

**GUJARAT AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX  
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,  
AHMEDABAD – 380 009.**



**ADVANCE RULING NO. GUJ/GAAR/R/2025/37**  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/06)

**Date: 15/09/2025**

Name and address of the applicant	:	M/s. Agneet Sky Aviation (IFSC) Private Limited. Eleventh Floor, Unit No. 1127 B, Hiranandani Signature Tower, Block 13B Zone-1, GIFT City, Gandhinagar- 382355
GSTIN of the applicant	:	24AAZCA4886G1Z1
Jurisdiction Office	:	Center Commissionerate - Gandhinagar Division – Gandhinagar Range -II
Date of application	:	20.02.2025
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(a), (e)
Date of Personal Hearing	:	19.08.2025
Present for the applicant	:	Shri Dhaval Shah

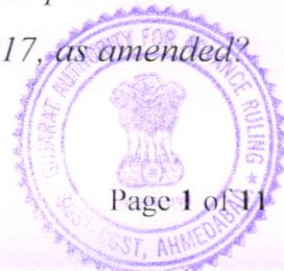
**Brief facts:**

M/s. Agneet Sky Aviation (IFSC) Private Limited, Eleventh Floor, Unit No. 1127 B, Hiranandani Signature Tower, Block 13B Zone-1, GIFT City, Gandhinagar-382355 [for short – ‘applicant’] is registered under GST and their GSTIN is 24AAZCA4886G1Z1.

2. The applicant has stated that they are a SEZ unit and is engaged in the business of leasing of aircrafts. They enter into a dry lease agreement with its customers (‘Lessee’) for leasing of helicopters or aircrafts or airplanes. The lessee shall pay the lease rent as per the terms of the agreement.

3. The applicant has sought a ruling on the following questions: -

- (1) *Whether renting of aircraft without operator can be classified under HSN code 9973-Leasing or rental services without operator-Sl. No. 17(iii) of Notification No. 11/2017-CT(R) dtd. 28.06.2017, as amended?*



(2) *If the answer to question 1 is No, whether renting of aircraft without operator can be classified under HSN code 9973- Leasing or rental services without operator-Sl. No. 17(viia) of Notification No. 11/2017-CT(R) dtd. 28.06.2017, as amended ?*

(3) *What will be the GST rate applicable on the leasing of helicopter/aircraft services provided by the company ?*

4. The applicant further submits as under: -

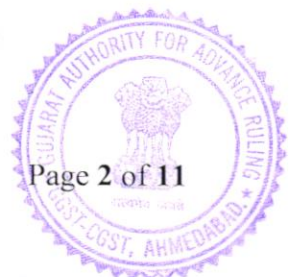
(a) The company enters into a dry lease agreement with its customers for leasing of helicopter/aircraft. The word 'dry lease' is not defined in the GST Act but a 'dry lease agreement' in the aviation industry refers to a contract where an aircraft owner (lessor) provides only the aircraft to another airline (lessee), without including any crew, maintenance, or insurance. This means that the lessee is fully responsible for all operational aspects of the aircraft, including staffing and upkeep, essentially 'renting a bare plane' to operate under their own terms and regulations.

(b) Under the 'dry lease agreement', the lessee takes full responsibility for managing the aircraft, including hiring their own pilots and maintenance crew, obtaining necessary licenses and insurance, and adhering to all operational regulations.

(c) As per the terms of the agreement, the company shall raise the lease rent invoice in US dollar and the lessee shall make payment of the same.

(d) Notification No. 11/2017-CT (R), as amended interalia contains two entries-Sr. No. 10, Heading 9966-Rental services of transport vehicles with operators and Sr. No. 17, Heading 9973-Leasing or rental services without operator.

(e) As per the Explanatory Notes to the scheme of classification of Services, the Heading 9973, post amendment w.e.f. 1 October 2019, covers all leasing and rental services without an operator. Though, there is no mention of transport vehicle in Heading 9973, the use of the word 'includes' in the explanatory notes implies that a wider meaning can be given to the scope of the said heading.



