



Dhaval Talati

F. No. CBIC-20001/5/2023-GST To, The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All) The Principal Directors General/ Directors General (All) Madam/Sir, Subject: Clarification on taxability of shares held in a subsidiary company by the holding company. Representations have been received from the trade and field formations seeking clarification on certain issues whether the holding of shares in a subsidiary company by the holding company will be treated as 'supply of service' under GST and will be taxed accordingly or whether such transaction is not a supply. 2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods