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Authority for Advance Ruling — Madhya Pradesh

Order Number 18/2019, order dated 25/09/2019 (Case Number 13/2019) Dated **25.09.2019**

Q Questions Before the Authority

- Whether the services of transporting students and staff of Chameli Devi Institute of Technology and Management, Indore, by non-air-conditioned contract carriage, fall within serial no. 15(b) (HSN/SAC 9964) of exemption Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended.
- If taxable, what is the rate of GST?

F Facts

The applicant is registered under GST (GSTIN 23AJUPB8817B1ZC) and runs a contract carriage business. It has an agreement with Chameli Devi Institute of Technology and Management, Khandwa Road, Indore, to transport the institute's students and staff using non-air-conditioned buses on contract carriage terms. The applicant stated that it does not collect GST separately under that agreement.

H Ruling

Q1: Whether transport of institute students and staff by non-AC contract carriage falls within Sl. No. 15(b), HSN/SAC 9964, of Notification 12/2017-CT(Rate)	**Yes. Exempt from GST.**	The exemption holds only while the contract carriage fulfils the conditions of the notification.
Q2: Rate of GST, if taxable	**Not answered.**	Not considered because the answer to Q1 is affirmative.

The Authority held that the applicant's services of transporting the institute's students and staff under contract carriage by non-air-conditioned buses are **exempt from GST under clause (b) of Sl. No. 15 of Notification No. 12/2017-Central Tax (Rate)** . The exemption applies only so long as the contract carriage continues to meet the conditions laid down in that notification. Because the first question was answered in the affirmative, the second question on rate was not answered.

R Reasoning

The Authority read the agreement and found that the buses were non-air-conditioned and were used for carrying the institute's students and staff. It relied on the definition of contract carriage in Para 2(t) of the notification, which adopts clause (7) of Section 2 of the Motor Vehicles Act, 1988. It then held that the transport fell within clause (b) of Sl. No. 15, which covers non-air-conditioned contract carriage other than radio taxi, for passenger transport excluding tourism, conducted tour, charter or hire. The order treats the CGST and MPGST provisions as identical for this purpose.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 15(b) (heading 9964)

Para 2(t) of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Section 2(7) of the Motor Vehicles Act, 1988 (definition of contract carriage)

Section 97(2) of the CGST Act, 2017 and MPGST Act, 2017 (scope of questions)

Section 98(4) of the CGST Act, 2017 and MPGST Act, 2017 (advance ruling)

Section 103(2) and Section 104(1) of the CGST Act, 2017 (binding effect and voiding of ruling)

! For the Practitioner

Transport operators carrying educational institution staff and students under contract carriage in non-AC buses can rely on this order for the **Sl. No. 15(b) exemption** . The order does not decide whether AC buses, stage carriage, or tourism or charter services qualify. It also does not address the applicant's position that its contract includes driver and maintenance staff, which may affect the analysis for pure vehicle hire.

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 -> order_ms_bhavika_bhatia.pdf

Prepared 10-11-2026.

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