



**भारतसरकार/ Government of India**  
**वित्तमंत्रालय/ Ministry of Finance**  
**राजस्वविभाग/ Department of Revenue**  
**केन्द्रीय कर प्रधान मुख्य आयुक्त का कार्यालय, बेंगलूर अंचल,**  
**केन्द्रीय राजस्व भवन, क्वीन्स रोड, बेंगलूर-560001**

**OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF CENTRAL TAX,  
 BENGALURU ZONE, C.R. BUILDING, QUEEN'S ROAD, BENGALURU-560001.**

**office email :- ccbz-excise@nic.in**

**section email :- bzppco-technical@gov.in**

C.No. GCCO/TECH/PN/9/2020-S AND I

**व्यापार सूचना संख्या. 03 / 2025**

**Trade Notice No. 03 / 2025**

दिनांक/ Date: As per E-signature

**विषय:** बोर्ड का परिपत्र संख्या 251/08/2025-जीएसटी दिनांक 12.09.2025- इसके संबंध में संचार- के संबंध में

**Subject:** Board's Circular No. 251/08/2025-GST dated 12.09.2025- Communication there of- reg

व्यापार एवं उद्योग जगत को सूचित किया जाता है कि केन्द्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड ने जीएसटी के अंतर्गत द्वितीयक या बिक्री-पश्चात छूट के संबंध में शंकाओं पर स्पष्टीकरण परिपत्र संख्या 251/08/2025-जीएसटी दिनांक 12.09.2025 जारी किया है। परिपत्र की प्रति सूचना, मार्गदर्शन एवं आवश्यक कार्रवाई हेतु संलग्न है।

The Trade and Industry is hereby informed that Central Board of Indirect Taxes and Customs has issued Clarificatory **Circular No. 251/08/2025-GST dated 12.09.2025** on the doubts related to treatment of **secondary or post-sale discounts under GST**. The copy of the Circular is enclosed herewith for information, guidance and necessary action.

2. व्यापार और क्षेत्रीय संरचनाओं के तहत काम करने वाले अधिकारियों के लिए परिपत्र का सार नीचे सारणीबद्ध किया गया है।

The Gist of the Circular is tabulated hereunder for Notice of Trade and officers working under the field formations.

| सीबीआईसी परिपत्र संख्या एवं दिनांक /<br>CBIC Circular No & Date | परिपत्र का सार / Gist of the Circular   |
|---|---|
| Circular No. 251/08/2025-GST dated 12.09.2025                   | <ul style="list-style-type: none"> <li>Recipients of a supply can avail full input tax credit (ITC) on original tax invoice even if the supplier issues a financial or commercial credit note for a discount since the original transaction value and tax liability is not allowed to be reduced.</li> <li>Post-sale discount from a manufacturer to a dealer is generally not considered a separate consideration for supply of goods to the end customer. However, if there is a pre-existing agreement between the manufacturer and the end customer to provide a discounted price, the discount given to the dealer would be treated as an inducement for the supply and included in the consideration.</li> <li>Post-sale discounts given to dealers for general promotional activities are not considered a separate</li> </ul> |

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|  | supply of services. However, if the dealer undertakes specific sales promotional services under explicit agreement with a clearly defined consideration, GST would be leviable on those services. |
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3. यह व्यापार सूचना केवल व्यापार और क्षेत्रीय संरचनाओं को उपरोक्त संदर्भों की विषयवस्तु के बारे में जागरूक करने के लिए जारी की जा रही है। प्रामाणिक संस्करण और पूर्ण विवरण के लिए कृपया संबंधित संदर्भ सीबीआईसी वेबसाइट [www.cbic.gov.in](http://www.cbic.gov.in) देखें।

This Trade Notice is being issued to sensitize the Trade and Field Formations about the contents of the aforesaid references only. For authentic version and complete details, the respective reference may please be referred in the CBIC website [www.cbic.gov.in](http://www.cbic.gov.in).

4. सभी प्रधान आयुक्तों/आयुक्तों से अनुरोध है कि वे व्यापार नोटिस की विषय-वस्तु को अपने अधीन कार्यरत सभी अधिकारियों तथा अपने क्षेत्राधिकार में आने वाले करदाताओं के ध्यान में लाएं।

All the Pr. Commissioners / Commissioners are requested to bring the contents of the Trade Notice to the Notice of all the officers working under their charge and taxpayers falling under your jurisdiction.

5. व्यापार और उद्योग संघों/वाणिज्य मंडलों से अनुरोध है कि वे व्यापार नोटिस की विषय-वस्तु को अपने सभी सदस्यों के ध्यान में लाएं।

Trade and Industry Associations /chambers of commerce are requested to bring the contents of the Trade Notice to the notice of the all the Members.

