

**MAHARASHTRA AUTHORITY FOR ADVANCE RULING**  
**GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.**  
**(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)**

**BEFORE THE BENCH OF**

**(1) Shri. Rajiv Magoo, Additional Commissioner of Central Tax, (Member)**

**(2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)**

GSTIN Number, if any/ User-id		<b>27AABCP1086B1ZS</b>
Legal Name of Applicant		<b>M/s. Precision Camshafts Limited</b>
Registered Address/Address provided while obtaining user id		D-5, D-6, D-7, D-7/1, MIDC, Chincholi, Solapur -413 255
Details of application		GST-ARA, Application No. 22 Dated 07.09.2020
Concerned officer		SOL-VAT-E-002
<b>Nature of activity(s) (proposed/present) in respect of which advance ruling sought</b>		
A	Category	<b>Factory / Manufacturing ; Service Provision</b>
B	Description (in brief)	Precision Camshafts Limited, the Applicant is engaged in the business of manufacturing camshafts. Camshafts are a rotating shaft mounted in a 4-stroke engine. Applicant sells these camshafts to domestic as well as overseas customers. The overseas customers may be original equipment manufacturers ("OEM's") & use the camshafts for manufacturing or maybe machinist who would further supply the same to OEMs ("Machinist").
	Issue/s on which advance ruling required	<ul style="list-style-type: none"> <li>• Classification of any goods or services or both</li> <li>• Determination of the liability to pay tax on any goods or services or both</li> </ul>
	Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.



**NO.GST-ARA- 22/2020-21/B- 36**

**Mumbai, dt. 29/03/2022**

**PROCEEDINGS**

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively ] by **M/s. Precision Camshafts Limited** , the applicant, seeking an advance ruling in respect of the following question.

**Whether the activity of design and development of patterns used for manufacturing of camshafts, for a customer is a composite supply, the principal supply being supply of services?**

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same

provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

**2. FACTS AND CONTENTION – AS PER THE APPLICANT FACTS:**

*The submissions made by M/s Precision Camshafts Limited, the Applicant, are as under:-*

2.1 *The applicant manufactures camshafts and sells the same to domestic as well as overseas customers. The overseas customers may be original equipment manufacturers ("OEM's") and use the camshafts for manufacturing engines such as Ford, General Motors do Brasil LTDA etc. or maybe machinist such as Musashi who would further supply the same to OEMs ("Machinist").*

2.2 *The camshaft controls engine power, emissions and fuel consumption and are critical components of engines. The present advance ruling is being filed by the Applicant, in relation to transactions with the overseas OEMs/ Machinists.*

2.3 *The OEMs / Machinists place orders for camshafts on PCL, which are sent outside India. Since such supplies qualify as export of goods under GST Laws, therefore, the same qualify to be a zero-rated supply. Applicant at present is availing the benefit of such zero rating by exporting the said camshafts after submitting appropriate Letter of Undertaking and without payment of GST.*

2.4 *Given that each camshaft is being manufactured for use in a model of a vehicle, it is integral that the camshaft conforms to the specifications of the said model. The camshafts are critical in controlling the various aspects of an engine. Accordingly, for the purpose of manufacture of the camshafts, applicant needs patterns and tools according to the specifications of the OEMs/ Machinists, the supply of which is the obligation of the overseas OEMs/ Machinists.*

2.5 *For operational efficiency and logistics issues, it is industry practice that the said tools are made in India. The OEMs/Machinist outsource the following tasks to the Applicant:*

- (a) Assistance in designing and process planning for the manufacture of the tools.*
- (b) Identify and appoint a third party vendor to manufacture such tools as per the approved specifications.*
- (c) Coordinate with such third party vendors for manufacture of tools as per the approved specifications*

*The Applicant charges a fee for the same from the OEMs / Machinists.*

2.6. *A detailed step wise process flow of the end to end activity, undertaken by the Applicant is as under:*

- OEM/ Machinist sends a request for quotation to the Applicant's marketing team;*
- The marketing team hands over the drawing to the Applicant's cross functional team who have thorough knowledge of camshaft manufacturing and workability of a design;*
- The cross functional team conducts a feasibility study on the design and a feasibility report is prepared to analyze if there is any abnormal requirement of OEM/Machinist in the drawing provided;*
- Once the cross functional team, declares the drawing to be feasible for the manufacture of camshaft, marketing team prepares and shares the techno-commercial offer with the OEM/ Machinist;*



