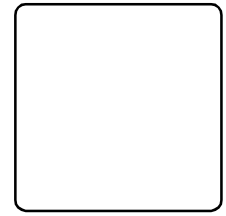


## GST AND MODES OF TRANSPORTATION



Notes

Transportation is a vital part of the economy as any problem in transportation disrupts the entire business channel. This is why any petrol price change has a far-reaching effect in disruption of business. In this lesson, we will discuss the goods transportation and GTA (Goods Transport Agency) and the provisions of GST applicable on them.



### LEARNING OUTCOMES

After reading this lesson the learner-

- explains the need for a separate tax system for transportation sector;
- reiterates the need for transport agents to get registered;
- calculates the computation of GST both for passenger and freight movement;
- elaborates the role played by GTAs in land transportation.

### 22.1 THE GOODS & SERVICES TAX

The most popular form of goods transport in India is via road. As per the National Highways Authority of India, about 65% of freight and 80% passenger traffic is carried by the roads. Transportation of goods by road is done by transporter or courier agency.

GST is applicable on the “supply” of goods and services. Therefore, the first step is to know whether a person, who is engaged in the business has made any supply of goods or services; and whether these supplies are taxable under the GST. Taxable supply can be any of the following –

- Sale

**GST and its Application**



Notes

- Transfer
- Barter
- Exchange
- License
- Rental
- Lease or
- Disposal

“Supply shall include activities or transactions by a person (other than individual) to its members or constituents or vice-versa, for cash, deferred payment or other valuable considerations, effective from 1<sup>st</sup> July 2017.” (The Financial Act, 2021)

**Parameters of Supply**

- It should be supply of goods or services only.
- The supply should be made for a consideration.
- The supply should be made in the course or furtherance of business.
- It should be made by a taxable person.
- It should be a taxable supply.

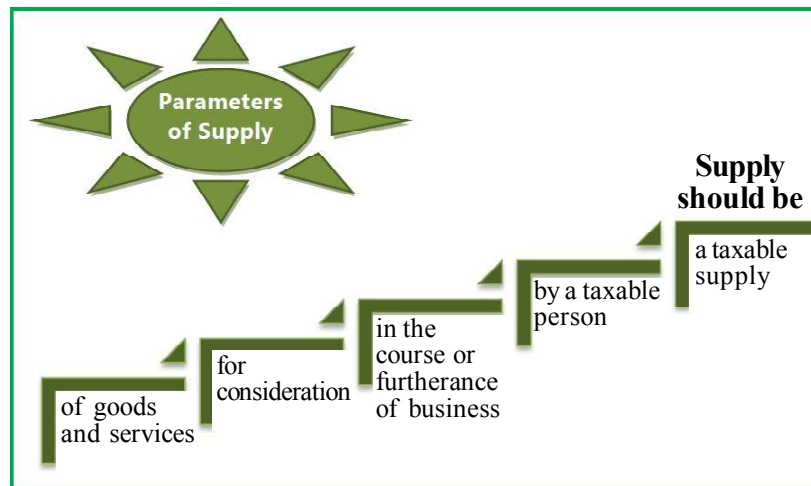


Fig. 22.1: Parameters of supply

**22.2 TAXABILITY OF COMPOSITE SUPPLY IN TRANSPORTATION**

“A supply made by a taxable person to a recipient comprising two or more supplies of goods or services or any combination thereof which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.”

For Example:- When goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is the principal supply. **Rajdhani train ticket** which includes meal – it is a bundles of supplies – Composite Supply. It is presented to the recipient as part of a single bargain.



Notes

**22.3 VALUATION OF SUPPLY THROUGH AN AGENT**

The value of supply of goods or services or both is different when the supply is made through an agent.

Illustration:-

Booking of Air Tickets by Travel Agents

Circumstances	Valuation Of Service
Value of supply of services in relation to bookings of tickets for travel by air provided by an air travel agent	
(1) Domestic Bookings	5% of the basic fare
(2) International Bookings	10% of the basic fare

Basic Fare means that part of the air fare on which commission is normally paid to the air travel agent by the airline.