**Digitally signed by**  
**Rajeev Ranjan**  
**Date: 22-09-2025**  
**12:44:30**

(राजीव रंजन / Rajeev Ranjan)  
संयुक्त आयुक्त / JOINT COMMISSIONER  
प्र.मु.आ.का.का., बेंगलूरु / PCCO, Bengaluru Zone

प्रतिलिपि / Copy submitted to:

- मुख्य सीमा शुल्क आयुक्त, बेंगलूरु क्षेत्र  
The Chief Commissioner of Customs, Bengaluru Zone.
- वाणिज्यिक कर आयुक्त, कर्नाटक  
The Commissioner of Commercial Taxes, Karnataka.
- प्रधान आयुक्त/आयुक्त, बेंगलूरु दक्षिण, उत्तर, पूर्व, पश्चिम और उत्तर-पश्चिम, बेलगावी, मंगलूरु और मैसूरु सीजीएसटी आयुक्तालयों को उनके अधिकार क्षेत्र में आने वाले सभी व्यापार संघों के बीच व्यापक प्रचार और प्रसार करने के लिए  
The Principal Commissioner/Commissioner, Bengaluru South, North, East, West and North-West, Belagavi, Mangaluru and Mysuru CGST Commissionerates, for giving wide publicity and circulating amongst all the Trade Associations falling under their jurisdiction.
- प्रधान आयुक्त/आयुक्त, लेखा परीक्षा एवं अपील आयुक्तालय  
The Principal Commissioner / Commissioner, Audit and Appeals Commissionerates
- शिकायत निवारण समिति के सभी सदस्य  
All the Members of Grievance Redressal Committee
- बेंगलूरु पूर्व सीजीएसटी आयुक्तालय, सीजीएसटी बेंगलूरु क्षेत्रीय वेबसाइट पर अपलोड करने के अनुरोध के साथ  
Bengaluru East CGST Commissionerate, with request for uploading on CGST Bengaluru Zonal Website

संलग्नक: ऊपर दिए अनुसार / Enclosure: As above

Circular No. 251/08/2025-GST

**F. No CBIC-20001/3/2025-GS-GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**

/983  
12/09/2025

North Block, New Delhi

Dated the 12<sup>th</sup> September, 2025

To,

The Principal Chief Commissioners/ Chief Commissioners of Central Tax (All)

The Principal Director Generals/ Director Generals (All)

Madam / Sir,

**Subject: Clarification on various doubts related to treatment of secondary or post-sale discounts under GST - reg.**

Representations have been received seeking clarifications in respect of tax treatment in cases of secondary discounts or post-sale discount.

2. The matter has been examined. In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the issues as under.

| S. No. | Issue   | Clarification   |
|--------|---|---|
| 1.     | Whether the full input tax credit is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/ commercial credit notes issued by the said supplier? | 1. Section 16 (1) of the CGST Act, 2017 provides that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both, which are used or intended to be used in the course or furtherance of his business. |

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|    |   | <p>2. It has been clarified vide circular No. 92/11/2019-GST dated 7<sup>th</sup> March 2019 that the supplier of goods can issue financial/ commercial credit notes and in such cases, he will not be eligible to reduce his original tax liability. As the transaction value is not allowed to be reduced on account of issuance of financial/ commercial credit note, accordingly the tax charged from the recipient would also not get reduced.</p> <p>3. Thus, it is clarified that the recipient will not be required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial/ commercial Credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.</p> |
| 2. | Whether a post-sale discount offered by a manufacturer to its dealer/ distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer? | <p>1. Section 2 (31) of the CGST Act, 2017 defines consideration as to include the monetary value of any act for the inducement of the supply of goods or services, whether by the recipient or by any other person.</p> <p>2. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the</p>   |

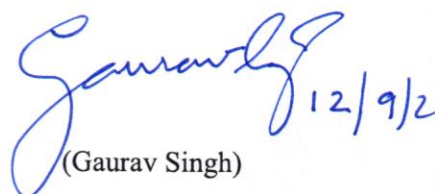
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|  |  | <p>matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates on a principal-to-principal basis. These discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer. Therefore, it is clarified that such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods.</p> <p>3. However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, the manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer. Therefore, it is clarified that such a post-sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should</p> |
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|    |   | be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.   |
| 3. | Whether a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods? | <p>1. The matter has been examined. When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services.</p> <p>2. However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a</p> |

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|  |  | distinct service to the supplier, and accordingly, GST would be chargeable. |
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3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
4. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

 12/9/2

(Gaurav Singh)  
Commissioner (GST)