- After submission of the techno-commercial offer, detailed discussions take place between the Applicant and OEM/Machinist Once, and techno commercial agreements are executed and the OEM/Machinist releases the purchase order (PO) for tooling, purchase of prototype etc.
- Post raising of such PO, the Applicant undertakes the manufacturing process, planning and development of the camshaft. Applicant's scope of work also includes contract review for OEM/Machinist specific requirements and tooling procurements;
- Thereafter, the tooling procurement and internal validation is undertaken by the Applicant. In this regard, the following activities are undertaken by the Applicant:

- Tool designing – Applicant's development and tooling team prepares the required tooling design/drawings / sketches etc.
- Tool Procurement - The tooling design data along with purchase requisition is forwarded to the purchase department for further procurement process;
- Purchase team works with the third party approved vendor/s for manufacturing of the tools as per the tooling design;
- Once the tools are manufactured, the tools are thoroughly inspected to confirm if all tools are as per the specifications. Once these are found to be as per specifications, the Applicant conducts a physical internal validation by manufacturing camshafts and confirms if the camshaft is as per the data / specifications shared by OEMs / Machinists in the request for quotation.

After successful internal validation, the Applicant, starts working on manufacturing of the prototype / pilot lot of camshafts in accordance with the PO released by OEMs/Machinists and ships it to them.

Based on the approval obtained from the OEM/Machinist, applicant starts manufacturing prototypes and ships it to OEMs / Machinists for testing purposes. Once the OEM/Machinist approves the lot, PCL raises tooling invoice.

- Based on the approval of the prototypes, PCL starts manufacturing and supplies serial production camshafts according to customer's weekly / fortnightly / monthly schedule.

- 2.7 As mentioned above, the Applicant assists the OEMs / Machinists to create a prototype on the basis the broad specifications provided by the OEMs / Machinists. The OEMs /Machinists raise a separate PO for such activity performed by the Applicant in this regard. Applicant charges a fee for the same.
- 2.8. The PO is raised in addition to and separate from the PO that is being raised on the Applicant for supply of camshafts. Therefore, in essence the overseas OEMs / Machinists place two orders on PCL - (i) for supply of camshafts; and (ii) for assistance in designing and development of patterns and tools to manufacture the camshafts.
- 2.9 Applicant, on instructions of the OEMs / Machinists and on the basis of the specifications agreed between the OEM / Machinist identifies and engages a third party Indian manufacturer to manufacture the pattern and tools. Using such patterns and tools, the Applicant manufacturers



a camshaft prototype, which is sent to the overseas OEM / machinist for confirmation of design. Once this prototype is confirmed, the same is used for manufacturing the camshaft.

2.10 Once the sample camshaft is approved, PCL raises its invoice for the assistance in design and development charges of patterns and tools on the overseas OEM/Machinist.

2.11. The overseas OEMs/Machinists pays consideration for assistance in manufacturing process planning (including designing and development of prototype) in foreign currency. The ownership of tools lie with the OEMs/ Machinists and can only be used to manufacture the goods of the OEMs/Machinists who are the owner of such tools.

2.12 It is relevant to note that contractually, an OEM/Machinist is bound to provide tools to the applicant. Applicant does not possess any technical capability to manufacture patterns and tools but has the technical expertise to develop examine and analyse the feasibility of a design, manufacturing process planning for tools which are critical to the manufacturing process.

2.13. Therefore, applicant in the present case, have two output activities (a) Supply of finished goods i.e. camshafts and (b) assistance in designing and development of patterns and tools used for manufacture of camshaft.

2.14 With respect to "Assistance in design and development of patterns used for manufacture of camshaft", the applicant is engaged in a composite supply of the following:

- a. Understanding the designs/drawing of patterns and tools used for manufacture of camshafts.
- b. Identifying third party who can manufacture the pattern and tools as per the design/drawings.
- c. Explaining and closely working with third party manufacturer to develop the patterns and tools to manufacture prototype / serial production camshafts.
- d. Engaging the third party manufacturers for supply of tools.
- e. Overall assistance to overseas OEMs / machinist in relation to provision of tools to applicant itself.