**22.4 PLACE OF SUPPLY OF SERVICES**

According to the section 13 IGST Act –

Provisions:

- Place of supply of services shall be the location of the recipient of service
- If the location of the recipient is not available in the ordinary course then the place of supply shall be the location of the supplier of the service.

### GST and its Application



Notes

#### Other Specific Provisions:

- **Transportation of goods except mail or courier:** The place of the supply of the transportation of goods shall be the place of the destination of such goods
- **Passenger Transportation Services:** Place of supply shall be the place where passengers embark on the conveyance for a continuous journey. An example to explain this concept could be – Suppose Mr. A books an air ticket from Delhi to Mumbai and return but he buys this ticket in Jaipur and he is an unregistered person – in this case the place of supply shall be Delhi for outward journey and Mumbai for return journey.
- **Services of transportation of goods including mail or courier:** (a) If such services are provided to a registered person, location of such person will be the place of supply; (b) If such services are provided to a person, other than registered person, the location where the goods are handed over for transportation, shall be the place of supply.
- **Services on Board a conveyance/ mode of transport:** The place of supply of such services on board a conveyance including a vessel, aircraft, a train or a motor vehicle/bus shall be the location of the first scheduled point of departure of that conveyance for the journey. Suppose a person is travelling by train from Delhi to Mumbai and during the journey he watches a movie on board the train against a payment. In that case the place of supply would be taken as Delhi, the place of departure of the train.



#### INTEXT QUESTIONS 22.1

1. How is GST charged on transport?
2. Give a list of activities that can be termed as Supply of goods and services.
3. Give an example of composite supply.
4. How is place of supply determined? Give an example.

#### 22.5 GTA – GOODS TRANSPORT AGENCY

The service of transportation of goods by road, except (a) a goods transportation agency (GTA) and (b) a courier agency continues to be exempt under GST regime.

What is a GTA?

As per Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017, “goods transport agency” or GTA means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called. This means, while others might also hire out vehicles for goods transportation, only those issuing a consignment note are considered as a GTA. Thus, a consignment note is an essential condition to be considered as a GTA.

What is a Consignment Note?

It is a document issued by a GTA at the time of receipt of goods for the purpose of transporting them by road in a goods carriage. Once the Consignment note is issued then the lien on the goods are transferred to the transporter, that means the transporter is now responsible for the safe carriage of goods till its delivery to the consignee. If the Consignment note is not issued by the transporter then the service provider will not come under the ambit of GTA.

A consignment note must be serially numbered and contains the following details:

- Name of consignor
- Name of consignee
- Registration number of the goods carriage in which the goods are transported
- Details of the goods
- Place of origin
- Place of destination.
- Person liable to pay GST – consignor, consignee, or the GTA.

The GTA not only transports the goods but also provides some ancillary services like—

- Loading/unloading
- Packing/ unpacking
- Trans-shipment
- Temporary warehousing etc.

---

#### Service by a GTA

#### GST rate

---

Carrying-agricultural produce milk, salt and food grain including flour, pulses and rice	0%
organic manure newspaper or magazines	



Notes

**GST and its Application**



**Notes**

registered with the Registrar of Newspapers  
relief materials meant for victims of natural  
or man-made disasters defence or military  
equipment

Carrying- goods, where consideration charged 0%  
for the transportation of goods on a  
consignment transported in a single carriage is  
less than Rs. 1,500

Carrying- goods, where consideration charged 0%  
for transportation of all such goods for a single  
consignee does not exceed Rs. 750

Any other goods 5% No ITC OR 12% with ITC

Used household goods for personal use 0% \*\*

Transporting goods of unregistered persons Earlier exempted, but later made  
taxable; currently, list yet to be  
notified\*\*

Transporting goods of unregistered casual Earlier exempted, but later made  
taxable persons taxable; currently, list yet to be  
notified\*\*

Transporting goods (GST paid by GTA)\* 5% No ITC or 12% with ITC

Transporting goods of 7 specified recipients\* if GTA Charges 12%, GTA must  
deposit tax and ITC can be  
availed. Otherwise if GTA Charges  
5%, RCM applies and recipient  
must deposit tax and ITC cannot  
be availed

