

THE WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX

14 Beliaghata Road, Kolkata – 700015

(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Shafeeq S, Joint Commissioner, CGST & CX

Jaydip Kumar Chakrabarti, Senior Joint
Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called 'the GST Act'), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	Flipkart India Private Limited
Address	ESR Warehousing and Logistic Park, B. No.3 & B. No.4, Chandipur Harinarayanchak and Amraberia, in J.L. No. 9, 55 and 8, P.S- Uluberia, Uttar Pirpur, Howrah-711316 West Bengal
GSTIN	19AABCF8078M1ZY
Case Number	WBAAR 09 of 2025-26
ARN	AD190625011735Z
Date of application	June 25, 2025
Jurisdictional authority (State)	Large Tax Payers Unit
Jurisdictional authority (Centre)	Rishra Division, Howrah Commissionerate
Order number and date	15/WBAAR/2025-26 dated 09.12.2025

Applicant's representative heard	Mr. Rohit Jain, Authorized Representative Mr. Supreme Kothari, Authorized Representative
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1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression "GST Act" would mean the CGST Act and the WBGST Act both.

1.2 The applicant is a private limited company incorporated under the Companies Act, 2013. Currently, the applicant is *inter alia* engaged in B2B trading of goods. The applicant proposes to implement a new model of business ("**Proposed Model**") wherein it would *inter alia* be providing transportation services of goods exclusively by road to the customers purchasing such goods from various E-Commerce Operator ("**ECO**") portals. While the applicant may also be carrying out other kinds of transportation activities under the *Proposed Model*, it is clarified that the present application is limited to the transportation of goods by road carried out by the applicant. Provision of Goods Transport Agency services to unregistered customers. At the time of filing of the application, the applicant has not yet commenced the new business.

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under seeking an advance ruling in respect of following questions:

(a) Whether the services provided by the Applicant to customers would qualify as "Goods Transport Agency"(GTA) services?

(b) Whether the services provided by the Applicant to unregistered customers through the electronic commerce operator's portal would be eligible for exemption in terms of SL No. 21A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (as amended)?

1.4 The aforesaid questions on which the advance ruling is sought for are found to be covered under clause (a) & (b) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the questions raised in the application have neither been decided by nor are pending before any authority under any provision of the GST Act.

1.6 The officer concerned from the Revenue has raised no objection to the admission of the application.

1.7 The application is, therefore, admitted.

2. Submission of the Applicant

2.1. Under the *Proposed Model*, whenever the goods are purchased by customers through the ECO portal, the seller would only be responsible for delivering the goods at a designated point for onward delivery - the Source Mother Hub (i.e. the nearest hub from the seller's location).

2.2 Subsequently, the applicant would be responsible for collecting/ picking up such goods from the appropriate "Source Mother Hub" and deliver them to the address for delivery stipulated by the end-customer at the time of purchasing goods on the ECO ("Delivery Address"). For this purpose, the applicant will have a separate engagement with the end-customer which would be stipulated on the Customer's/Buyer's Terms of Use ("TOUs") - which is agreed by the end customer while ordering goods on the ECO's portal.

2.3 The transportation activity proposed to be undertaken by the applicant may also involve multiple transit points: *Source Mother Hub ("SMH") - Destination Mother Hub - Delivery Hub - End customer*. Such transportation may take place either through trucks, vans or two-wheelers (or a combination thereto).

2.4 It is clarified and re-iterated that the services provided by the applicant under the *Proposed Model* would be pursuant to TOUs - wherein the applicant is appointed the Goods Transport Agency ("**GTA**") for the transportation of goods exclusively by road from the Source Mother Hub to the Delivery Address.

2.5 The consideration for such goods transportation services provided by the applicant (i.e., transportation charges) would also be paid by the end-customers purchasing goods (i.e., recipients of GTA services). However for the sake of administrative convenience, such consideration may be remitted to the applicant by the ECO (on behalf of the customers) which in-turn would have collected such consideration from the customers at the time of purchase of goods on its portal (in case payment is made online at the time of purchase of goods) or, may be collected by the applicant from the customers upon delivery of such goods to such

customers (in case payment is made *via* cash at the time of delivery). The transportation charges would be specifically disclosed in the tax invoice/bill of supply raised by the applicant on the end-customer. In respect of GTA services provided to B2B customers, the applicant proposes to discharge GST under forward charge at the rate of 12% in terms of SL No. 9(iii)(b) of Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017.

2.6 The Applicant would also issue a Consignment Note to the end-customer before undertaking the transportation of goods by Road.

