M/s. OPTA Cabs Private Limited (appellant; the appeal is against Advance Ruling No. KAR/ADRG 14/2018 dated 27 July 2018)

Appellate Authority for Advance Ruling — Karnataka

ORDER NO.KAR/AAAR/04/2018-19, DATE:04/12/2018 (Karnataka Appella… Dated **04.12.2018**

Q Questions Before the Authority

- Whether the money paid by the customer directly to the driver of a cab for the trip is liable to GST.
- Whether the applicant (OPTA Cabs Pvt. Ltd.) is liable to pay GST on that amount.

F Facts

OPTA runs a taxi aggregation service: it provides a mobile app and website that connect customers with taxi drivers. It charges taxi drivers a prepaid monthly usage subscription, on which GST is paid, and charges no trip commission. Customers book through the platform, and after the trip OPTA sends an invoice, but customers pay the driver directly in cash or by e-payment.

H Ruling

Whether OPTA, as electronic commerce operator, is liable to GST on passenger transport by taxi supplied through its platform (s. 9(5) CGST/SGST)	**Yes. OPTA is deemed the supplier and must pay the tax on the intra-State transport of passengers supplied through its platform.**	The order contains no separate numbered RULING section; this answer is drawn from the Discussion and the final Order. The rate is not stated in the order, and the order does not separately answer the customer-to-driver payment question as a distinct item.

The Appellate Authority dismissed the appeal and upheld the advance ruling. It held that OPTA is an electronic commerce operator under section 2(45) and that, under section 9(5) read with Notification No. 17/2017-Central Tax (Rate), it is liable to pay tax on passenger transportation by motor cab, maxi cab, motor cycle or radio taxi supplied through its platform. The fact that the customer pays the driver rather than OPTA does not change this.

R Reasoning

The authority held that OPTA owns and manages the digital platform, so it is an electronic commerce operator under section 2(45). Under section 9(5), read with Notification No. 17/2017-Central Tax (Rate) dated 28 June 2017, the operator is liable to pay tax on notified passenger transport services supplied through its platform. The authority rejected the argument that rides were merely 'booked' and not 'supplied' through the platform, treating booking as the first step of the supply. It also held that it is irrelevant whether the consideration is paid to the operator or to the driver.

P Provisions Relied On

- Section 9(5) of the CGST Act, 2017 (and corresponding section of the KGST/SGST Act, 2017)
- Section 2(44) of the CGST Act, 2017 (definition of electronic commerce)
- Section 2(45) of the CGST Act, 2017 (definition of electronic commerce operator)
- Section 7 of the CGST Act, 2017 (scope of supply)
- Notification No. 17/2017-Central Tax (Rate) dated 28 June 2017
- Section 98 of the CGST/KGST Act, 2017 (advance ruling application)
- Section 99 of the CGST/KGST Act, 2017 (constitution of the Appellate Authority)
- Section 100 of the CGST/KGST Act, 2017 (appeal)
- Section 101 of the CGST/KGST Act, 2017 (orders of Appellate Authority)

! For the Practitioner

A taxi aggregator whose app only books rides, with drivers collecting fares directly, can still be liable for GST on passenger transport under section 9(5). This is a useful decision for platform operators that argue they merely facilitate bookings. The order does not decide the rate, the valuation, or whether a non-aggregator platform would fall within the same notification. Counsel should check the full order for any Notification-specific reasoning before relying on it.

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 -> optacabs.pdf

Prepared 27-10-2026.

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