Automative Components Technology India Private Limited

Authority for Advance Ruling — Tamil Nadu

ORDER No. 05 /ARA/2020 Dated **31.01.2020**

Q Questions Before the Authority

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

F Facts

The applicant supplies automotive components such as door locks and strikers to an Indian buyer in Tamil Nadu. It places orders for the parts and moulds with a Thai supplier, which manufactures and physically imports the parts but retains the moulds in Thailand. Title to the moulds passes from the Thai supplier to the applicant and then from the applicant to the Indian buyer, each under a separate invoice, while the moulds never enter India.

H Ruling

Whether GST applies to transfer of title in moulds from applicant to Indian buyer	**Yes, GST is applicable**	No rate or HSN is stated. The order does not decide the place of supply or whether the supply is intra-State or inter-State.
Whether Indian buyer can take credit of GST paid to applicant	**Not answered**	The authority held that buyer-side eligibility to credit is not within the scope of Section 97(2).

The authority ruled that **GST is applicable** on the transfer of title in moulds from the applicant to the Indian buyer. It declined to answer the second question on the buyer's input tax credit because that issue falls outside Section 97(2) of the Act.

R Reasoning

The authority first held that the buyer-side credit question is not within Section 97(2), which covers admissibility of input tax credit only for the applicant's own tax paid. On the first question, it relied on the definition of supply in Section 7(1)(a), which covers transfers made for consideration in the course or furtherance of business. It then applied Schedule II, Entry 1(a), under which any transfer of title in goods is a supply of goods. Because the title transfer here was for consideration and in the course of business, the authority concluded that GST is payable. The order does not address the applicant's territorial argument under IGST Sections 5, 7(5) and 10(1)(c), and it does not discuss the physical-import point.

P Provisions Relied On

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

Section 95(a) CGST/TNGST Act (definition of advance ruling)

Section 97(2)(d) and (e) CGST/TNGST Act (scope of advance ruling)

Section 7(1)(a) CGST Act (meaning of supply)

Section 7(1A) CGST Act

Schedule II, Entry 1(a) CGST Act (transfer of title in goods is supply of goods)

! For the Practitioner

A practitioner advising on mould or tooling arrangements where title passes without physical movement can cite this order for the proposition that a transfer of title for consideration is a supply of goods under **Schedule II, Entry 1(a)** . The ruling is binding only on the applicant. It does not decide the place of supply, whether the transaction is IGST or intra-State, the valuation, or the buyer's input tax credit, so those points still need separate analysis.

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 -> tn_aar_05_2020_31.01.2020_actipl.pdf

Prepared 17-11-2026.

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Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com