	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM
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BEFORE THE AUTHORITY OF: *Shri. S. Anilkumar, IRS &*
: Shri. B.S. Thyagarajababu B.Sc, LL.M

Legal Name of the applicant	Sri. Thomas Joseph Nellissery
GSTIN	32ABLPN8143R1ZZ
Dress	Nellissery House, Eduthuruty – P.O., Thrissur – 680703.
Advance Ruling sought for	<p>a) Whether the applicant, engaged in providing management consultancy services, is falling within the definition of the term 'intermediary' as per Sec.2(13) of The Integrated Goods and Services Tax Act, 2017?</p> <p>b) Whether the management consultancy services provided by the applicant falls within the meaning of 'Intermediary Services' as per Sec.13(8) (b) of the The Integrated Goods and Services Tax Act, 2017?</p>
Date of Personal Hearing	02.03.2019
Authorized Representative	Sri. Tony .M.P., CA

ADVANCE RULING No. KER/37/2019 Dt.02.03.2019

The applicant is a resident of India, engaged in the supply of services of 'management consultancy' to clients abroad. The applicant is a one man entity, working from his residence in India by providing management consultancy services directly to foreign clients without engaging any staff for providing such service. The remuneration for providing the management consultancy services will be paid by the clients as fixed monthly consultancy fees specified in the Consultancy Service Contract. The applicant is rendering management consultancy services over telephone and by electronic means like email etc. The scope of management consultancy services includes the skill and

expertise of the applicant in significant turnaround of the client in their various divisions in Electronics, FMCG, Trading, and Satellite and Automotive businesses across the group and other newly added verticals. The consultancy service also includes the techniques of growth in sales, improvement of gross margin, controlling of operational expenses, reduction in stock ageing, training and monitoring of the team etc. The clients send their data / confidential information on which expert advice is needed to the applicant and based on such data analysis, the applicant gives expert advice needed for the clients. The applicant is neither engaged as a representative or as an agent by the clients. The applicant received the consideration as fixed monthly consultancy fees in convertible foreign exchange. The applicant requested the advance ruling for the following points:

- a) Whether the applicant, engaged in providing management consultancy services, is falling within the definition of the term "intermediary" as per Sec.2(13) of The Integrated Goods and Services Tax Act, 2017?
- b) Whether the management consultancy services provided by the applicant falls within the meaning of 'Intermediary Services' as per Sec.13(8) (b) of the The Integrated Goods and Services Tax Act, 2017?

The authorized representative along with the applicant was heard. It is stated that applicant is not an employee of his client and his provision of services is based on consultancy contracts entered into with the clients. There is no partnership, joint venture, agency or any other relationship between the applicant and the clients as per the consultancy contract entered into between them. His services of consultancy are based on the data send by the clients and he sends reports to the clients giving his advices which are purely based on his expertise and experience in such fields.

As per Section 2(13) of IGST Act, "intermediary" means *"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 persons but does not include a person who supplies such goods or service or both or securities on his own account."*

As per the Annexure to Notification No.11/2017 – Central Tax (Rate) dated 28-06-2017 on Scheme of Classification of Services; "Management Consultancy Service" is separately classified under Service Code No.99831. Group 998311 reads as follows; "Management consulting and management services including financial, strategic, human resources, marketing, operations and supply chain management.

As per the Consultancy Contracts entered by the applicant with his clients the services being supplied by the applicant gets covered under the category of management consulting and management services including financial, strategic, human resources, marketing, operational supply chain management which are included under the Heading 9983 – Group – 998311 of the Scheme of Classification of Services. Providing advice, guidance and operational assistance concerning the marketing strategy and marketing operation of an organization also will fall under this category. Therefore, the services provided by the applicant will appropriately fall under the SAC 9983 as management consultancy services as the applicant is directly providing service to his clients and is not engaged in facilitating or arranging the supply of goods or services or both between two or more persons as in the case of intermediary services. Accordingly the service provided by the applicant is rightly classified under "Management Consultancy Services" and does not come within the meaning of the term "intermediary" as defined in Section 2(13) of IGST Act, 2017.

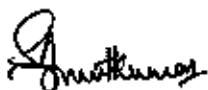
In view of the observations stated above, the following rulings are issued:

a) Whether the applicant, engaged in providing management consultancy services, is falling within the definition of the term "intermediary" as per Sec.2(13) of The Integrated Goods and Services Tax Act, 2017?

The services provided by the applicant falls under SAC code 998311 "Management Consultancy Services". The service provided by the applicant to his clients does not, in any way, facilitate or arrange the supply of goods or services or both between two or more persons and will not fall within the definition of the term "intermediary" as per Section 2(13) of IGST Act, 2017.

b) Whether the management consultancy services provided by the applicant falls within the meaning of 'Intermediary Services' as per Section 13(8) (b) of the Integrated Goods and Services Tax Act, 2017?

Section 13 of the IGST Act, 2017 lays down the principles for determining the place of supply of services where the location of supplier or location of recipient is outside India. The question essentially involves the determination of the "Place of Supply" of the services supplied by the applicant which is beyond the jurisdiction of the Advance Ruling Authority.



S. Anil Kumar, IRS

Additional Commissioner of Central Tax
Member



B.S. Thyagarajababu, B.Sc, LL.M

Joint Commissioner of State Tax
Member

To

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