

M/s Opta Cabs Private Limited

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 14/ 2018 Dated : 27th July 2018

Dated **27.07.2018**

Q Questions Before the Authority

- Whether the money paid by the customer to the driver of the cab for the services of the trip is liable to GST and whether the applicant company is liable to pay GST on this amount

F Facts

The applicant operates a taxi aggregation business providing a mobile application connecting customers with taxi drivers. The applicant charges drivers a monthly subscription fee for IT usage and software billing, but does not take a trip commission or route customer fare payments through itself. The trip invoice is generated by the app on behalf of the driver, and customers pay the driver directly upon completion of the trip.

H Ruling

Liability of taxi aggregator to pay GST on trip amounts paid directly to drivers

Applicant is liable to tax on the amounts billed on behalf of taxi operators for passenger transportation services

Pursuant to section 9(5) of CGST/KGST Act 2017 read with Notification No. 17/2017-Central Tax (Rate)

The Authority ruled that passenger transportation services supplied through the applicant's platform attract GST, and the applicant is **deemed to be the supplier liable to pay tax** on the trip amounts billed on behalf of taxi operators.

R Reasoning

Section 9(5) of the CGST Act, 2017 and corresponding KGST Act provisions empower the Government to notify categories of services where tax on intra-State supplies shall be paid by the electronic commerce operator (ECO). Notification No. 17/2017-Central Tax (Rate) specifically notifies passenger transportation services by radio-taxi, motorcab, maxicab, and motorcycle. Since the transportation service is supplied to consumers through the applicant's electronic platform, the applicant is **deemed to be the supplier** liable to discharge tax, irrespective of direct collection of fare by the driver or the subscription model used.

P Provisions Relied On

Section 9(5) of Central Goods and Services Tax Act, 2017

Section 9(5) of Karnataka Goods and Services Tax Act, 2017

Notification No. 17/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 17/2017-State Tax (Rate) dated 28.06.2017

! For the Practitioner

Establishes that **taxi aggregators operating as electronic commerce operators** cannot avoid GST liability on passenger transport services under Section 9(5) by adopting a monthly subscription model or allowing direct payment to drivers. Tax liability rests on the ECO whenever passenger transportation services are supplied through its digital platform.

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 -> krntk 14 2018 ocpl.pdf

Prepared 21-10-2026.

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