



सत्यमेव जयते

AUTHORITY FOR ADVANCE RULING - ANDHRA PRADESH
Goods and Service Tax

D NO 5-56, Block-B, R.K. Spring Valley Apartments,
Edupugallu, Bandhar Road, Vijayawada-521151

Present:

Sri.D. Ramesh, Additional Commissioner of State Taxes.....Member (State Tax)

Sri.S. Narasimha Reddy, Additional Commissioner of Central Tax...Member (Central tax)

AAR NO.05 /AP/GST/2019

dated: 31.01.2019

1.	Name and address of the applicant	M/s Tech Mech Global Interface Pvt.Ltd., #17, Annapurna Complex, Pedawaltair, Visakhapatnam-530017, Andhra Pradesh
2.	GSTIN	37AADCT6372L1ZT
3.	Date of filing of Form GST ARA-01	15.11.2018
4.	Date of Personal Hearing	10.12.2018
5.	Represented by	Rishi Maheswari, Director, M/s Tech Mech Global Interface Pvt.Ltd
6.	Jurisdictional Authority -State	Assistant Commissioner, Chinawaltair , Visakhapatnam
7.	Clause(s) of section 97(2) of CGST/SGST Act, 2017 under which the question(s) raised	The Issue is about the Determination of "place of supply" for supply of liaison services to foreign manufacturer.

The present application has been filed by M/s Tech Mech Global Interface Pvt. Ltd., registered under the Goods and Services Tax U/s 97 of the Central Goods & Services Tax Act, 2017 and AP Goods & Services Tax Act, 2017 (hereinafter referred to CGST Act and APGST Act respectively)



M/s Tech Mech Global Interface Pvt. Ltd.,, (hereinafter referred to as applicant) is engaged in trading of industrial products specifically Gear box, Electrical actuator and pumps and spares. For some products, the applicant does not trade but provide liaison services to their manufacturers in return for commission on the basic value of the contract. They also offer liaison services to manufacturers (a) who are based in India, (b) Overseas with India Subsidiary, and (c) Overseas without any Indian Subsidiary / India Liaison office.

The applicant had filed an application in form GST ARA-01, which was received on dt: 15.11.2018. He paid only partial amount of fee i.e. Rs.5000/- (2500/- under CGST and 2500/- under SGST), thereby failed to pay the prescribed amount of fee as per Section 97(1) read with rule 104 of APGST Act,2017 for admission of the case.

1. The applicant sought Advance Ruling on the following issue:

The applicant seeks clarification on "place of supply" of the liaison services extended by him to the overseas manufacturers without any Indian subsidiary / India Liaison office.

2. Applicant's interpretation of law and facts:

The applicant while seeking ruling on "place of supply" of the liaison services to the Overseas manufacturers, produced the following legal provisions before the committee.

- 1) As per IGST Act, under Section 2, (13) "intermediary services", mean a broker, an agent, or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities , between two or more person, but does not include a person who supplies such goods or services or both or securities on his own account.
- 2) The legal provision under Section 21(w) of the Information Technology Act, 2000(IT Act,2000) defines intermediaries as - " Intermediary", with respect to any particular electronic records, means any person who on behalf of another person receives , stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web - hosting service providers, search engines, online payment sites, online - auction sites, online- market place and cyber cafes. In this case also the intermediary has consent of both sides and is not just representing one side and is paid for his service by one side.



The applicant claims that the liaisons services offered by him are only to their manufacturer in return of a commission and not to the end client, who eventually buys the goods / services from their manufacturer. He further clarifies that his services are meant to keep the interest of their manufacturer only and not the end client, thereby representing only the manufacturer and the word intermediary will not define their services. The applicant questions the applicability of the word "intermediary services" for their services..

3. RECORD OF PERSONAL HEARING:

Sri Rishi Maheswari, Director, M/s Tech Mech Global Interface Pvt. Ltd., appeared for personal hearing on 10.12.2018 and reiterated the submission already made in the application.

4. DISCUSSION AND FINDINGS

We have gone through the facts of the case. At this stage, our discussion and findings is for admission or other wise of the application under Section 98(2) of CGST Act, 2017. The applicant can seek for Advance Ruling for any of the questions falling under Section 97(2). The relevant extract of the CGST Act, 2017 is reproduced here under for the sake of clarity.

Section 97(2):

The question on which the advance ruling is sought under this Act, shall be in respect of:

- (a) classification of any goods or services or both,
- (b) applicability of a notification issued under the provisions of this Act,
- (c) determination of time and value of supply of goods or services or both,
- (d) admissibility of input tax credit of tax paid or deemed to have been paid,
- (e) determination of the liability to pay tax on any goods or services or both,
- (f) whether applicant is required to be registered,
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both,

within

the meaning of that term.

But the applicant, sought Advance Ruling in "Place of Supply" issue, which is outside the purview of the Advance Ruling Authority as per Section 97(2) of CGST Act, 2017.



Hence the application is not admitted under Sec 98 (2) of CGST Act, 2017 and APGST Act, 2017 .

Sd/-D. RAMESH
Member (State Tax)

Sd/-S.NARASIMHA REDDY
Member (Central Tax).

//t.c.f.b.o//


Assistant Commissioner(ST)
Assistant Commissioner (State Tax)
O/o. Chief Commissioner of State Tax,
Andhra Pradesh, Vijayawada.

To

1. M/s Tech Mech Global Interface Pvt. Ltd., #17, Annapurna Complex, Pedawaltair, Visakhapatnam-530017, Andhra Pradesh **(By Registered Post)**

Copy to

2. The Assistant Commissioner (ST), Chinawaltair circle, Visakhapatnam Division. **(By Registered Post).**
3. The Assistant Commissioner of Central Tax, Visakhapatnam North CGST Division, D.No:10-50-22, Siripuram, Visakhapatnam-530005. **(By Registered Post)**

Copy to submitted to

4. The Chief Commissioner (State Tax), O/o Chief Commissioner of State Tax, Eedupugallu, Vijayawada.
5. The Chief Commissioner (Central Tax), O/o Chief Commissioner of Central tax & Customs, Visakhapatnam Zone, GST Bhavan, Port area, Visakhapatnam-530035. **(By Registered Post)**

Note: Under Section 100 of the APGST Act 2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section 99 of APGST Act 2017, within a period of 30 days from the date of service of this order.

