

GIB/KN/HUMBLE/19.09.2019/AAR-218

Advance Ruling Category : Taxability

State : Karnataka

Order No.: GIB/KN/HUMBLE/19.09.2019/AAR-218

Name of Entry :

Humble Mobile Solutions pvt ltd

Date : 19-09-2019

Breif Issue :

Issue & Fact of the Case:

Whether the applicant is liable to pay tax for supply of services by another person through the e-commerce platform operated by the applicant?

The applicant is a pvt ltd company operates a technology based electronic platform service called “DRIVEU” which seeks to provide drivers on demand to customers who wish to obtain the services of a driver.

The platform is available for individuals and independent service providers, the terms and condition is hosted on website.

Section 9(5) of the CGST Act, 2017 empowered to government to notify, specific categories of services, the tax on which shall be paid by the electronic commerce operator if such services are supplied through it, and the electronic commerce operator shall for all intents and purposes be deemed to be the supplier liable for paying the tax in relation to the supply of such services.

DRIVEU only acts as intermediary between the customer and you. The customers are charged for the services of the driver, the payment mode may be cash or online. Certain services mentioned in section 9(5) of the CGST Act in respect of which the electronic commerce operator would be liable to pay tax.

Services by way of transportation of passengers by a radio-taxi, motor cab, maxi cab and motorcycle is covered under **section 9(5) and notification no 17/2017**. The consideration collected by applicant from consumer is liable to collect TCS.

Decision of Advance Ruling Authority :

Decision:

The applicant is not liable to pay tax for the supply of services by drivers through the e-commerce platform operated by the applicant, but he is liable to pay tax on the services provided to the drivers. Further, the applicant is liable to collect tax under section 52 on the net value of taxable supplies made by the drivers through it where the consideration with respect to such supplies is to be collected by the applicant.