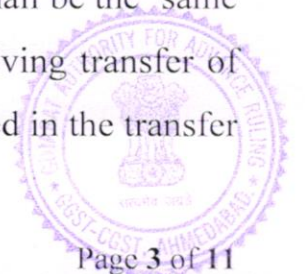


- (f) The aircraft leased out by the applicant are essentially 'goods' as they are movable property. Heading 9966, though, specific to renting of transport vehicles, is only specific to renting of transport vehicles with an operator.
- (g) Reference can be drawn to the Appellate Advance Ruling of *Yulu Bikes Private Limited* [2021 (48) GSTL 187 (App AAR-GST-Kar)], wherein it has been held that the renting of e-bikes and bicycles without operator shall be classified under SAC 9973 as the word 'includes' in explanatory notes to Heading 9973 implies that a wider meaning may be given to scope of said Heading and the Heading 9966 is specific only to renting of transport vehicles with operator.
- (h) Where a service is capable of differential treatment for any purpose based on its description, the most specific description shall be preferred over a more general description.
- (i) The Supreme Court in *BSNL Vs UOI* has laid down five attributes to constitute a transaction as the transfer of the right to use the goods, which are –

- (i) the goods must be available for delivery*
- (ii) there must be consensus ad idem as to the identity of the goods.*
- (iii) the transferee should have a legal right to use the goods.*
- (iv) for the period during which the transferee has such legal right, it has to be the exclusion to the transferor*
- (v) the owner cannot again transfer the same right to others*

- (j) As per their agreement all the above conditions have been fulfilled. As all the conditions laid down by the Supreme Court to classify the transactions are fulfilled, the service provided by the company to the lessee shall be classified under Clause (iii) of Sl. No. 17 of the Notification No. 11/2017-CT(R).

- (k) As per the said Sr. No., the GST rate applicable shall be the 'same rate of central tax as on supply of like goods involving transfer of title in goods', Accordingly, since the goods involved in the transfer



of title is the helicopter, the GST rate applicable on the helicopter shall be applicable on the services provided by the company.

- (l) The aeroplane or helicopter leased by the Company to the lessee are not to be used by the lessee for its personal use and thus as per Sr. No. 244 of the Notification as amended, helicopters shall attract GST rate of 5%. As the company is a SEZ unit, it shall be liable to pay IGST @ 5% on the services of leasing of aeroplanes/helicopters to the lessee located in the DTA unit.
- (m) Alternately, and without prejudice to the above, if the entry Sr.No.(iii) of the Notification No. 11/2017-CT(R) is not applicable then Clause (viia) may be applicable, which deals with renting of goods. As per Section 2(52) of the CGST Act, 2017, the definition of Goods includes all kinds of movable property and the aircrafts/helicopters will also fall under the said definition.
- (n) The GST rate would be 5% on the leasing of aircrafts by the company whether it is classified under Sr. No. 17(iii) or Sr. No. 17 (viia) of Notification No. 11/2017-CT(R) dtd. 28.06.2017.

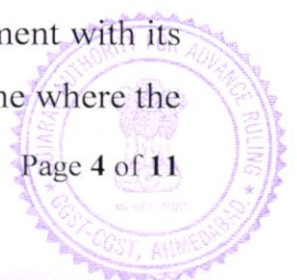
5. Personal hearing was granted on 19.08.2025 wherein Shri Dhaval Shah, authorised representative appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

### **Discussion and findings**

6. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

7. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

8. We find that the appellant has entered into a dry lease agreement with its customers for leasing of helicopter/aircraft. A dry lease agreement is one where the





aircraft owner (the lessor) provides only the aircraft to another airline (the lessee), without including any crew, maintenance, or insurance. The lessee is fully responsible for all the operational aspects of the aircraft including staffing and upkeep. In other words, it is essentially the renting of a bare aircraft. In these circumstances, the query of the applicant is whether the said service i.e dry leasing of the aircraft, would fall under Heading under HSN 9973 and consequently whether Sl No. 17 (iii) or Sl. No. 17 (viia) of Notification No. 11/2017- CT(R) dtd. 28.06.2017 would be applicable.

9. We feel that to appreciate the issue better, we deem it appropriate to go a little back into the history of the renting or leasing services post introduction of GST. Prior to 01.10.2019, there were two headings which dealt with rental or lease services. Heading 9966 - Rental services of transport vehicles with or without operators and Heading 9973 - Leasing or rental services with or without operator. Therefore, both the entries dealt with rental services with or without operator.

