

## 18% GST payable on Supply of Vouchers: AAAR

### FACT OF THE CASE

1. The Appellant, Premier Sales Promotion Pvt Ltd. is a Private Limited Company involved in the business of providing marketing services in the area of sourcing and supply of E-Vouchers.
2. The Appellant undertakes to procure several types of vouchers such as 'gift vouchers', 'cashback vouchers' and 'open vouchers' which are redeemable at e specified merchants. The Appellant enters into agreement with the merchants for the purchase of the vouchers which are in turn sold to their clients.
3. The AAR has sought the advance ruling on the issue whether the vouchers themselves, or the act of supplying them is taxable, and at what stage, for each of the three categories of transactions undertaken by the Appellant. If the answer to the above is in the affirmative, what would be the rate of tax at which this would be taxable.
4. The Karnataka Authority of Advance Ruling (AAR) ruled that the 18% GST payable on the supply of Vouchers.
5. The Appellant has contended that the vouchers are akin to lottery tickets and the Supreme Court in the case of Sunrise Associates has held that lottery tickets are actionable claims.

### DECISION OF THE CASE

1. The coram of Ranjana Jha and Shikha C. held that the vouchers traded by the Appellant are goods and not actionable claims, we hold that the supply of vouchers by the Appellant is a supply of goods in terms of Section 7 of the CGST Act.
2. Since the Appellant is not the issuer of the voucher, the provisions of time of supply under Section 12(4) will not apply and the time of supply will be governed by the provisions of Section 12(5) of the CGST Act.
3. The Karnataka Appellate Authority of Advance Ruling (AAAR) while upholding the AAR's ruling held that 18% GST payable on Supply of Vouchers.