

GIB/TN/Automotive/31.01.2020/AAR-307

Advance Ruling Category : Input Tax Credit

State : Tamil Nadu

Order No.: GIB/TN/Automotive/31.01.2020/AAR-307

Name of Entry :

Automotive Components Technology India Private Limited

Date : 31-01-2020

Breif Issue :

Facts & Issue Of The Case :

The applicant has stated that they are engaged in the supply of automotive components such as door locks and strikers (in short 'parts') for various sectors of the automotive industry. They supply such parts to a wide range of customers which inter - alia include moulds and tools (in short 'moulds'). The Applicant has sought Advance Ruling on the following questions:

- Whether GST will be applicable on the transfer of title in moulds from applicant to Indian buyer?
- If yes, whether the Indian buyer would be eligible to take credit of the GST paid to the applicant for said purchase?

The moulds/tools remains with the manufacturer for manufacturing the parts, i.e., the moulds are supplied free of cost to the parts manufacturer and it is stated that the cost of the moulds are not amortised in the parts cost.

Decision of Advance Ruling Authority :

Decision :

- It is evident that 'transfer of the title in goods' is supply of goods. In the case at hand there is transfer in title of moulds for a consideration and the supply is in the course of business therefore, the same constitutes supply of goods and GST is liable to be paid on such supply.
- Referred to the second question, not answered as the same is not in the ambit of this authority as per Section 97(21) of the Act.