Hiring out vehicle to a GTA 0%

*\*As per Notification No. 20/2017-Central Tax (Rate) 22nd August, 2017*

*\*\* On 31st Dec 2018, The Government cancelled Notification No. 32/2017-  
Central Tax (Rate) dated 13th October, 2017, thereby making purchase from  
unregistered dealers taxable. However, the list of registered persons or  
transactions is yet to be notified.*

## GST Registration for GTA

There was a lot of confusion about whether a GTA has to register under GST. As per Notification No. 5/2017- Central Tax dated 19/06/2017, a person who is engaged in making only supplies of taxable goods/services on which Reverse Charge Mechanism (RCM) applies is exempted from obtaining registration under GST.

Thus, a GTA does not have to register under GST if he is exclusively transporting goods where the total tax is required to be paid by the recipient under reverse charge basis (even if the turnover exceeds the threshold limit).



Notes

**INTEXT QUESTIONS 22.2**

1. Define GTA.
2. What is a consignment note?
3. What are the ancillary activities of a GTA?
4. Under what conditions does the GTA need not be registered?

**SUMMARY:**

Service	Turnover	GST paid by
<b>Case 1</b>		
Transporting goods of registered dealer or any of the 7 mentioned below	9lakhs	Registered Dealer/ recipient of service under RCM
Transporting goods of URD (Unregistered Dealer)	3lakhs	GTA (liable to pay)
<b>Total turnover</b>	<b>12lakhs</b>	<b>Aggregate Turnover is below 20 lakhs threshold. GTA is not required to register</b>
<b>Case 2</b>		
Transporting goods of registered dealer or any of the 7 mentioned below	19lakhs	Registered Dealer/ recipient of service under RCM
Transporting goods of URD	3lakhs	GTA (liable to pay)
<b>Total turnover</b>	<b>22lakhs</b>	<b>Aggregate Turnover exceeds 20 lakhs threshold. GTA will have to register as it is supplying to URD</b>
<b>Case 3</b>		
Transporting goods of registered dealer or any of the 7 mentioned below	25lakhs	Registered Dealer/ recipient of service under RCM
Transporting goods of URD	0lakhs	-----
<b>Total turnover</b>	<b>25lakhs</b>	<b>Aggregate Turnover exceeds 20 lakhs threshold. GTA is still not required to register as per Notification No. 5/2017</b>

**GST and its Application**



**Notes**

The threshold of GST is increased to 40 lakhs for supply of goods.

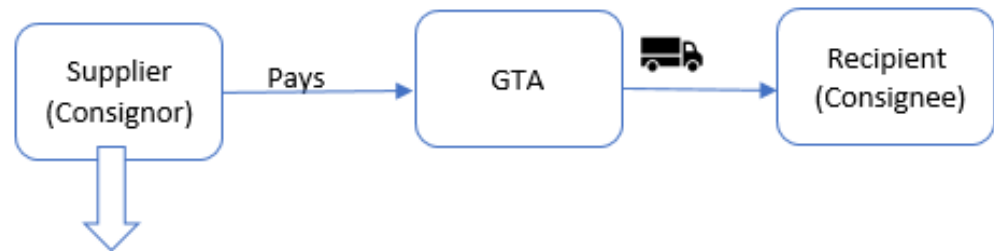
When a GTA provides services to businesses then the recipient is supposed to pay charges under the Reverse Charge Mechanism (RCM). The RCM is applicable under The threshold of GST is increased to 40 lakhs for supply of goods.

When a GTA provides services to businesses then the recipient is supposed to pay charges under the Reverse Charge Mechanism (RCM). The RCM is applicable under the following categories:

- A. As per Notification No. 13/2017- Central Tax dated 28/06/2017 the person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the receiver of service.

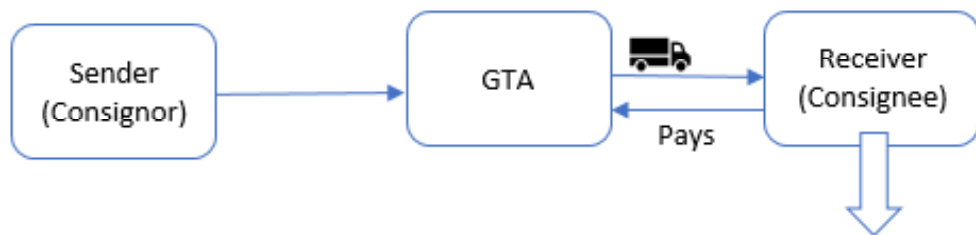


- B. Payment by Sender- If the supplier of goods (consignor) pays the GTA then this supplier will be considered as the recipient.



Pay GST under RCM

- C. Payment by Reciever- If the freight payment is done by the consignee then the receiver will be considered for RCM.



Pay GST under RCM



## 22.6 COMPUTATION OF TAXABLE VALUE AND GST – PASSENGER AND FREIGHT TRANSPORT

### GST and its Application



Notes

GST on transport of goods as well as passengers via road, rail and air feature multiple GST rates ranging from nil to 18%. GST on transportation services for passengers has largely not led to much change in the ticket prices of travelling by rail/road or air. Perhaps even more importantly, input tax credit (ITC) is not always applicable if GST on transport has been charged.

**A. Passenger Transport:** Just as goods are classified using HSN code similarly services are classified using SAC (Service Accounting Code). The SAC code for transportation of passenger services are grouped under different headings such as local transport and sightseeing transportation service (99641) and long distance transport service of passengers (99642).

**1. Local Transport and Sightseeing Transportation Services of Passengers:** Here is the list of Service Accounting Code that is applicable to local transport and sightseeing transportation services of passengers which includes GST on transport services and GST rate on transport of passengers by road.

S. NO	SAC CODE	Local Transport and Sightseeing Transportation Services of Passengers
1	996411	It is applicable when the passenger travels by railways, metro, monorail, bus, autos, tramway, 3 wheelers, scooters and other motor vehicles.
2	996412	This SAC code is applicable when the passenger uses taxi services including radio taxi & other taxi services.
3	996413	If a passenger travels through non-scheduled local bus and coach charter services.
4	996414	This will apply if the passenger other means of land transportation
5	996415	When the passenger travels through local water transport services such as ferries, cruises, etc.
6	996416	When the passenger uses sightseeing transportation services through any means of transport such as rail, land, water & air.

**GST and its Application**



Notes

7      996419      This SAC code will apply when they travel through other local transportation services.

**2. Long Distance Transport Services of Passengers:** The SAC code for local transport and GST on passenger transport services are listed below:

S. NO	SAC CODE	Long Distance Transport Services of Passengers
1	996421	This SAC is applicable when the passenger travels through Rail network, Metro, etc.
2	996422	SAC code for GST rate on transportation of passengers by bus, Car, stage carriage, etc.
3	996423	This SAC code is related to the taxi services consisting of radio taxi & other similar services.
4	996424	Coastal and overseas water transport services of passengers such as transporting passenger through Ferries, Cruise Ships, etc.
5	996425	Domestic or international Air transport services of passengers that is scheduled.
6	996426	Domestic or international air transport services of Passengers that is not scheduled.
7	996427	Transport services of passengers concerned with space
8	996429	Others

Let us now see other transport services via different means and the applicable GST on transportation of passengers.

**3. Transport of Passengers by Road:** The local road transport service falls under group 99641 and long distance transport service falls under group 99642.

If a passenger travels by motor cab and pays for fuel cost too. In that case, 18% GST rate will be a levy on such transport.

On the other hand, if a passenger travels by an air-conditioned stage carriage (bus) and radio taxis then in this case 5% GST rate will apply.

