

## **GST is not leviable on vouchers being in the nature of instruments: Karnataka HC**

**Facts of the case : Premier Sales Promotion (P.) Ltd. v. Union of India - [2023] (Karnataka)**

The assessee was engaged in the transactions of procuring Pre-paid Payment Instruments of Gift Vouchers, Cash Back Vouchers and E-Vouchers from the issuers and supplying them to its clients for specified face value. It filed application for advance ruling to determine taxability of vouchers. The Authority for Advance Ruling (AAR) held that supply of vouchers would be taxable as goods. The Appellate Authority affirmed the order passed by the AAR and it filed writ petition against the same.

### **Decision of the case :**

The Honorable High Court noted that vouchers are mere instruments accepted as consideration for supply of goods or services and do not have any inherent value of their own. Since vouchers qualify as instruments, they would be covered under definition of 'money' and money is excluded from definition of goods and service. Therefore, the tax would not be payable on vouchers as transaction shall be restricted to procurement of printed form and delivering the same to clients.