

M/s. John Distilleries Pvt. Ltd.

Authority for Advance Ruling — Karnataka

KAR.ADRG 23/2026

Dated **16.03.2026**

Q Questions Before the Authority

- Whether rebates received from HSBC for payment of Excise duty through Corporate Card, is liable for GST?

F Facts

The applicant holds a corporate card from HSBC Bank used specifically for the payment of excise duty. Based on the total excise payments made monthly, the bank grants a rebate at a specified percentage which is adjusted against the applicant's outstanding card balance. The applicant sought a ruling on whether these rebates are subject to GST.

H Ruling

Liability of GST on rebates received from HSBC for excise duty payments

Not liable to GST

The rebates are considered transactions in money and do not involve any supply of goods or services

The Authority ruled that the rebates received from the bank are merely transactions in money and do not constitute a supply of goods or services. Consequently, these rebates are not liable to GST under the CGST/KGST Act, 2017.

R Reasoning

The Authority determined that the rebate is a post-transaction financial adjustment linked to card usage rather than a consideration for a taxable supply. It relied on the definition of money under Section 2(75) of the CGST Act, 2017, concluding that the adjustment is a transaction in money. Furthermore, it cited the Supreme Court judgment in *Union of India v. M/s Intercontinental Consultants and Technocrats Pvt. Ltd.* to emphasize that taxable value must be confined to consideration for services rendered. It also noted that the arrangement qualifies for the exemption under Entry No. 27 of Notification No. 12/2017-Central Tax (Rate) regarding services by way of extending deposits, loans, or advances.

P Provisions Relied On

Section 2(75) of the CGST Act, 2017

Section 7 of the CGST Act, 2017

Entry No. 27 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017



For the Practitioner

This ruling provides clarity that **rebates or cashbacks** received from banks for corporate card usage, which are adjusted against outstanding balances, are **not subject to GST**. It confirms that such financial adjustments are treated as transactions in money rather than consideration for a supply. Practitioners can use this to argue against the levy of GST on similar bank-provided financial incentives.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [9-aar-john_distilleries_pvt_ltd-compressed.pdf](#)

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