

GIB/MH/Biostadt/20.12.2018/AAR-330

Advance Ruling Category : Input Tax Credit

State : Maharashtra

Order No.: GIB/MH/Biostadt/20.12.2018/AAR-330

Name of Entry :
Biostadt India Limited

Date : 20-12-2018

Breif Issue :

Facts & Issue Of The Case :

Biostadt India Limited has been serving the farming community for over three decades. The company provides a helping hand to the farmers by providing them with top-of-the line agricultural inputs and services. Applicant has sought advance ruling in respect of the following questions :

- Whether Input Tax Credit (“ITC”) can be claimed by the applicant on procurement of Gold coins which are to be distributed to the customers at the end of scheme period for achieving the stipulated lifting or payment Criteria ?
- The applicant notifies scheme with similar conditions periodically. So whether ITC can be claimed in all such similar schemes.

The subject application is in respect of a sales promotion scheme known as “kharif Gold Scheme 2018”, which has been floated by them for their customers and is of two types. Both the schemes were independent to each other. The gold coins are not essential for continuity in supply and the distribution of gold coins are not concerned with the making of taxable supply for consideration unless the distribution is looked as a hidden discount. In accordance with section 17(5) no ITC on any goods can be availed even if they are given as gifts , whether or not in course of furtherance of business.

Decision of Advance Ruling Authority :

Decision :

In the view of the discussions made above the applicant cannot claim ITC on procurement of Gold Coins which are to be distributed to the customers.

For the question raised on second, answer is negative in the view of Above Question No. 1.