

**GIB/MH/Multiples Alternate/27.09.2018/AAR-423**

**Advance Ruling Category :** Place of Supply

**State :** Maharashtra

**Order No.:** GIB/MH/Multiples Alternate/27.09.2018/AAR-423

**Name of Entry :**

Multiples Alternate Asset Management Private Limited

**Date :** 27-09-2018

**Breif Issue :**

**Facts & Issue of the Ruling-**

The Applicant”, an India-focused investment advisory firm that currently advises and manages approx. USD 1 billion of Private Equity Funds with registered office at 701/A, Poonam Chambers, ‘B’ Wing, Dr. Annie Besant Road, Worli, Mumbai 400018, India and GSTIN 27AAGCM0997F128, in its capacity as Investment Manager has assisted in making 11 investments for ‘Multiples Private Equity Fund’ during the period 2011 to 2015 across various sectors including financial services, manufacturing, healthcare, media & entertainment, power exchange, etc.

Whether GST is applicable on the Advisory & Management Fees received in Indian Currency from Domestic Contributors located in India for the Services rendered by the applicant?

**Decision of Advance Ruling Authority :**

**Decision-**

The Advisory and management Services are provided to the AIF which is a separate legal entity which makes investment decisions on the advice of the applicant and therefore Section 12(12) of IGST Act, 2017 will apply as both supplier and the recipient of service are located in India we do not agree with the applicant's contention that the transaction with foreign investors should be determined in terms of Section 13 of the IGST Act, 2017 because the recipient of service i.e, AIF is not located outside India and the applicant are not providing any services to the Overseas Contributors The transaction also do not qualify to be an export of service as the condition specified in sub-clause (ii) of Sub-section (6) of Section 2 of 1GST Act, 2017 that recipient of service should be outside, India, is not satisfied, and therefore it is not a zero rated supply.