

**AUTHORITY FOR ADVANCE RULING
TAMILNADU ADVANCE RULING AUTHORITY
PAPJM Buildings, II Floor, No.1, Greams Road, Chennai-6**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.**

Members present are:

1. Ms. ManasaGangotri Kata, IRS Joint Commissioner/Member,
Office of the Principal Chief Commissioner of GST&CentralExcise,
Chennai-34.

2. Thiru S. Vijayakumar, M.Sc., Joint Commissioner (CT)/Member(FAC),
Inter-State Investigation Cell, Chennai-6

ORDER No.5/AAR/2018 DATED 30/08/2018

GSTIN Number, if any / User id		33AAACA9038P1ZE
Legal Name of Applicant		M/s Amalgamations Valeo Clutch Private Limited
Registered Address/Address provided while obtaining user id		B9, SIPCOT Industrial Park, Oragadam, Vaippur A Block Village, Sriperumbadur Taluk, Kancheepuram District, Tamil Nadu-602105
Details of Application		GST-ARA, Application No. dated 02.02.2018
Concerned Officer		State: Sriperumbudur Assessment Circle Centre: Chennai Outer-Sriperumbadur Division
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Manufacturing
B	Description (in Brief)	Engaged in production and supply of automobile parts.
Issue/s on which advance ruling required		Determination of value of supply of goods
Question(s) on which advance ruling is required		i. Whether amortization of value of free tools/dies received from customer to be included for valuation of goods or not? ii. If the GST is applicable on the amortized value, what is the procedure for calculating the GST and reflecting the same in GST invoice format iii. How to declare the transactions in GSTR-1 & GSTR -3 and GSTR-3B

Note : Any appeal against the advance ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30

days from the date on which the ruling sought to be appealed against is communicated

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s Amalgamations Valeo Clutch Private Limited, B9, SIPCOT Industrial Park, Oragadam, Vaippur A Block Village, Sriperumbadur Taluk, Kancheepuram District, Tamil Nadu-602105 (hereinafter referred as the Applicant) is engaged in the production and supply of automobile parts, predominantly to Original Equipment Manufacturers as per the design and specifications supplied by such OEM recipients. The applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/-each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017. They are registered under GST vide Registration No. 33AAACA9038P1ZE. They have preferred an application seeking Advance Ruling on the following questions.

- i. Whether amortization of value of free tools/dies received from customer to be included for valuation of goods or not?
- ii. If the GST is applicable on the amortized value, what is the procedure for calculating the GST and reflecting the same in GST invoice format
- iii. How to declare the transactions in GSTR-1 & GSTR -3 and GSTR-3B

2.0 The Applicant has stated that the OEM recipients, invariably supply tools, dies and /or moulds('tools') free of cost that will be used in the production of finished goods parts by the applicant in their factory production. In the earlier Central Excise regulations, the cost of such free tools were usually amortised over the life cycle of the tool and added to the value of finished goods for calculation of Central Excise duties in terms of explanation 1 below the Rule 6 of Central Excise Valuation, Rules 2000. In the absence of similar provisions under the GST regimen, the applicant has sought advance ruling for seeking clarity on the applicability or non applicability of amortization provisions under GST regulations.

3. The Authorised Representative of the Applicant was heard in the matter on 29.05.2018. They stated that they will submit copies of contracts with clients and invoices, documents/given by clients and procured by third party- Copies for all scenarios will be submitted in 10 days. The representative further presented their submissions. The applicant

did not furnish the required documents. The applicant was extended another opportunity to be heard and furnish the documents on 25.07.2018 and again on 07.08.2018

4. The applicant vide their letter dated 09.08.2018 has referred to the PH posted on 07.08.2018 in connection with the subject application seeking a ruling on the aspect of amortization. They have stated that subsequent to their application, a circular No.47/21/2018-GST dated 08.06.2018 has been issued by CBIC which has effectively clarified various aspects of the question of amortization and has also answered the question whether free usage of moulds and dies owned by OEM is liable to GST in the hands of recipient. As the query is clarified by CBIC, they requested that the application be treated as withdrawn.

5. In view of the foregoing, we pass the following

R U L I N G

The application filed by the Applicant for advance ruling is dismissed as withdrawn.


30/8/18

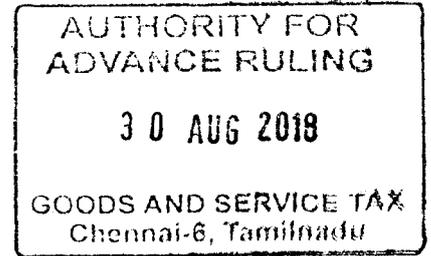
Ms. Manasa Gangotri Kata, IRS
Member


30/8/18
Shri. S. Vijayakumar, M.Sc.,
Member (FAC)

To

M/s. Amalgamations Valeo Clutch Private Limited,
B9, SIPCOT Industrial Park, Oragadam,
Vaippur A Block Village, Sriperumbudur Taluk,
Kancheepuram District, Tamil Nadu-602105

/By SPAD/



Copy Submitted to:

1. The Additional Chief Secretary / Commissioner of Commercial Taxes,
II Floor, Ezhilagam, Chepauk, Chennai-600 005.
2. The Principal Chief Commissioner of GST & Central Excise,
No 26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

Copy to:

3. The Assistant Commissioner (CT)
Sriperumbudur Assessment Circle,
No.4/109, Varadharajapuram,
Chennai-600 123.
4. The Commissioner of GST & C.Ex.,
Chennai Outer Commissionerate,
5. Master File/ Spare-2.