2.7 It is clarified that the applicant would issue a single Consignment note from the Source Mother Hub to the Delivery Address (regardless of whether there a break in the journey between the Source Mother Hub, Destination Mother Hub, Delivery Hub and Delivery Address and the fact that different road transport vehicles may be used in each stage of the journey). As a consequence of the Consignment Note issued by the applicant, not only is a lien created over the goods being transported in favour of the applicant but also the applicant is liable to the end-customer for any damage to the goods occurring during the course of their transportation until the Delivery Address. The actual transportation services may be provided by the applicant on its own account or by engaging a third party transporter, where necessary.

2.8 At the time of actual delivery or even after accepting delivery of goods by the applicant, the customer may have the option to reject or return the goods. As a consequence, the customer may also be entitled to seek a refund (in case the customer made prior payment for transportation charges). In such instances, the loss of transportation charges would be borne by the applicant with or without any charge payable by the ECO.

2.9 The applicant would also take transit insurance in respect of the goods to be transported by it by road from the Source Mother Hub to the Delivery Address.

2.10 In view of the aforementioned facts and circumstances, the Applicant submits that the services proposed to be provided by it are classifiable as "Goods Transport Agency" services. Moreover, when such GTA services would be provided by the Applicant to unregistered customers ordering goods through the ECO's portal, they would be exempt from GST under Sl. No. 21A of Notification No. 12/2017 - Central Tax (Rate) dated 28.06.2017 (as amended).

2.11 The applicant submits that the term "Goods Transport Agency" ("GTA") has been defined under Paragraph 4(xxxx) of the Rate Notification (Notification No. 11 /2017- Central Tax (Rate) dated 28.06.2017) as extracted hereunder:

"(xxxx) 'goods transport agency' means:

any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called."

A similar definition is also provided under Para 2(ze) of the Exemption Notification.

2.12 The aforesaid definition(s) are similar to the definition under the erstwhile Section 65B(26) of the Finance Act, 1994 ("Finance Act") as extracted hereunder:

"(26) 'goods transport agency' means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;"

The applicant submits that hence, judicial precedents under the erstwhile Service Tax Regime would be equally relevant and will have persuasive value for the purpose of interpretation of the scope of the entry under the GST law.

2.13 The Applicant submits that the use of the phrase *'in relation to '* in the above reproduced definition of GTA under the Rate Notification further extends the scope of the term GTA to include not only the actual transportation of goods, but also any intermediate/ancillary service provided in relation to such transportation, like loading/unloading, packing/ unpacking, transshipment, temporary warehousing, etc. If these services are not provided as independent activities but are the means for successful provision of GTA services, then they are also covered under the scope of GTA services. This has further been clarified *vide Board Circular No. 234/28/2024- GST dated 11.10.2024 (issued pursuant to the recommendations in the 54th GST Council Meeting)*, the relevant portion of which is extracted hereunder:

"6.3 After deliberations on the issue and based on recommendations of the 54th GST Council, it is hereby clarified that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as composite supply of transport of goods. The method of invoicing used by GT As will not generally alter the nature of the composite supply of service. However, if such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods."

2.14 The applicant submits that a perusal of the definition of GTA under the Rate Notification would reveal that for any person to be termed as GTA, the following two conditions must be cumulatively satisfied - (a) there must be provision of service in relation to transportation of goods by road and (b) the service provider must issue a Consignment Note.

2.15 The applicant submits that the scope of GTA services as well as the importance of issuance of Consignment Note has further been emphasized in the *CBIC Flyer on Goods Transport Agency*, the relevant portion of which has been extracted hereunder:

"Thus, it can be seen that issuance of a consignment note is the sine-qua-non for a supplier of service to be considered as a Goods Transport Agency. If such a consignment note is not issued by the transporter, the service provider will not come within the ambit of goods transport agency. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till its safe delivery to the consignee.

It is only the services of such GTA, who assumes agency functions, that is being brought into the GST net. Individual truck/tempo operators who do not issue any consignment note are not covered within the meaning of the term GTA. As a corollary, the services provided by such individual transporters who do not issue a consignment note will be covered by the entry at s.no.18 of notification no.12/2017-Central Tax (Rate), which is exempt from GST."

2.16 The applicant submits that in terms of the above-extract, issuance of a Consignment Note would indicate that a lien on the goods has been created in favour of the transporter and such transporter further becomes responsible for any damage occurring to the goods during the course of their transportation until safe delivery to the consignee. While the term "Consignment Note" is not defined under GST law, guidance may be drawn in this regard from Rule 4B of the Service Tax Rules, 1994 which is extracted hereunder:

"48. Issue of Consignment Note

Any goods transport agency which provides service in relation to transport of goods by road in a goods carriage shall issue a consignment note to the recipient of service

Provided that where any taxable service in relation to transport of goods by road in a goods carriage is wholly exempted under section 93 of the Act, the goods

transport agency shall not be required to issue the consignment note.