Passenger road transport services feature various GST rates depending upon the mode of transportation chosen. The following are the key GST rates that are applicable to GST on transport of passengers by road\*:

- Nil GST on passengers travelling by road on public transport
- Nil GST on transport by road of passengers by metered taxi/auto rickshaw/e-rickshaw
- Nil GST on transport by non-A/C contract carriage/stagecoach
- 5% GST on transport by A/C contract carriage/stagecoach (no Input Tax Credit)
- 5% GST on transport by radio taxi and similar services
- 18% GST on rental services of road vehicles including cars, buses, coaches (with or without operator)

\*The above list is not exhaustive and subject to periodic change.

- 4. Transport of Passengers by Rail:** The SAC code for local rail transport service falls under heading 996411 and long distance rail transport service falls under 996421.

The GST rate on rail transport is fixed at 5% (2.5% CGST and 2.5 SGST/UTGST) or 5% IGST if you travel in first class or air-conditioned coach. However, transport services in the metro, monorail or tramway and in railways in a class other than the first class or air-conditioned coach are exempt from GST.

GST on rail tickets (passenger transport) is applicable at the following rates\*:

- 18% GST on AC and First Class train tickets
- Nil GST on sleeper and general class tickets
- Nil GST on metro tickets/tokens

\*The above list is not exhaustive and subject to periodic change.

- 5. Transport of Passengers by Water:** The SAC code for local water transport service falls under heading 996415 and long distance water transport service falls under group 996424. Generally, the GST rate on such transport is applicable at 18%.



Notes

### GST and its Application



#### Notes

Howsoever, service of transportation of passengers in inland waterways is exempt from GST. (Notification No. 12/2017-CT (Rates) and 9/2017.IT (Rates) effective from 1-7-2017 both dated 28-6-2017).

**6. Transport of Passengers by Air:** The Service accounting code for the transport of passenger by air falls under group 99642.

Generally, in the following cases, the rate is 5% (2.5% CGST and 2.5% SGST) or 5% IGST on the transport of passengers by air.

- ❖ Economy class
- ❖ Embarking from or terminating in regional connectivity scheme airport. ITC of service is available but not for goods.

But it shall be noted that the transport of passengers by air in other than economy class is 12%. However, there is no restriction on the input tax credit claim.

GST on air travel tickets for passengers is applicable as follows\*:

- 5% GST on economy class air tickets
- 5% GST on tickets of chartered flights for the purpose of pilgrimage
- 12% GST on business class air tickets
- 18% GST on rental services of aircraft (with or without operator)/chartered flights



### INTEXT QUESTIONS 22.3

1. How are passenger services classified under GST?
2. What are the levels of GST applicable for passenger road transport?
3. What is the rate of GST applicable on train tickets?
4. What is the GST rate for air tickets?

**B. Freight Transport:** Freight charges refer to the charges levied on the transport or carriage of goods by land, air or sea. GST Rate on Freight charges can be in two ways –

- (1) 5% (without input tax credit) and
- (2) 12% (with input tax credit)

In the process of levying GST on freight movement, there are 3 entities involved –

1. Party sending the goods
2. Party transporting the goods (GTA)
3. Party receiving the goods (consignee).

The recipient who receives the freight services will be liable to pay the GST as well.

**1. GST on Transportation of Goods:** The transportation of goods carried out by air, rail, road and inland waterways incurs GST on transport at an applicable rate starting from nil GST. The following are some of the key goods that are exempt from GST on transport\*:

- ❖ Relief materials designated for victims of man-made/natural calamities, mishaps, accidents, etc.
- ❖ Pulses, milk, salt, flour, rice and other food grains
- ❖ Agricultural produce/products and organic manure
- ❖ Military/defense equipment being transported
- ❖ Newspapers/magazines registered with Registrar of Newspapers
- ❖ If the gross amount charged for goods transport is less than Rs. 1,500

Exemption or Nil GST on transport is also applicable in the following cases:

- Transport of personal use or household goods
- Transport of goods of unregistered persons

Apart from the above cases, GST on transport of goods by a GTA (goods transport agency) features the following taxation rates:

- 5% GST on transport in case ITC (input tax credit) is not availed
- 12% GST is applicable in case ITC is availed

Alternately, the following GST rate may also be applicable:

- 18% GST is applicable to rental services of road vehicles including trucks (with or without operator)
- 18% GST is applicable to rental services of freight aircraft (with/without operator)
- 18% GST applicable on rental services of water vessels including freight vessels (with/without operator)

\*The above list is indicative and subject to periodic change.