**B. APPLICANT'S INTERPRETATION OF LAW/APPLICANT'S SUBMISSION FOR QUESTION:**

2.15 With the introduction of the GST laws, Applicant has reassessed the classification of Subject Transaction. In Applicant's view, the Subject Transaction is a composite supply with the principal supply being supply of services as reasoned in subsequent paragraphs.

2.16 As per Section 7 of the CGST Act, 2017, the term supply includes all forms of supply of goods or services or both by way of sale, transfer, barter, lease etc. The phrase 'goods and services' are defined under Section 2(52) and 2(102) respectively of the CGST Act.

2.17 As per Section 2(30) of the CGST Act, a composite supply is a supply where:

- (a) The supply consists of two or more taxable supply of goods or services or both;
- (b) These shall be supplied in conjunction with each other and are naturally bundled;
- (c) One of the supply shall be a principal supply

Further, as per Section 8 of the CGST Act, in cases of composite supply, the classification of the transaction and the applicable rate of tax is to be determined as per principal supply.


2.18 The term 'principal supply' is defined under Section 2(90) of the CGST Act as : "Principal supply" means the supply of goods or services which constitutes the predominant element of a





composite supply and to which any other supply forming part of that composite supply is ancillary”

- 2.19 In the present case the OEM customers expect that the Applicant would assist in manufacturing process planning based on the specifications received from the OEM and appoint a third party vendor to manufacture the tools. Such tools and patterns would not be available separately. The elements are normally advertised as a package which would be available for a single price.
- 2.20 In the present case, admittedly the provision of tools to PCL for manufacture of camshafts is the responsibility of the overseas OEM. In this regard applicant mentions that engaging vendors for manufacture and supply of camshafts, is an RFP process followed by most industry players. Therefore, all the above supply constitute a composite supply on part of applicant. Further, the principal supply in such composite supply is that of services for manufacture of fully functional camshaft. This is because on the basis of the skillset involved in designing and drawings of patterns that the tools are manufactured. Further the ownership of tools always remain with the overseas OEM and the Applicant has no rights to use the same for other customers. Also after the life span of the tools, the same would be scrapped by the Applicant.
- 2.21 Additionally, value of the activity performed by the Applicant, is driven by the assistance rendered in respect of manufacturing process planning and not the value of material used for manufacture of the tools per se also indicates towards the fact that the principal supply is the assistance involved in designs and drawings and development of prototype on the basis of which the entire efficiency of camshafts depends. Below mentioned data is reproduced on an illustrative basis:



Name of the customer	Value as per OEMs/Machinists PO (in INR)	Value charged by the vendor
Musashi Hungary Manufacturing Limited	16,72,692	1, 28,325
General Motors do Brasil LTDA	94, 75,200	71, 31,040

**APPLICANT SUBMISSION DATED 11.08.2021:-**

- 2.22 A perusal of Section 98(2) of CGST Act shows that in case, the proceedings on the same issue are pending or decided in any proceeding of the applicant, under the provisions of the CGST Act, 2017, the application shall be rejected. The applicant has submitted a list of Show Cause Notices issued to them under the Erstwhile Central Excise and Service Tax laws and stated that the issues in the said SCNs are different from the issue under consideration in the subject Application. Hence, the provision of Section 98 (2) is not applicable in the present case since the same issue has not been agitated or pending under the provisions of the CGST Tax Act, 2017 in the case of the Applicant. Reliance in this regard, is placed on the decision of the Hon'ble authority for Advance Ruling Maharashtra, in the case of In Re : M/s Vijay Baburao Shirke [2020 (10) TMI 48 - Appellate Authority for Advance Ruling, Maharashtra).

**03. CONTENTION – AS PER THE CONCERNED OFFICER:**

**OFFICER SUBMISSION DATED 07.07.2021:-**

3.1 As per the definition given in section 2(30) of GST Act, a composite Supply is

1. Supply of 2 or more goods or services together;
2. It is a natural bundle, i.e., goods or services are usually provided together in the normal course of business.
3. They cannot be separated (in conjunction with each other)
4. One supply shall be a principal supply.