10. The classification of services adopted for the purposes of GST is a modified version of the United Nations Central Product Classification (UNCPC). To align the classification with the description of services under the UNCPC, heading 9966 and Heading 9973 were amended vide Notification No. 20/2019-CT(R) dtd. 30.09.2019. Heading 9966 was amended to read as "*Rental services of transport vehicles with operators*" and Heading 9973 was amended to read as "*Leasing or rental services without operator*". Therefore, post 01.10.2019, this amendment has made it clear that Leasing or rental services without an operator would fall under Heading 9973.

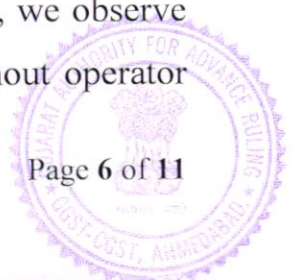
11. We find that in Chapter 99, Section 7, Heading 9973 there are presently six entries. The same is mentioned in Notification No. 11/2017- CT(R) dtd. 28.06.2017, as amended, and is reproduced below: -

Sl. No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
1	Chapter 99	All Services		
14	Section 7	Financial and related services; real estate services; and rental and leasing services.		



17	<b>Heading</b> 9973 (Leasing or rental services, without operator)	(i) * * * *	*	*
		(ii) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right.	9	-
		(iii) Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(iv) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(v) * * * *	*	*
		(vi) Leasing of motor vehicles purchased and leased prior to 1st July, 2017;	65 per cent. of the rate of central tax as applicable on supply of like goods involving transfer of title in goods. <b>Note:</b> - Nothing contained in this entry shall apply on or after 1st July, 2020.	-
		(vii) * * * *	*	*
		(viia) Leasing or renting of goods	Same rate of central tax as applicable on supply of like goods involving transfer of title in goods	-
		(viii) Leasing or rental services, without operator, other than (i), (ii), (iii), (iv), (vi) and (viia) above.	9	-

12. However, we find that in none of these six Sl. Nos, there is a specific mention of leasing or renting of aircrafts/helicopters, though Sl No. (vi) deals with leasing of motor vehicles. We have also gone through the *Explanatory Notes to Scheme of Classification of Services* for Heading No. 9973. However, we observe that these explanatory notes mention Leasing or Rental services without operator





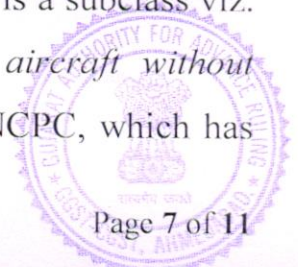
concerning transport equipment (SAC 997311); agricultural machinery and equipment (SAC 997313); construction machinery and equipment (SAC 997314); office machinery and equipment (SAC 997315); computers without operators (SAC 997316); telecommunication equipment (SAC 997317); and other machinery and equipment (SAC 997319), but no specific entry for Aircraft/helicopters.

13. The explanatory notes for classification of services under GST is based on the explanatory notes to the UNCPC. Therefore, we take recourse to the explanatory notes to the UNCPC. The relevant entry in the explanatory notes to the UNCPC is reproduced below: -

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Group	Class	Subclass	Description	IIS 2007	Corresponding CPC 2	ISIC 4
		72223	Sale of time-share properties on a fee or contract basis		72223	6820
	7223	72230	Land sales on a fee or contract basis		72230	6820
	7224	72240	Real estate appraisal services on a fee or contract basis		72240	6820
<b>Division 73</b>			<b>Leasing or rental services without operator</b>			
<b>731</b>			<b>Leasing or rental services concerning machinery and equipment without operator</b>			
	7311		Leasing or rental services concerning transport equipment without operator			
		73111	Leasing or rental services concerning cars and light vans without operator		73111	7710
		73112	Leasing or rental services concerning goods transport motor vehicles without operator		73112	7710
		73113	Leasing or rental services concerning railroad vehicles without operator		73113	7730
		73114	Leasing or rental services concerning other land transport equipment without operator		73114	7710, 7730
		73115	Leasing or rental services concerning vessels without operator		73115	7730
		73116	Leasing or rental services concerning aircraft without operator		73116	7730
		73117	Leasing or rental services concerning containers		73117	7730
	7312		Leasing or rental services concerning other machinery and equipment without operator			
		73121	Leasing or rental services concerning agricultural machinery and equipment without operator		73121	7730
		73122	Leasing or rental services concerning construction machinery and equipment without operator		73122	7730
		73123	Leasing or rental services concerning office machinery and equipment (except computers) without operator		73123	7730
		73124	Leasing or rental services concerning computers without operator		73124	7730
		73125	Leasing or rental services concerning telecommunications equipment without operator		73125	7730
		73129	Leasing or rental services concerning other machinery and equipment without operator n.e.c.		73129	7730