If you are travelling for business, you can claim the GST on air tickets as input tax credit (ITC) for your business. Airlines too can claim ITC on input services in case of economy class passengers. In case of business class, airlines ITC can be claimed for food items, spare parts as well as other inputs except fuel.



Notes

### GST and its Application



Notes

2. **GST Rate for Goods Transport Services:** To classify the services, the GST Council linked all the GST rates to Service Accounting Code (SAC Code). The Service Tax Department shall use the SAC Codes to levy the tax for the categories of services used. The GST Council introduced the GST rate on Goods Transport Services linking to the SAC Codes under 5%, 12%, 18% GST rate.



### INTEXT QUESTIONS 22.4

1. Are there any goods on which GST will not be applicable while transportation?
2. What are shipping charges?
3. Are shipping charges taxable under GST, while buying a product from an e-commerce portal?

### 22.7 GST REGISTRATION FOR TRANSPORTERS

GST registration has been made mandatory in India for all taxable persons involved in the business of good transport irrespective of the annual sales turnover. Further, persons or businesses involved in providing goods transport services must be familiar with GST E-Way Bill rules and regulations.

1. **Land Transport Services of Goods:** In SAC code, under the group goods transport services, there is a separate heading for land transport services of goods. The following services are classified under this group with the respective SAC codes.

SAC Code 996511 – Road transport services of Goods including letters, parcels, live animals, household and office furniture, containers and others by refrigerator vehicles, trucks, trailers, man or animal-drawn vehicles or any other vehicles.

SAC Code 996512 – Railway transport services of Goods including letters, parcels, live animals, household & office furniture, intermodal containers, bulk cargo, etc.

SAC Code 996513 – Transport services of petroleum & natural gas, water, sewerage and other goods via pipeline.

SAC Code 996519 – Other land transport services for goods.

2. **Water Transport Services of Goods:** In SAC code, under the group goods transport services, there is a separate heading for water transport services of goods. The following services are classified under this group with the respective SAC codes.

SAC Code 996521 – Coastal and transoceanic (overseas) water transport services of goods by refrigerator vessels, tankers, bulk cargo vessels, container ships, etc.

SAC Code 996522 – Inland water transport services of goods by refrigerator vessels, tankers and other vessels.

3. **Air Transport Services of Goods:** In SAC code, under the group goods transport services, there is a separate heading for air transport services of goods. The following services are classified under this group with the respective SAC codes.

SAC Code 996531 – Air transport services of letters & parcels and other goods.

SAC Code 996532 – Space transport services of freight.



Notes



## WHAT YOU HAVE LEARNT

### Rates for Passenger Transport

#### GST rates for services in India as on May 2017

5%	12%	18%	28%
Transport of goods & passenger by Rail, Goods Transport Agency, Renting a Car, Passenger Air Economy Class, Tour Operator, Advertisement in print media	Transport of Passenger by Air other than economy class, Food Drinks in Restaurants, Renting Hotel Guest house Club were Rent > 1000 & < 2500, Foreman of chit fund, Construction of a complex or building or civil structure, Transfer of IP,	Supply of Food/ drinks in restaurant having license to serve liquor, Supply of Food/drinks in restaurant having facility of air-conditioning, Renting Hotel Guest house Club were Rent > 2500 & < 5000, convention center, club, pandal, shamiana, theatrical performance, drama,	Services provided by a race club, entertainment events, cinematograph films, theme parks, water parks, joy riders, IPL Gambiling; Supply of Food/drinks in 5-star or above, Any transfer of right in goods or of undivided share in goods or of undivided share in goods

