

GIB/KR/Fom Aluminium/12.03.2020/AAR-317

Advance Ruling Category : REVERSE CHARGE MECHANISM

State : Karnataka

Order No.: GIB/KR/Fom Aluminium/12.03.2020/AAR-317

Name of Entry :

Fom Aluminium Machines Pvt. Ltd

Date : 12-03-2020

Breif Issue :

Facts & Issue Of The Case :

The applicant is a private limited Company, registered under the provisions of the Goods and Service Tax Act, 2017. Applicant states that they are importers & traders of Aluminium Working machinery, they import machines from their parent company in Italy and market the same in domestic area. They only have one office in India, located at Peenya, Bangalore to cater across the country; they are engaged in Sales, service and Admn. The applicant has sought the advance ruling on the following issues:

- Is our Export of Services Attract IGST under RCM ?
- Is our services considered as Intermediary services ?
- Is IGST paid under RCM eligible to ITC.?
- Provision in GST returns to show the transactions
- We are not collecting IGST from our customer and is absorbed as cost-impact on the transaction value?

As per this case the applicant acts as an agent, in terms of the aforesaid agreements, to the parent company from Italy and M/s Universal Pack s.r.l, Italy beyond doubt. The supply of the services of the applicant under these transaction squarely falls under the Intermediary services and thereby the supply is in a taxable territory and thus the said supply is taxable, under forward charge mechanism.

Decision of Advance Ruling Authority :

Decision :

- If there is any Export of services by the applicant, do not attract IGST under RCM, as the applicant becomes supplier for the said services.
- The services being provided by the applicant are squarely covered under the Intermediary services and accordingly are taxable under forward charge mechanism, in hands of the applicant.

- The payment of IGST under RCM does not arise as the applicant is a supplier but not the recipient of import of services.
- No rulings can be given for fourth and fifth questions as they do not get covered under section 97(2) of the CGST Act 2017 and hence out of the jurisdiction of this authority.