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ADVANCE RULINGS

Kalyan Jewellers India Limited



AAAR/11/2021 (AR) - Kalyan Jewellers India Ltd.

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Facts:

Kalyan Jewellers, a manufacturer and trader of jewellery products, as part of sales promotion introduced different types of **pre-paid instruments (PPIs)** to its customers. Appeal was made to AAAR against the advance ruling pronounced by Tamil Nadu State Authority for Advance Ruling.

Issues Raised:

Whether **issue of PPIs** by the appellant to the customers **should be treated as supply of goods or supply of services for GST purpose**? If yes, what is the time of supply and rate of GST leviable thereon?

Analysis and Conclusion:

Voucher(PPI) is merely an instrument of consideration. Thus, there is no need to conclude that the same is in the nature of actionable claim to prove that vouchers are neither goods not services and hence, not subject to GST.

Further, as per **sub section (4) of section 12 and 13** which provide time of supply for goods and services respectively, in the case of supply of vouchers by a supplier, time of supply shall be –

The **date of issue of voucher** where the **supply is identifiable** at that point; or

The date of redemption of voucher, in all other cases.

Hence, even though PPI is just a means of advance payment of consideration for a future supply, when the same is issued, subsection (4) of section 12 and 13 determine time of supply of underlying goods/ services.

Hence, in the given case since the **underlying goods** are known at the time of PPI issue i.e. jewellery products, **time of supply will be date of voucher issue**. The rate of GST leviable on such supply will be GST rate applicable on the aforementioned products.