We find that Division 73 deals with '*Leasing or rental services without operator*', which is akin to HSN 9973. Under Class 7311, which deals with '*Leasing or rental services concerning transport equipment without operator*', there is a subclass viz. 73116 which covers '*Leasing or rental services concerning aircraft without operator*'. Therefore, in view of the explanatory notes to the UNCPC, which has



been adopted by GST as well, leasing or rental services of an aircraft without operator would fall under the Heading 9973, more specifically under SAC 997311. Further, we also find that the Appellate Authority for Advance Ruling, Karnataka in *Re: Yulu Bikes Pvt Ltd.* [2021 (48) G.S.T.L. 187 (App. A.A.R. - GST - Kar.)] has while dealing with the classification of renting of e-bikes, bicycles without operator has held as under: -

*"The Heading 9973, post the amendment, covers all leasing and rental services without an operator. The explanatory notes to the scheme of classification of services states that the Heading 9973 includes rental or operational leasing of machinery and equipment and personal and household goods, without operator. Admittedly there is no mention of transport vehicle in Heading 9973. However, the use of the word 'includes' in the explanatory notes to Heading 9973 implies that a wider meaning can be given to the scope of the said Heading and hence renting of all goods without an operator would get covered under the ambit of this heading. The e-bikes and bicycle rented out by the Appellant are essentially "goods" as they are movable property."*

14. We find that there are two contending entries in Notification No. 11/2017-CT(R) dtd. 28.06.2017, which would decide the applicable rate of GST :-

- *Sl. No- (iii) Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.*
- *Sl. No.-(viia) Leasing or renting of goods.*

Sl. No. (iii) deals with the transfer of the right to use any goods while Sl. No. (viia) deals with leasing or renting of goods. Therefore, two conditions have to be satisfied for the activity to fall under Sl. No. (iii)- namely, (a) the transfer of the right to use the helicopter, to the lessee and (b) the helicopter falls within the definition of goods.

15. We find that the Supreme Court in the case of *Bharat Sanchar Nigam Ltd Vs UOI* reported at 2006 (2) STR 161 (SC), has laid down the following attributes for a transaction to constitute as the transfer of the right to use the goods: -

- a. There must be goods available for delivery;*
- b. There must be a consensus ad idem as to the identity of the goods;*
- c. The transferee should have a legal right to use the goods-consequently all legal consequences of such use including any permissions or licenses required therefor should be available to the transferee;*
- d. For the period during which the transferee has such legal right, it has to be the exclusion to the transferor this is the necessary concomitant*

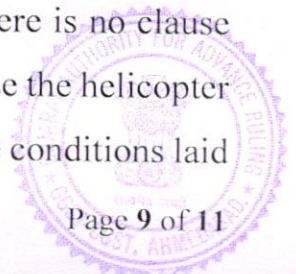




*of the plain language of the statute - viz. a "transfer of the right to use" and not merely a licence to use the goods;*

- e. Having transferred the right to use the goods during the period for which it is to be transferred, the owner cannot again transfer the same rights to others.*

