

ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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Ref No. 2026/0170

Date: 03.06.2026

Shri Ranjit Thampan, Advocate

Ernakulam

Respected Sir,

Re: WA No. 76/2026 pending before the Hon'ble Kerala High Court

Re: Proceedings dated 01.06.2026

We convey our sincere thanks and deep appreciation for the effective and diligent manner in which you have been handling the matter on behalf of AIBRF before both the learned Single Bench and the Hon'ble Division Bench of the Kerala High Court.

2.We invite your kind attention to the order passed by the Hon'ble Division Bench on 01.06.2026, which reads as under:

“The notification of the Government dated 17.09.2025 states that the decision therein is based on the recommendations of the GST Council. However, the aforesaid recommendations are not before us. The learned Central Government Counsel sought two weeks’ time to produce the recommendations of the Council. List on 17.06.2026. Interim order will continue till then.”

3.From the above order, it appears that the further outcome of the writ appeal may substantially depend upon the correct interpretation and applicability of the recommendations made by the GST Council in its 56th Meeting concerning exemption from GST on health insurance policies.

4.In this regard, we wish to draw your kind attention to the concluding portion of the recommendation relating to health insurance, which reads as under:

“Exemption of GST on all individual health insurance policies (including family floater policies and policies for senior citizens) and reinsurance thereof to make insurance affordable for the common man and increase the insurance coverage in the country.”

5.AIBRF has consistently maintained that the Health Insurance Scheme for Bank Retirees for 2025-26, arranged by the Indian Banks' Association (IBA) with National Insurance Company Limited as the insurer, satisfies all the essential characteristics of an individual health insurance policy and therefore qualifies for GST exemption in terms of the aforesaid recommendation. The following aspects may kindly be considered:

- (a) The entire premium is borne by the individual retiree without any financial contribution from the employer bank or IBA.
- (b) IBA and the member banks merely act as facilitators for collection of data and premium from retirees and remittance of the same to the insurance company. They are not policyholders in the substantive sense nor do they bear any part of the premium liability.
- (c) The GST Council recommendation specifically extends exemption to policies for senior citizens. Further, family floater policies, though covering more than one person under a common arrangement, have also been specifically included within the exempted category. This demonstrates that the substance and objective of the policy, rather than its technical nomenclature, should determine eligibility for exemption.
- (d) The recommendation expressly records that the objective of exemption is "to make insurance affordable for the common man and increase insurance coverage in the country." Bank retirees are senior citizens who require health insurance protection at an advanced age and often face increasing medical expenses. Granting GST exemption to such policies would directly advance the very purpose underlying the recommendation of the GST Council.
- (e) Retirees have not voluntarily formed any group or association for obtaining insurance coverage. The classification of the scheme as a "group policy" is primarily an administrative arrangement adopted by IBA and the insurer for operational convenience. In substance, each retiree independently opts for coverage and individually bears the cost of the premium.

6.In view of the above facts and circumstances, we respectfully place these submissions before you for your consideration. If you find merit in these aspects, the same may kindly be brought to the notice of the Hon'ble Division Bench either through an additional affidavit or during the course of oral arguments, as may be considered appropriate.

We shall be grateful for your kind consideration of the above points.

Yours Sincerely

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(S. C. JAIN)
GENERAL SECRETARY