Explanation. - For the purposes of this rule and the second proviso to rule 4A, "consignment note" means a document issued by a goods transport agency against the receipt of goods for the purpose of transport of goods by road in a goods carriage, which is serially numbered and contains the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for pay service tax whether consignor, consignee or the goods transport agency."

2.17 The applicant submits that therefore, a Consignment Note is a document issued by a GTA against the receipt of goods for the purpose of their transportation by road in a goods carriage. In commercial parlance, a Consignment Note signifies that the responsibility of the goods lies with the GTA until delivery. It acts as legal evidence of receipt of goods for transportation and transfer of custody from consignor to the transporter.

2.18 The applicant submits that the issuance of a Consignment Note is *sine qua non* for classification as GTA Services, as observed by the Hon'ble CESTAT - Mumbai Bench in *CCE v. JWC Logistics Pvt. Ltd. [2019 (22) GSTL 237 (Tri-Mum)]*. The relevant portion of the Tribunal's judgement therein is extracted hereunder:

"9. Revenue relies upon the invoices or monthly bills raised by M/s. V.B. Enterprises. An invoice, notwithstanding adequacy of details thereon is no substitute for a consignment note. An invoice creates liability of debt on the part of the recipient of the service. A consignment note, on the other hand, carries with it a certain legal burden, the issuing of a consignment note is a contractual undertaking made to the entity that handed over the goods to the agency of responsibility for safe delivery at the stipulated destination. A consignment note also creates binding responsibility for each consignment. In the absence of any evidence of such responsibility having devolved on M/s. V.A. Enterprises and the issue of monthly bills does not, ipso facto, creates such liability and the impugned order is not at fault for having held that tax liability does not arise."

2.19 Reliance is also placed on the following cases:

- *Dinshawas Dairy Foods Ltd. v. CCE [2018 (13) GSTL 170 (Tri-Mum)]*;
- *Mahanadi Coalfields Ltd. v. CCE [2022 (57) GSTL 242 (Tri-Kol)]*;
- *South Eastern Coalfields Ltd. v. CCE [2017 (47) STR 93 (Tri-Del)]*;
- *East India Minerals Ltd. v. CCE and CST [2021 (44) GSTL 90 (Tri)]*;
- *Nandganj Sihori Sugar Co. Ltd. v. CCE, Lucknow [2014 (34) STR 850 (Tri-Del)]*

• *Chartered Logistics Limited v. CCE, Ahmedabad - II [2023 SCC Online CESTAT 388 (Tri-Ahd)]*.

2.20 The applicant submits that on the basis of the aforesaid, it is evident that (a) if the entire transportation of goods is exclusively by road and (b) the transporter/service provider issues a Consignment Note, then the transportation services provided are GTA services.

2.21 The applicant submits that even under the Service Tax Regime, this view has been consistently upheld by the Board *vide Circular No. 104/7/2008- ST dated 06.08.2008* and *Circular No. 186/5/2015-ST dated 05.10.2015*.

2.22 The applicant submits that on the basis of the aforesaid, it is further evident that there is no mandatory requirement that the goods must necessarily be transported by truck. The *sine-qua-non* is that the entire transportation of goods should be by road. The fact that such transportation of goods may take place through any means of road transport as well (i.e. vans, two-wheelers etc.) shall be sufficient to satisfy the condition. In other words, it is not necessary that transportation must take place through only one means of transport. A combination of multiple means of road transportation may be used for delivery of goods to the customer.

2.23 The applicant submits in re-iteration of the aforesaid that as long as transportation of goods is carried out by it entirely by road pursuant to the issuance of a consignment note, the services to be supplied by it under the Proposed Model are indeed GTA Services. Such conclusion is arrived at a plain and literal construction Para 4(xxxx) of the Rate Notification in consonance with the settled principles of construction as laid out the judgement of the Hon'ble Supreme Court in *Mangalore Chemicals and Fertilisers Limited v. Deputy Commissioner of Commercial Taxes and Others [1992 Supp (1) sec 21]*, the relevant portion of which is extracted hereunder:

"24. [...]

The choice between a strict and a liberal construction arises only in case of doubt in regard to the intention of the legislature manifest on the statutory language. Indeed, the need to resort to any interpretative process arises only where the meaning is not manifest on the plain words of the statute. If the words are plain and clear and directly convey the meaning, there is no need for any interpretation. It appears to us the true Rule of construction of a provision as to exemption is the one stated by this Court in Union of India v. Wood Papers Ltd."

