

**GIB/WB/SENCO GOLD LTD/08.05.2019/AAR-188**

**Advance Ruling Category :** Input Tax Credit

**State :** West Bengal

**Order No.:** GIB/WB/SENCO GOLD LTD/08.05.2019/AAR-188

**Name of Entry :**  
SENCO GOLD LTD

**Date :** 08-05-2019

**Breif Issue :**

**Fact of the Case:**

The applicant was engaged in the manufacturing and retailing of jewellery and articles, the applicant also maintained a network of franchisee-operated stores. The applicant raised tax invoices on the Franchisee for the supply of jewellery and other articles and also for Franchise Support Services in terms of the Agreement periodically. On its part, the Franchisee also raised tax invoices on the applicant for the supply of old gold, silver etc., received from the customers.

**Issues Involved :**

Applicant has sought advance ruling in respect whether ITC is admissible when he settles through book adjustment the debt created on inward supplies from the Franchisee.

**Decision of Advance Ruling Authority :**

**Ruling:**

The Applicant can pay the consideration for inward supplies by way of setting off book debt. The GST Act and rules made thereunder does not restrict the recipient from claiming the input tax credit when consideration is paid through book adjustment, subject to the conditions and restrictions as maybe prescribed and, in the manner, specified in Sections 16 and 49 of the GST Act.