

M/s Pawanputra Travels

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2018-19/24 dated 02.11.2018

Q Questions Before the Authority

- The applicable GST rate on supply of non-air conditioned vehicles on hire to Indian Army.

F Facts

The applicant provides both air-conditioned and non-air-conditioned vehicles on hire to the Indian Army under a contract. The applicant sought an advance ruling on whether the supply of non-air-conditioned vehicles is exempt from GST under serial number 15 of notification number 12/2017-Central Tax (Rate). The service receiver has refused to reimburse GST on these supplies, claiming they are exempt.

H Ruling

Supply of non-air conditioned vehicles on hire

Taxable

5% GST without input tax credit or 12% GST with input tax credit

The Authority ruled that the service provided by the applicant does not qualify as a non-air-conditioned contract carriage and is not exempt under the cited notification. It held that the service falls under the category of rent-a-cab service, which is taxable.

R Reasoning

The Authority determined that the applicant's service does not meet the definition of a contract carriage under the Motor Vehicles Act, 1988. It concluded that the service is correctly classified as a rent-a-cab service. Consequently, the exemption under serial number 15 of notification number 12/2017-Central Tax (Rate) is not applicable. The ruling relies on the interpretation of contract carriage and rent-a-cab services in the context of the GST Act and the Motor Vehicles Act.

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Section 11 of the CGST Act, 2017

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

Section 2(25) of the Motor Vehicles Act, 1988

Notification number 12/2017-Central Tax (Rate) dated 28.06.2017



For the Practitioner

This ruling clarifies that hiring vehicles to the Indian Army does not automatically qualify for exemption as a contract carriage. It confirms that such services are classified as **rent-a-cab services** and are subject to GST. Practitioners should note that the classification depends on the specific nature of the vehicle usage and the definition of contract carriage under the Motor Vehicles Act.

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 -> [raj.24.2018-19_pawanputra_travels.pdf](#)

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