

GIB/TN/Rajesh Rama/24.04.2020/AAR-366

Advance Ruling Category : Export of Services

State : Tamil Nadu

Order No.: GIB/TN/Rajesh Rama/24.04.2020/AAR-366

Name of Entry :

M/S. RAJESH RAMA VARMA

Date : 24-04-2020

Breif Issue :

Facts & Issue Of The Case :

The applicant Shri. Rajesh Rama Varma, is a sole proprietary concern registered under GST Act with GSTIN: 33ABAPV7712P1Z7. He is engaged in the business of providing IT software related consulting services in the area of Oracle ERP w.r.t Oracle Financials. The major services provided by him broadly include implementation, enhancement, support services and any other services that fall within the ambit of the Oracle Financials sphere. The services provided by him currently are covered under the SAC (Service Accounting Code) 998313. These services are being provided by him to both Indian and Foreign clients requesting the services.

The applicant, seeking an advance ruling in respect of :

- a. Whether the services provided by the applicant to the foreign client through the Principal shall be treated as export of services as the final services claimed by the Principal is in the nature of export of services.
- b. If the services are treated as export of services if so whether he is eligible to claim the taxes paid towards such export of services as refund.
- c. Whether the payment of fees received by him in INR from the Principal shall be treated as Export Remittance as the Principal is receiving the export proceeds in his account based on which the payment is made to him in INR keeping in view the various judgments in the matter cited above.
- d. Whether he can raise invoices with IGST taxes instead of CGST +SGST going forward for claiming refund.
- e. Any consequential relief or directions if any as deemed fit.

The applicant has stated that as part of his contract, support services are being provided

directly to the US client by him on behalf of the Principal. The contract contains consulting fees paid on hourly basis in USD whereas payment is being made to him in INR. Every month the finance department of the Principal provides the USD amount and the equivalent calculated INR amount for which an invoice is raised by him. GST is charged separately on this Invoice so raised. He pays the GST on a monthly basis and file his GST returns on a quarterly basis.

The applicant has stated that the place of Principal supplier is in Chennai, Tamil nadu where it is registered and his consulting services is also provided out of Chennai, Tamil nadu where he is also registered. The services provided to the foreign supplier are treated as Export of services and accordingly the Principal is availing the benefit of export under IGST Rules. The applicant is also providing the services directly to the foreign client by paying GST under CGST and SGST through the Principal. A plain reading of the definition of 'agent', 'supplier' and 'Principal' amply makes it clear that his role is that of an agent when discharging his services to the foreign client representing the Principal as an agent.

Decision of Advance Ruling Authority :

Decision :

1. The services provided by the applicant to Doyen systems Private Limited is a supply of services under CGST /TNGST Act and the applicant is liable to pay relevant tax on such supply.
2. The other questions raised are not answered as the same is not in the ambit of this authority as per Section 97(2) of the Act.