3.2 As per its definition under Section 2 (90) of the CGST Act, 2017, "Principal supply means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary

3.3 The term "naturally bundled" in the ordinary course of business would depend upon the normal or frequent practices followed in the area of business to which services relate. Such normal and frequent practices adopted in a business can be ascertained from several indicators some of which are listed below -

- The perception of the consumer or the service receiver, if large number of service receivers of such bundle of services reasonably expect such services to be provided as a package, then such a package could be treated as naturally bundled in the ordinary course of business.

Majority of service providers in a particular area of business provide similar bundle of services. For example, bundle of catering on board and transport by air is a bundle offered by a majority of airlines.

The nature of the various services in a bundle of services will also help in determining whether the services are bundled in the ordinary course of business, if the nature of services is such that one of the services is the main service and the other services combined with such service are in the nature of incidental or ancillary services which help in better enjoyment of a main service. For example, service of stay in a hotel is often combined with a service of laundering of 3-4 items of clothing free of cost per day. Such service is an ancillary service to the provision of hotel accommodation and the resultant package would be treated as services naturally bundled in the ordinary course of business.

- Other illustrative indicators, not determinative but indicative of bundling of services in ordinary course of business are
  - There is a single price or the customer pays the same amount, no matter how much of the package they actually receive or use.
  - The elements are normally advertised as a package.
  - The different elements are not available separately,
  - The different elements are integral to one overall supply -- if one or more is removed, the nature of the supply would be affected.

3.4 In Composite supply there is a principal supply and an ancillary supply: Principal supply may be determined on the basis of something that is necessary for the essential functionality.

3.5 The supplies in relation to assists in design and development of tools/patterns used for manufacture of camshaft to overseas customer provided by Applicant is composite supply, because it meets the criteria's mentioned above. Overseas OEM/Machinist have perception of





receipt of goods in the form of camshafts, rather than service in general industrial practice, many products are manufactured from pattern/tools. Design and development cost of pattern is usually incorporated in value of goods. In the supplies provided by Applicant, the pattern/tool is necessary for the essential functionality. Using the same pattern/tool, Applicant produces multiple lots of camshafts. Consideration received against supply of multiple lots of camshafts from the unique pattern is higher than consideration of design and development of same pattern/tool. The pattern/tool is necessary to manufacture of camshafts. Hence, pattern/tool (goods) is Principal supply in this transaction and design and development charges (Service) are ancillary supply. Therefore, in this transaction goods is principal supply, hence the tax rate be treated as goods.

- 3.6 Also, in this regard Advance Ruling Authority, Karnataka has passed advance ruling NO, KAR ADRG 35/2020 dated - 20-05-2020, in case of M/s. Dolphine Die Cast (P) Ltd. Bengaluru (GSTIN - 29AAACD52941176). (Advance Ruling order is attached herewith Page No. 51 to 59) as below:

"In the case of manufacture of Die by the applicant and invoiced to the recipient, without proving the goods. The applicant has to raise the tax invoice addressed to the foreign buyer. Since it is an intra-state supply, he has to collect the CGST and SGST and discharge the liability. The applicant is not eligible to claim the sold payment as input tax credit on the invoice raised by him as he is not the recipient. Further if the said steel die is scrapped at applicant's end as per the instruction of the overseas customer without moving out of the country, while supplying the die scrap to the third party, the applicant has to issue intra state/interstate tax invoice depending upon the nature of the transaction and collect and pay the applicable tax as per the provisions of the GST Acts."

As per above advance ruling order, the supply of die is not considered as export, because no movement was done of goods outside India. Hence, tax is leviable considering intra-state/interstate supply.

- 3.8 In the present case also, Applicant does not supply tool/pattern (goods) to OEMS/Machinist. The pattern/tool will always be in possession with and will be scrapped after life span by Applicant. The pattern/tool is not taken out of India. Hence, it cannot be treated as export. In view of this, Applicant is required to raise tax invoice addressed to the foreign buyer and since it is an intra-state/inter-state supply he has to collect the CGST und SGST/IGST whichever applicable; and discharge the liability,
- 3.9 In pre-GST era, Show cause notice was issued to M/s Precision Camshafts Ltd. in respect of non-inclusion of development cost in excisable goods, resulting in short levy of tax. Applicant has also shown the said supply as tooling income. Applicant has supplied pattern /tools to inter-state customers and levied CST-(Central Sales Tax) on corresponding tooling income non-GST era.
- 3.10 Considering the above provisions and scenario, M/s Precision Camshafts Ltd.'s activity of design and development of patterns used for manufacturing of camshafts for a customer is composite supply. But, the principal supply is not supply of service, Principal supply is of goods i.e. supply of pattern/tool. So, tax treatment should be applicable as supply of goods. The view of the M/s Precision Camshafts Ltd, that tax treatment should be as applicable to the supply of services is not acceptable. As this supply is does not meet to the criteria of export M/s Precision Camshafts Ltd, also needs to raise invoice and discharge the tax liability accordingly.



