

GIB/MH/SANOFI /24.04.2019/AAR-187

Advance Ruling Category : Input Tax Credit

State : Maharashtra

Order No.: GIB/MH/SANOFI /24.04.2019/AAR-187

Name of Entry :
SANOFI INDIA LTD

Date : 24-04-2019

Breif Issue :

Fact of the Case :

The applicant engaged in business of sale of pharmaceutical goods , they incur various marketing and distribution expenses, with a view to promote their brand/products. The applicant distributes different type of products among its trade channels as promotional items or brand reminders. In case of Shubh Labh loyalty programme, the distributors/wholesalers get rewards based on the reward points earned on the basis of quantity of goods sold by them.

Issues Involved :

Applicant has sought advance ruling in respect whether ITC available of the GST paid on Expenses incurred towards promotional scheme of Shubh Labh Loyalty Program also GST paid on expenses incurred towards promotional scheme goods given as brand reminders?

Decision of Advance Ruling Authority :

Decision :

As per Section 17(5)(h) of the CGST Act, 2017, "input tax credit shall not be available in respect of the following, namely: goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples."

Above case satisfying the conditions of section 16(1) of CGST Act that ITC is available when supply is used in furtherance of business still not overrule the credential of section 17(5) which contains 'Notwithstanding anything contained in sub-section (1) of section 16'. Hence the answer is negative.