c) Chennai, Seychelles
(d) Chennai, Hyderabad

[**Reason**: Refer **Sec 12(7)-** for (i) POS = **New Delhi** where event is held (as recipient is URP). For (ii) POS = **Hyderabad** – location of recipient (as event is held outside India).]

03. Combined Questions

Q10. Sandeep, a registered person in Pune, Maharashtra, is engaged in providing training services. During October, he conducted training camps in Uttar Pradesh for general public and received ₹ 3,45,000. He was hired by Arihant Pharma Limited, registered in Goa, to provide training to its employees for ₹ 2,25,000. The training was given to 20 employees at Mumbai, Maharashtra. Sandeep also gave his residential property in Mumbai to Arihant Pharma Limited for employee stay who joined the training. ₹ 10,000 per person was additionally charged by Sandeep for period of stay of 30 days. Amounts given above are exclusive of tax, wherever applicable. Rates of GST are 9%, 9% and 18% for CGST/SGST/IGST respectively.

i) Amount of inter-state outward supply on which Sandeep shall pay tax is: [ICAI Case 6 Sub-Q1]

(a) ₹ 2,25,000
(b) ₹ 5,70,000
(c) Nil
(d) ₹ 3,45,000

[Reason:

1) **Training to general public (URPs) in UP:-** POS u/s 12(5)(b) of IGST Act= place where service is actually performed = UP. Location of Sandeep = Maharashtra. Thus, it is inter-state supply of ₹3,45,000.
2) **Training to Arihant Pharma Ltd. (registered in Goa):-** POS u/s 12(5)(a) of IGST Act = location of registered recipient, i.e., Goa. Location of Sandeep = Maharashtra. It is inter-state supply of ₹2,25,000.
3) **Residential property renting:-** It is not exempt when supplied to registered person, taxable under RCM entry no. 5AA, & not included in taxable outward supplies.
4) **Total inter-State outward taxable supplies = ₹5,70,000.]**

ii) Total tax payable before setting off input tax credit by Sandeep is: [ICAI Case 6 Sub-Q3]

(a) ₹ 1,38,600
(b) ₹ 1,02,600

(c) ₹ 1,23,300

(d) ₹ 87,300

[Reason: Refer reason given in Sub-Q(i) and

1) Training to general public in UP = ₹3,45,000 × 18% IGST = ₹62,100.

2) Training to Arihant Pharma Ltd. (Goa) = ₹2,25,000 × 18% IGST = ₹40,500.

3) Residential property renting = ₹2,00,000 [20 employees x ₹ 10,000 per person] taxable under RCM & not by Sandeep.

4) **Total GST Payable= ₹62,100 + ₹40,500 = ₹1,02,600.]**

Answer:-

01	a
02	b
03	b
04	d
05	b
06	a
07	a
08	a
09	a
10(i)	b
10(ii)	b