

**GIB/TN/MRF Ltd./22.01.2019/AAR-181**

**Advance Ruling Category :** Input Tax Credit

**State :** Tamil Nadu

**Order No.:** GIB/TN/MRF Ltd./22.01.2019/AAR-181

**Name of Entry :**  
MRF Ltd

**Date :** 22-07-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The Applicant intend to enter into an arrangement with M/s. C2FO INDIA LLP ( hereinafter referred as C2FO), a subsidiary of Pollen Inc, having its Indian Office at, 303, OIA House, 470, Cardinal Gracious Road, Andheri (East), Mumbai 400099, Maharashtra, India for setting up an interactive automated data exchange which can be installed for data interaction relating to sale & purchase of goods and services between a Buyer (the Applicant) and a Supplier (any supplier of goods or input services of the Applicant) in compliance to various ethical, accounting and business standards. The advance ruling has been sought on the issue that "Whether the MRF Ltd can avail the ITC of the full GST charged on the supply of invoice or a proportionate reversal of the same is required in case of post purchase discount given by the supplier of the goods or services."

The invoices are all raised before the payment dates, so the time of supply is the date of raising invoices. The discount is given after the invoices are raised and supply of goods is made and no discount is recorded in the invoice. Hence, Section 15 (3) (a) does not apply. All the invoices are uploaded by the supplier in the C2FO software after they are raised. The value of supply in such transactions is the full undiscounted value mentioned on the invoice.

The C2FO platform is a marketplace model where both the Applicant/recipient and his suppliers are registered but the discounts offered are not mentioned in the supply contract between the applicant and his suppliers at the time of raising invoices or before, though the discounts are specifically linking the relevant invoices.

**Decision of Advance Ruling Authority :**

**Decision :**

In Accordance with the Section 16 of the CGST Act 2017, the Applicant can avail Input Tax Credit only to the extent of the invoice value raised by the suppliers less the discounts as per C2FO software which is paid by him to the suppliers.

For reference AAAR Ruling- [GIB/TN/MRF Limited/24.06.2019/AAAR-38](#)