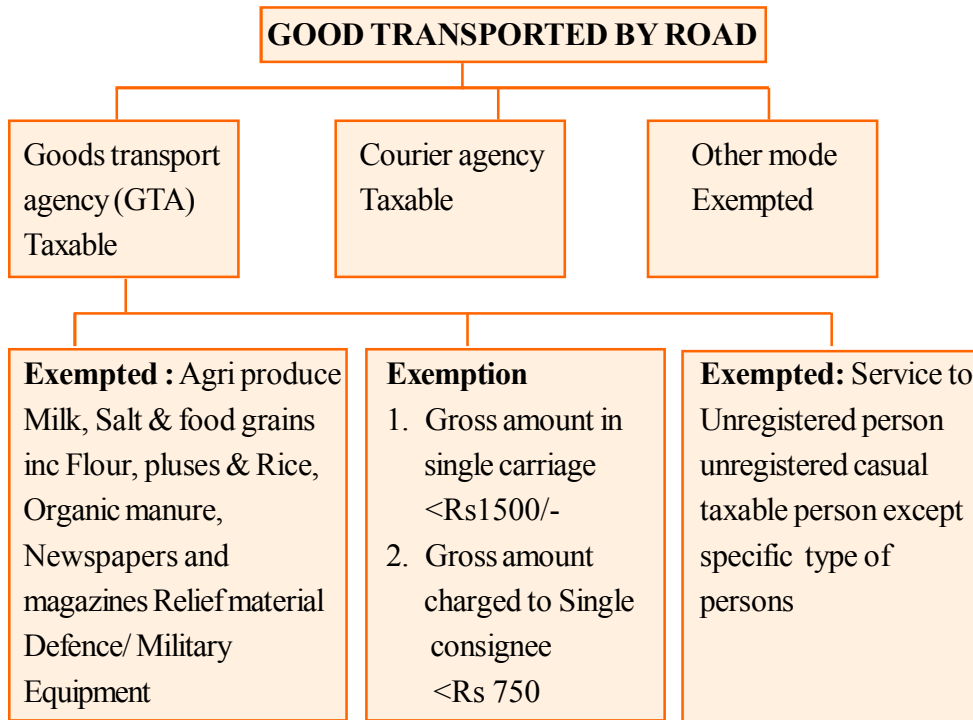
**GST and its Application**



Notes

All other Service not specified above will be Taxed @ 18%

**Rates for Goods/Freight Transport**



**GST Rates passenger transport**

Description of service	GST Rate
Rail Transport (AC Class)	5% (No itc on goods used)
Renting of motorcar (If fuel cost is borne by the service recipient, then 18% GST will apply)	5% No ITC on goods or service
Transportation of passengers (i) Air conditioned contract/ stage carriage other than motorcb; (ii) a radio taxi.	5% No ITC on goods or service
Transport of passengers by air in economy class	5% with ITC of input services
Transport of passengers, with or without accompanied belongings, by air, emparking from or terminating in a Regional Connectivity Scheme Airport.	5% with ITC of input services



**TERMINAL EXERCISE**

1. What parties are involved in transport of goods? Who is liable to pay GST?
2. What the two levels of GST in movement of freight?
3. What types of goods are exempt from GST?
4. What is meant by taxable supply? What are exempt goods and how is GST levied on freight?
5. What kind of GST is levied on air, road and rail tickets for passenger travel?

**ANSWERS TO INTEXT QUESTIONS****22.1**

- A1. The shipping charges on export and import of goods attracted service tax. If the transportation happened through the air, both inbound and outbound shipments were not subject to service tax. The tax liability of terminal charges, warehousing, and cargo handling is determined based on the taxability of the principal service.

Under GST, logistics and freight forwarding are similar to supply of services (which includes movement of goods through the sea, inland waterways, air, rail, or road). GST must be charged on the cumulative value of supply. If the freight charge is included, then GST on freight charges must be levied at the tax rate same as the rate charged on supply of the goods or consignment.

However, as per the GST law, if the freight is exclusive and separately charged, then the GST rate on transportation service is 5%. However, transportation of certain essential items is exempted under GST.

