

**GIB/TN/MRF Limited/24.06.2019/AAAR-38**

**Appellate Advance Ruling Category :** Input Tax Credit

**State :** Tamil Nadu

**Order No.:** GIB/TN/MRF Limited/24.06.2019/AAAR-38

**Name of Entry :**  
MRF Limited

**Date :** 24-06-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The Appeal is filed against the Order No. 5/AAR/2019 dated 22.01.2019 passed by Tamil Nadu State authority for Advance Ruling on the application for advance ruling filed by the applicant. They state that they do not fall under section 15(3) (a) or (b) of CGST Act' 2017, hence the value of supply should be full undiscounted value. In the light of the above, they wanted to know whether, when GST is paid on full value by supplier and credit note does not include GST, they can take full ITC on undiscounted value.

Following AAAR can be referred in context to the decision made in the AAR [GIB/TN/MRF Ltd./22.01.2019/AAAR-181](#) , The Ruling passed by the advance ruling authority is 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. - The value to be adopted for payment of tax is not in dispute in the present case. The issue taken up with the AAR related to the eligibility to the ITC as a result of such discounts. The applicant had contended that the taxable value for the purpose of payment of GST will be the value as per purchase contract without considering such discount so offered and the supplier is liable to pay tax on the value before discount.

**Decision of Advance Ruling Authority :**

**Decision :**

The appellant MRF Ltd can avail the Input Tax Credit of the full GST charged on the undiscounted supply invoice of goods/ services by their suppliers. A proportionate reversal of the credit is not required to be done by them in case of a post purchase discount given by the supplier to them through the C2FO platform, in the circumstances mentioned by them and discussed above.

This is subject to their fulfilling the other conditions stipulated by law and that the GST paid by them for the said goods/ service is not reversed or reimbursed/ re-credited etc to them in any manner by the supplier or on his behalf, after the credit has been availed by M/s MRF. The ruling is limited to cases

where a post purchase discount is extended by the supplier of the goods or services to the appellant on account of their registering in the interactive automated data exchange arrangement setup by C2FO India LLP, which is the subject matter of this Advance Ruling.