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W.P.No.8845 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.04.2024

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THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

**W.P.No.8845 of 2024**  
**and W.M.P.Nos.9841 & 9842 of 2024**

M/s.Nexus Innovatice Solutions Private Limited  
Represented by its Director Shri.D.Sathiskumar  
No.154 & 155, LUZ Church Complex  
LUZ Church Road, Kennedy Street  
Mylapore Chennai 600 004.

... Petitioner

-vs-

Additional Commissioner of Central Taxes  
Chennai North Commissionerate  
No.26/1, Mahatma Gandhi Road  
Chennai 600 034.

... Respondent

**PRAYER:** Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the records in relating to impugned Order-in-Original No.209/2023-CH N(ADC) dated 28.12.2023 passed by the respondent and quash the same to the extent of demand confirmed against the supply of vouchers.



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WEB COPY For Petitioner : Mr.G.Natarajan

For Respondent : Mr.B.Ramanakumar, Sr. SC

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### ORDER

An assessment order dated 28.12.2023 is the subject of challenge in this writ petition only insofar as it dealt with the imposition of GST on vouchers.

2. The petitioner is engaged in the business of managing and implementing various reward programmes for its corporate clients. This includes buying and selling gift vouchers on behalf of clients such as Amazon. Pursuant to an audit report, a show cause notice dated 04.09.2023 was received by the petitioner and replied to on 04.10.2023 and 30.11.2023. The order impugned herein was issued thereafter.



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3. Learned counsel for the petitioner referred to the definition of voucher in sub-section (118) of Section 2 of the Central Goods and Services Tax Act, 2017 (the CGST Act) and pointed out that a voucher is an instrument wherein there is an obligation to accept the same as consideration or part consideration for the supply of goods or services provided the goods or services to be supplied or the identities of the potential suppliers are indicated in the instrument or in related documents. He also referred to the time of supply in relation to vouchers by relying on sub-section (4) of Section 12. By pointing out that the petitioner is not a supplier of the goods underlying the vouchers and that the role played by the petitioner is limited to that of an intermediary, which procures vouchers from suppliers and thereafter sells such vouchers to its clients, he contended that the case of the petitioner is squarely covered by the judgment of *Karnataka High Court in Premier Sales Promotion Pvt. Ltd. v. Union of India* 2023(70) GSTL 345 (Kar). He also referred to and relied upon the recent judgment of this Court in *Kalyan Jewellers India Limited v. Union of India and others*, order dated 27.11.2023 in



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4. He thereafter referred to the impugned order at internal page 71 thereof and pointed out that the assessing officer captured the contentions of the petitioner in brief and, thereafter, recorded conclusions unsupported by reasons.

5. Mr.B.Ramanakumar, learned senior standing counsel, accepts notice on behalf of the respondent. He submits that the issue raised by the petitioner is an issue to be examined by the appellate authority and not by this Court.

6. The operative portion of the impugned order, as regards the issue relating to vouchers, is as under:

*"2. The assessee has given an elaborate reply in which they claim that*  
*a. Vouchers are neither good nor services -*  
*It is mere Actionable Claim covered under*  
*Schedule III*



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*b. Supply of Unidentified Vouchers - Time of Supply would not attract*

*c. Notice acting in the nature of pure agent - Value of Vouchers should be excluded from valuation.*

*3. I find no validity in the argument of the assessee. Vouchers issued by the assessee are of the nature of actionable claims. Actionable claims, though included within the definition of goods under Section 2(52) of CGST Act. Hence It-follows that vouchers are subject to levy of tax under the GST Act.*

*Accordingly I confirm the demand of Rs.7,74,21,911/- (IGST-Rs.4,11,08,934/-, CGST-Rs.1,81,56,489/- & SGST-Rs.1,81,56,489/-) in this regard."*

7. The above extract indicates that the respondent summarized the contentions of the petitioner. After doing so, the sweeping conclusion that the argument was not valid is recorded. The respondent also records that vouchers are in the nature of actionable claims, which are included within the definition of goods under



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Section 2(52) of the CGST Act. Conspicuous by its absence in the impugned order, is the recording of reasons as to why the contentions of the petitioner were rejected. Since the impugned order is unreasoned in this respect, such order is unsustainable.

8. For reasons set out above, the impugned order is set aside only insofar as it relates to the imposition of GST on vouchers. As a consequence, this issue is remanded for re-consideration by the respondent. After providing a reasonable opportunity to the petitioner, including a personal hearing, the respondent is directed to issue a fresh speaking order after duly taking note of and dealing with each contention raised by the petitioner in this regard. Such fresh order shall be issued within *two months* from the date of receipt of a copy of this order.

9. W.P.No.8845 of 2024 is disposed of on the above terms. No costs. Consequently, W.M.P.Nos.9841 and 9842 of 2024 are closed.



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**03.04.2024**

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Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No

**To**

Additional Commissioner of Central Taxes  
Chennai North Commissionerate  
No.26/1, Mahatma Gandhi Road  
Chennai 600 034.

**SENTHILKUMAR RAMAMOORTHY,J**

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