

# TAX INFO

*Dated 30/10/2021*

Latest update on GST Law: Information regarding **Advance Ruling on Whether renting of vehicles for carrying Covid 19 patients would be considered as Taxable Services Or Exempted Services?**

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<b>Case Name</b>	In re Geetee Tours Private Limited
<b>Court</b>	GST AAR Maharashtra
<b>Date of Judgement</b>	25/10/2021
<b>Appeal No.</b>	Advance Ruling No. GST-ARA-55/2020-21/B-82

## **Facts And Contention – As Per The Applicant**

The applicant is engaged in the business of tours and travels and their vehicles are supplied for transportation of passengers on which applicable rate of tax is 12%. The applicant has entered into the contract with Municipal Corporation Of Greater Mumbai (MCGM), Mumbai to provide AC SUV and Innova equivalent car services for carrying COVID 19 patients for medical treatment. Since this is pure service which is in relation to public health, it would be exempted under GST law as per the provisions of Entry No. 3 of Notification No. 12/2017-CTR which provides an exemption from GST in respect of pure services supplied to Governmental Authority, by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or to a Municipality under article 243 W. Supplies of vehicles for carrying COVID patients for medical treatments would fall under entry no. 6 of twelfth schedule article 243W of the constitution i.e. "Public health, sanitation conservancy and solid waste management".

## **Observations And Findings**

The applicant's case is that of renting of vehicles along with drivers and would be covered under pure services. From the facts of the matter it is also seen that the said pure services are supplied to the MCGM, Mumbai which can be considered as a local authority.

But 'Public health' is a word, used for the cleaning, keeping safe area, due to which illness related issue does not arise. Also, Supply of aforesaid vehicles is not covered under the definition of ambulance. It is only car, not a single change has been done in the Innova, which can say that, it is ambulance. It is also pointed out that vehicles are not registered with RTO for use as AMBULANCE; hence the same are not liable for grant of exemption as AMBULANCE. Such services are liable to tax under @ 18%.

**Question:- Whether Toyota Innova Or Equivalent Vehicles (6 Seater) registered in Tourist category with All India Tourist Permit provided for carrying Covid 19 patients for Medical Treatment would be considered as Taxable Services Or Exempted Services?**

**Answer:** – Such services would be considered as taxable services and not exempted services.

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