16. We have gone through the agreement dtd. 21.12.2024 entered into by the applicant with M/s Thumbby Aviation Pvt. Ltd (M/s Thumbby for short) for *Dry lease of 01 Bell 412 EP MSN 36221 Helicopter* for a period of 60 months. We find that the applicant is the owner of the helicopter and as per Para 5.1 the delivery of the helicopter is to be done at Dimapur. As per Exhibit B annexed with the agreement, we find that the helicopter has been handed over to M/s Thumbby on 21.12.2024 together with its engines, avionics, accessories, components, log books, flight manual. Maintenance records, manufacturer's maintenance manuals etc. Thus, condition (a) and (b) have been satisfied. We also find that as per Para 10.1 of the agreement, the applicant is required to provide the helicopter on dry lease in airworthy condition with all valid licences, documents, manuals in accordance with the manufacturer and in conformity of the Indian DGCA. Thus, all the licences to operate the aircraft is supplied to the lessee by the applicant. Further, as per Clause 6.1 of the agreement, the lessee is responsible for the timely replacement of each and every component, spares, aggregates and avionics equipment during the lease period free of cost, which may fall due or become defective. As per Clause 6.2, all expenses related to lease of the helicopter including fuel, oil, grease, landing fees, passenger fees, insurance etc, shall be borne by the lessee. As per Para 11.5, the lessee shall be responsible for modifications, painting/repainting of the helicopter, transfer/retransfer maintenance program, and/or other local CAA authority. As per Para 14.1 and 14.2, the lessee shall take full and complete insurance for the possible damage or loss of the helicopter from the date of change of certificate of registration till the re-delivery of the helicopter. The lessee shall also keep the helicopter covered by a hull insurance with an agreed value of USD 3.44 million for the complete and full risk. Thus, these terms of the agreement convey that during the period of the agreement the lessee has the exclusive right to use the helicopter and is under the complete possession of the lessee. The effective control of the helicopter has, therefore, been passed on to the lessee by the applicant. Further, there is no clause in the agreement which allows the applicant to transfer the right to use the helicopter to others during the lease agreement. Therefore, it appears that all the conditions laid





down by the Supreme Court in the case of *BSNL*, supra, to constitute the transfer as the right to use the goods, have been satisfied.

17. Moving on to the second condition, we find that the CGST Act, 2017 has defined 'goods' under Section 2, as under: -

*(52) "goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;*

Therefore, any movable property other than money and securities would fall under the ambit of goods. An aircraft/helicopter being a movable property will, therefore, fall under the definition of goods. Thus, the activity of *Dry lease of 01 Bell 412 EP MSN 36221 Helicopter* under the agreement dtd. 21.12.2024 to M/s Thumbby Aviation Pvt. Ltd. will be classified under 9973 and the applicable rate as per Sl. No. (iii) of Notification No. Notification No. 11/2017-CT(R) dtd. 28.06.2017 will apply.

18. As per Sl. No. (iii) of Notification No. 11/2017-CT(R) dtd. 28.06.2017, the applicable GST rate is "*same rate of central tax as on supply of like goods involving transfer of title in goods*". Since the goods involved is a helicopter, the GST Rate applicable on the helicopter would apply. The applicable rate on helicopter is mentioned in Schedule-I of Notification No. 1/2017-CT(R) dtd. 28.06.2017.

#### SCHEDULE I - 2.5%

Sr. No.	Chapter/Heading/Sub-heading/Tariff item	Description of Goods
(1)	(2)	(3)
244.	8802	Other aircraft (for example, helicopters, aeroplanes), other than those for personal use.

19. We find that as per Notification No. 1/2017-CT(R) dtd. 28.06.2017 the applicable GST rate is 5%, provided it is not for personal use. As per Clause C of the agreement, we find that M/s Thumbby is a Non-Scheduled Air Transport operator having Air Operator permit No. 02/2013 from DGCA. Therefore, the helicopter is



not used for personal use but for commercial purposes. Thus, the applicable rate on the leasing of helicopter provided by the applicant would be 5% GST.

20. In view of the foregoing, we rule as under: -

### **RULING**

*Q.1 Whether renting of aircraft without operator can be classified under HSN code 9973-Leasing or rental services without operator-Sl. No. 17(iii) of Notification No. 11/2017-CT(R) dtd. 28.06.2017, as amended?*

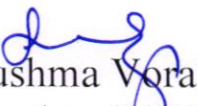
*Ans: - Yes*

*Q.2 If the answer to question 1 is No, whether renting of aircraft without operator can be classified under HSN code 9973- Leasing or rental services without operator-Sl. No. 17(viia) of Notification No. 11/2017-CT(R) dtd. 28.06.2017, as amended?*

*Ans: Not answered, in view of Ans No. 1*


*Q.3 What will be the GST rate applicable on the leasing of helicopter/aircraft services provided by the company?*

*Ans: 5% IGST, as the applicant is an SEZ unit.*

  
(Sushma Vora)  
Member (SGST)

Place: Ahmedabad  
Date: 15.09.2025



  
(Vishal Malani)  
Member (CGST)