**04. HEARING**

- 4.1 Preliminary e-hearing in the matter was held on 20.07.2021. Authorized representatives of the Applicant, Smt. Ankita Bhasin, Advocate, Shri. Sachin Datar, Deputy Manager and Smt. Shohini Bhattacharya, Advocate were present. Jurisdictional officer Shri. Ganesh Misal, Deputy Commissioner, SOL-VAT-E-002 was also present. The Authorized representative made oral submission. Applicant was asked to file written submissions.
- 4.2 The application was admitted and called for final hearing on 21.12.2021. The Authorized representative of the applicant, Shri. Sachin Datar, Dy. Manager, Smt. Sohani Bhattacharya and Shri. Kishore Atulya, Learned Advocate were present. The Jurisdictional officer Shri. Ganesh Misal, DC, E-002, Solapur Division was also present and made submissions.
- 4.3 We heard both the sides.

**05. DISCUSSIONS AND FINDINGS:**

- 5.1 We have gone through the facts of the matter, perused the documents on records and have considered the oral/written submissions made by both, the applicant as well as the jurisdictional officer.
- 5.2 We find that the applicant is a manufacturer of camshafts and sells the same in domestic market as well as overseas market. This application is not pertaining to the manufacture and sale of the said camshafts.
- 5.3 For manufacturing the camshafts, applicant needs patterns and tools which are required as per the specifications given by the OEMs/ Machinists. The supply of patterns and tools to the applicant is the obligation/responsibility of the overseas OEMs/ Machinists but, in the subject case, the said OEMs/ Machinists avail the services of the applicant to make available, the patterns and tools needed for manufacturing the camshafts.
- 5.4 For making available, the patterns and tools needed for manufacturing the camshafts, the overseas OEMs / Machinists place an order on the applicant **for assistance in designing and development of patterns and tools to manufacture the camshafts**. The OEMs/Machinist outsource the tasks of designing and procuring the said patterns and tools to the Applicant by way of:
- (a) Assistance in designing and process planning for the manufacture of the tools;
- (b) Identifying and appointing third party vendors to manufacture such tools as per the approved specifications and
- (c) Coordinate with such third party vendors for manufacture of tools as per the approved specifications.
- 5.5 The tasks to be performed by the applicant as per para 5.4 above (which is as per the applicant's submissions), consists of supply of only services pertaining to designing and development of patterns and tools. No supply of goods is envisaged. The present advance ruling is filed by the Applicant, in relation to transactions with the overseas OEMs/ Machinists pertaining to the assistance in designing and development of patterns and tools which are to be used by the applicant to manufacture camshafts to be supplied to such overseas OEMs/ Machinists.





5.6 As per the process submitted by the applicant, the OEM/ Machinist sends a request for quotation to the Applicant. The marketing team of the applicant prepares the drawing in respect of such patterns and tools and sends the same to the Applicant's cross functional team which conducts a feasibility study on the design and prepares a feasibility report. Once the drawings are declared to be feasible for the manufacture of camshaft, the marketing team prepares the techno-commercial offer and shares it with the OEM/Machinist for approval. On approval, techno commercial agreements are executed and the OEM/Machinist releases the purchase order for tooling, purchase of prototype etc. Thereafter, the applicant's Purchase team works with the third party approved vendor/s for manufacturing of the tools as per the tooling design. Once the tools are manufactured by the vendors, the tools are thoroughly inspected by the applicant to confirm, (whether) if all tools are as per the specifications. The applicant then prepares prototypes of the camshafts and sends the same to the overseas OEMs/Machinist and on approval, the applicant raises a tooling invoice on the overseas OEMs/Machinist, since the OEMs /Machinists raise a separate purchase order for such activity performed by the Applicant in this regard.