- A2. Taxable supply can be any of the following –

- ❖ Sale
- ❖ Transfer
- ❖ Barter
- ❖ Exchange
- ❖ License
- ❖ Rental

**GST and its Application****Notes**

### GST and its Application



#### Notes

- ❖ Lease or
- ❖ Disposal

- A3. **Rajdhani train ticket** which includes meal – it is a bundles of supplies – Composite Supply. It is presented to the recipient as part of a single bargain.
- A4. Place of supply of services shall be the location of the recipient of service. In case of passenger services it shall be the place where passengers embark on the conveyance for a continuous journey. An example to explain this concept could be – Suppose Mr. A books an air ticket from Delhi to Mumbai and return but he buys this ticket in Jaipur and he is an unregistered person – in this case the place of supply shall be Delhi for outward journey and Mumbai for return journey.

#### 22.2

- A1. “Goods Transport Agency” or GTA means any person who provides service in relation to transport of goods by road and issues consignment note. This means, while others might also hire out vehicles for goods transportation, only those issuing a consignment note are considered as a GTA. Thus, a consignment note is an essential condition to be considered as a GTA.
- A2. It is a document issued by a GTA at the time of receipt of goods for the purpose of transporting them by road in a goods carriage. Once the Consignment note is issued then the lien on the goods are transferred to the transporter, that means the transporter is now responsible for the safe carriage of goods till its delivery to the consignee. If the Consignment note is not issued by the transporter then the service provider will not come under the ambit of GTA.
- A3. The other activities of GTA could be-
- ❖ Loading/unloading
  - ❖ Packing/ unpacking
  - ❖ Trans-shipment
  - ❖ Temporary warehousing etc.
- A4. There was a lot of confusion about whether a GTA has to register under GST. As per Notification No. 5/2017- Central Tax dated 19/06/2017, a person who is engaged in making only supplies of taxable goods/services on which Reverse Charge Mechanism (RCM) applies is exempted from obtaining registration under GST.



Notes

### 22.3

- A1. Passenger services are classified using SAC (Service Accounting Code). The SAC code for transportation of passenger services are grouped under different headings such as local transport and sightseeing transportation service (99641) and long distance transport service of passengers (99642).
- A2. The following are the key GST rates that are applicable to GST on transport of passengers by road\*:
- ❖ Nil GST on passengers travelling by road on public transport
  - ❖ Nil GST on transport by road of passengers by metered taxi/auto rickshaw/e-rickshaw
  - ❖ Nil GST on transport by non-A/C contract carriage/stagecoach
  - ❖ 5% GST on transport by A/C contract carriage/stagecoach (no Input Tax Credit)
  - ❖ 5% GST on transport by radio taxi and similar services
  - ❖ 18% GST on rental services of road vehicles including cars, buses, coaches (with or without operator)
- A3. GST on rail tickets (passenger transport) is applicable at the following rates\*:
- ❖ 18% GST on AC and First Class train tickets
  - ❖ Nil GST on sleeper and general class tickets
  - ❖ Nil GST on metro tickets/tokens
- A4. GST on air travel tickets for passengers is applicable as follows\*:
- ❖ 5% GST on economy class air tickets
  - ❖ 5% GST on tickets of chartered flights for the purpose of pilgrimage
  - ❖ 12% GST on business class air tickets
  - ❖ 18% GST on rental services of aircraft (with or without operator)/chartered flights

### 22.4

- A1. Yes. The below goods will not be applicable for GST (only when transportation is done by a goods transport agency):

**GST and its  
Application****Notes**

- ❖ Milk, salt, and food grains (including flour, pulses, and rice)
  - ❖ Agricultural produce
  - ❖ Organic manure
  - ❖ Relief materials meant for victims of a natural or man-made disaster
  - ❖ Newspaper or magazine that is registered with the Registrar of Newspapers
  - ❖ Defence or military equipment
  - ❖ Goods for which consideration charged for the transportation of goods on a consignment transported in a single carriage, which is lesser than Rs 1,500
  - ❖ Goods for which consideration charged for transportation of all such goods for a single consignee does not exceed Rs 750
- A2. Shipping charges are applicable when goods are shipped (transported or delivered) to a buyer or an end-user. The seller adds this charge to the bill (to be borne/paid by the buyer). If the product in question is taxable, then there will be a tax on the shipping charges, too, depending on the rate of tax.