M/s. FUTUREDENT

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-59/2019-20/B-28, Mumbai, dt. 11/03/2020 Dated **11.03.2020**

Q Questions Before the Authority

- Whether Futuredent is required to pay IGST under reverse charge mechanism on intermediary services received from Fair Relations GmbH (Germany)?
- If the answer to the above is yes (i.e. GST payable), since Futuredent has other business verticals in the same entity, whether Futuredent will get ITC on such RCM paid?

F Facts

Futuredent, an Indian partnership firm formerly known as Famdent, engaged Fair Relations GmbH, a German intermediary, to find a buyer for its trade fair, exhibition and awards business, including the Famdent name, on a slump sale basis. Fair Relations introduced Messe Dusseldorf Germany and its Indian subsidiary Messe Dusseldorf India Private Limited, which bought the business on a slump sale basis. The jurisdictional officer stated that the fee is a 5% success fee payable only if a binding contract is concluded.

H Ruling

Q1: Whether Futuredent must pay IGST under reverse charge on intermediary services received from Fair Relations GmbH	**Not answered**	Application rejected as not maintainable under Section 95, as the applicant is only a recipient of services and is not supplying goods or services. Merits not discussed.
Q2: Whether Futuredent can take ITC on RCM tax paid, given its other business verticals (conditional on Q1 being yes)	**Not answered**	Not answered in view of the answer to Q1.

The Authority did not answer either question. It held that the application was not maintainable under Section 95 because the applicant is a recipient of services from a person abroad and has neither undertaken nor proposed to undertake any supply of goods or services. The merits of the reverse charge and ITC questions were therefore not discussed. The application was rejected as not maintainable.

R Reasoning

The Authority treated the maintainability of the application as a threshold question. It noted that under Section 95 an advance ruling is available only on matters in Section 97(2) relating to supply of goods or services undertaken or proposed to be undertaken by the applicant. It found that Futuredent is a procurer of intermediary services from a foreign person and is not undertaking or proposing any supply. The impugned transactions therefore fell outside Section 95, and the Authority declined to decide the merits. The parties' arguments on the place of supply, the reverse charge notification, and the slump sale exemption were not decided.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Section 95 of the CGST Act and MGST Act (definition of advance ruling; maintainability)

Section 97(2) of the CGST Act and MGST Act (matters on which advance ruling may be sought)

Section 98 of the CGST Act and MGST Act (order of the Authority)

! For the Practitioner

This order helps where a recipient of foreign services seeks a ruling on its own reverse charge liability, because it confirms that Section 95 requires the applicant to be undertaking or proposing a supply. It does not decide whether the fee is taxable under reverse charge, the place of supply, the ITC question, or whether a slump sale is exempt, all of which the parties argued. The listing gives the order as GST-ARA-47/2019-20/B-33, but the printed order reads GST-ARA-59/2019-20/B-28, so the citation should be checked against the full order before reliance.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> mah_aar_47_2019-20_b-33_11.03.2020_fd.pdf

Prepared 19-11-2026.

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