5.7 We find that, the applicant, on instructions of the OEMs / Machinists and on the basis of the specifications agreed between itself and the OEM / Machinist identifies and engages a third party Indian manufacturer to manufacture the pattern and tools which are then delivered to the applicant on behalf of the overseas OEMs/Machinists (since the ownership of tools lie with the OEMs/ Machinists), for use in manufacture of camshaft prototype. Therefore, the applicant on behalf of the overseas OEMs/Machinists, not only identifies third party vendors who can manufacture the pattern and tools as per the design/drawings, but also explains and closely works with third party manufacturer to develop the patterns and tools thereby engaging with the third party manufacturers for supply of tools.

5.8 In view of the entire process submitted by the applicant, we find that the applicant is not only providing services to the overseas OEMs/Machinists, but they also actively identify and closely engage with third party vendors on behalf of the overseas OEMs/Machinists. The supply in the instant case consists only of service and there is no supply of goods. Such supply of services appears to be that of an intermediary service and, therefore, we now discuss the relevant provisions of the GST Laws.

5.9 The term 'intermediary' is defined under Section 2(13) of the IGST Act, 2017 as under:-  
*"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 services or both or securities on his own account"*

5.10 The Applicant is located in India and in the subject case, in respect of patterns and tools, the applicant represents it's overseas OEMs/Machinist as their representative. The applicant actively identifies and closely engages with third party vendors, for manufacture of patterns and tools; by such third party vendors (on behalf of the overseas OEMs/Machinist). Thus, the applicant is effectively connecting the third party vendors in India with the requirements of its overseas OEMs/Machinist.

5.11 We now refer to Circular No. 159/15/2021-GST dated 20.09.2021 issued by the CBIC. One of the primary requirement, for intermediary services as per the Circular is the existence of three



parties in a transaction. In the subject case there are three parties, namely, the applicant, its overseas OEMs/Machinist and the third party vendors/manufacturers.

- 5.12 Further, two services are envisaged in the case of intermediary services, namely, (1) Main supply, between the two principals, which can be a supply of goods or services or securities and (2) Ancillary supply, which is the supply of service of facilitating or arranging the main supply between the two principals where the ancillary supply is supply of intermediary service and is clearly identifiable and distinguished from the main supply.
- 5.13 In the subject case the main supply would be supply of tools and patterns **to the overseas customers by the third party vendors**, which is not actually happening physically since the tools and patterns are moving from the third party vendors directly to the applicant. Such movement of goods to the applicant appears to be on behalf of the overseas vendors because the ownership of the tools and patterns is with such overseas vendors as submitted by the applicant. Secondly the ancillary supply would be the supply of designs and drawings of the patterns and tools by the applicant, on behalf of the overseas customers to third party vendor/s and also the activity of identifying the third party vendors who can manufacture the pattern and tools as per the design/drawings (requirements) and explaining and closely working and engaging with such third party manufacturer to develop the patterns and tools.
- 5.14 Further, it is very clear from the applicant's submissions that they are not providing any services on its own account. The designs are provided to the third party vendors on behalf of the overseas customers of the applicant. The service provided by them is to their overseas customers and as per the requirements and directions of its overseas principals.
- 5.15 Thus the applicant is satisfying all the conditions of an intermediary and we have no hesitation in holding that, the applicant is supplying intermediary services as per the relevant provisions of the IGST Act, 2017.
06. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

**ORDER**

**(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

For reasons as discussed in the body of the order, the questions are answered thus –

**Question: -** Whether the activity of design and development of patterns used for manufacturing of camshafts, for a customer is a composite supply, the principal supply being supply of services?

**Answer :-** The activity of design and development of patterns used for manufacturing of camshafts, for a customer is a supply of service in the form of intermediary services.



  
**RAJIV MAGOO**  
(MEMBER)

  
**T. R. RAMNANI**  
(MEMBER)



**Copy to:-**

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint Commissioner of State Tax, Mahavikas for Website.

**Note:-** An Appeal against this advance ruling order shall be made before, The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15<sup>th</sup> floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on **gst.gov.in** for online appeal application against order passed by Advance Ruling Authority.

