

GIB/HR/PASCO MOTOS/30-08-2018/AAR-297

Advance Ruling Category : Input Tax Credit

State : Haryana

Order No.: GIB/HR/PASCO MOTOS/30-08-2018/AAR-297

Name of Entry :
Pasco Motors LLP

Date : 30-08-2018

Breif Issue :

Facts & Issue Of The Case :

Pasco Motors LLP is into the business of “retail trading” of trucks and use to purchase goods from Tata Motors Limited from different locations like Jamshedpur Lucknow and Pune. In this the applicant seeks an advance ruling facing the major problem that the purchases are booked by the purchaser in the next month only but returns are to be filed on the monthly basis. The applicant is entitled to claim the input tax credit in the same month in which invoices could have been raised. The applicant also stated that he is liable to pay the tax in the same month in which invoice has been raised. Tax has been collected by him though the goods aren’t delivered by him.

The buyer and the recipient of the goods are different and it is a situation where goods are supplied on the direction of the buyer of the goods. The applicant mainly wants to know that when would he be able to claim input tax credit and what is the time of supply in this case.

In accordance with the Section 16 of CGST act ,2017 it shall be deemed that the goods are delivered by the supplier to a recipient on the directions of such registered person. According to the provision (2) of Section 16 it has been cleared that no registered person can claim input tax credit until unless he is in possession of a tax invoice or debit note issued by the supplier or any of the tax paying documents and also unless he had received the goods or services or both.

Decision of Advance Ruling Authority :

Decision :

- The input tax credit shall be available to the applicant only when the applicant has received the goods in case where invoices being raised in previous month and the goods have been received in the next month.
- The liability to pay tax shall arise shall arise on the basis of time of supply which is earlier of the date of issue of the invoice by the supplier or the on which the supplier had received the payment regarding the supply.