

GIB/KN/Rajendran Santosh/20.09.2019/AAR-257

Advance Ruling Category : Value of Supply

State : Karnataka

Order No.: GIB/KN/Rajendran Santosh/20.09.2019/AAR-257

Name of Entry :
Rajendran Santosh

Date : 20-09-2019

Breif Issue :

Facts & Issue Of The Case :

The applicant is an employee of an overseas company engaged in business of manufacturing and selling various categories of distribution transformer components and accessories and is not registered under GST Act 2017 , had sought an advance ruling for the following issues:

- A. Under which category the services shall be classified which are rendered by Mr. Santosh to H-J Family of companies, whether he is liable to get registered under the CGST Act,2017?
- B. What is the liability of the applicant to pay tax on the services rendered by him to H-J Family Companies and also what is the time and value of supply?

The applicant doesn't raise any invoice to the company for the said services. The applicant doesn't use any personal asset , everything like laptop and e-mail id is provided by the company. In terms of section 2(109) read with section 7 of the act, supply of services must be made for 'separate consideration' in order to be taxable under the said act. Income tax return filed by the applicant clearly shows that applicant has declared the income as "Income from Business or profession" and not as "income From salary".

The applicant is not supplying such good on his own account and hence falls under the category of "intermediary" as per Section 2(13) of the IGST Act,2017. It has been submitted that the applicant only facilitates the conclusion of contracts of supply for which the applicant is paid with the fixed remuneration on monthly basis for the service provided.

Decision of Advance Ruling Authority :

Decision :

The services provided by the applicant would be classified under HSN 9983.11 under the description "other professional, technical and business services".

The applicant is required to be registered under the Goods and service tax Act, 2017 and he would be applicable to pay the taxes @ 9% in case CGST and SGST each, in case of inter-state supply @ 18%.

Time of supply would be determined as per provisions of sub-section(2) of section 13 of the CGST Act and the value of such supply would be the amount received from the recipient of services including the reimbursable amount for the expenses incurred.