2.24 The applicant submits that the Service Codes (Tariff) for services are provided by way of "Scheme of Classification of Services" under the Annexure to the Rate Notification, relevant portion of which are extracted hereunder:

"Annexure: Scheme of Classification of Services:

Sr. No.	Chapter, Section, Heading or Group	Service Code (Tariff)	Service Description
107	Heading 9965		Goods Transport Services
108	Group 99651		Land transport services of Goods
109		996511	Road transport services of Goods including letters, parcels, live animals, household and office furniture, containers and the like by refrigerator vehicles, trucks, trailers, man or animal drawn vehicles or any other vehicles
110		996512	Railway transport services of Goods including letters, parcels, live animals, household and office furniture, intermodal containers, bulk cargo and the like
111		996513	Transport services of petroleum and natural gas, water, sewerage and other goods via pipeline
112		996519	Other land transport services of goods nowhere else classified

125	Heading 9967		<i>Supporting services in transport</i>
154	Group 99679		<i>Other supporting transport services</i>
155		996791	<i>Goods transport agency services for road transport"</i>

2.25 The applicant submits that the Explanatory Notes further indicate the scope and coverage of the heading, groups and service codes of the Scheme of Classification of Services. Explanatory notes for the aforesaid tariff are reproduced hereunder:

“ 9965 Goods transport services

99651 Land transport services of goods

996511 Road transport services of Goods including letters, parcels, live animals, household & office furniture, containers etc. by refrigerator vehicles, trucks, trailers, man or animal drawn vehicles or any other vehicles.....

.....This service code does not include:

- Messenger services of bicycle couriers, cf.996812
- Courier delivery services, cf 996812
- Local delivery services, cf. 996813
- Armored car services, cf. 998524

99679 Other supporting transport services

996791 Goods transport agency services for road transport

This service code includes freight brokerage services; freight forwarding services(primarily transport organization or arrangement services on behalf of the consignor or consignee); freight consolidation and break-bulk services.”

2.26 A perusal of the Explanatory Notes would reveal that the transportation may take place through any vehicle and is not solely limited to transportation through trucks. As analysed hereinabove, the services provided by the Applicant are classifiable as "Goods Transport Agency Services".

2.27 Another question that could arise for consideration given the time-sensitive nature of transportation is whether the services provided by the Applicant could be covered under term "courier agency" as defined under Para 2(u) of the Exemption Notification:

"courier agency" means any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles"

This is in *pari materia* with the definition the term "courier agency" under Section 65B(20) of the Finance Act, 1994 under the erstwhile Service Tax Regime.

2.28 The applicant submits that in the erstwhile Service Tax Regime, the ambiguity on the difference between services provided by a GTA and a courier agency was clarified by the Board *vide Circular No. 104/7/2008- ST dated 06.08.2008*, the relevant portion of which has been extracted hereunder:

"Issue 3: Whether time sensitive transportation of goods by road in a goods carriage by a GTA shall be classified under courier service and not GTA service?"

Clarification: On this issue, it is clarified that so long as, (a) the entire transportation of goods is by road and (b) the person transporting the goods issues a consignment note, it would be classified as 'GTA Service'"

2.29 The applicant submits that this position was further re-iterated *vide Circular No. 186/5/2015-ST dated 05.10.2015*, the relevant portion of which has been extracted hereunder:

"It is also clarified that transportation of goods by road by a GTA. in cases where GTA undertakes to reach/deliver the goods at destination within a stipulated time. should be considered as services of goods transport agency in relation to transportation of goods for the purpose of notification No. 26/2012- ST dated 20.06.2012, serial number 7, so long as (a) the entire transportation of goods is by road: and (b) the GTA issues a consignment note, by whatever name called."

Considering that the definitions of the terms "GTA" and "courier agency" under erstwhile Service Tax and GST regime are *pari materia*, the aforesaid clarifications would apply even under the GST regime and would be binding on the Assessing Officers.

GTA SERVICES TO BE PROVIDED BY THE APPLICANT TO UNREGISTERED CUSTOMERS/RECIPIENTS UNDER THE PROPOSED MODEL ARE EXEMPT UNDER GST LAW

2.30 It is undeniable that the services would be provided by the Applicant to the customers who order goods through the ECO's portal. There is a privity of contract between the Applicant and the end-customer. The end-customer is liable to pay the "Goods Transportation" charges to the Applicant (as also reflected in the tax invoice issued by the Applicant and the TOUs).

2.31 The applicant submits that GTA services proposed to be provided by it to unregistered customers/recipients (who order goods from the ECO's portal) are specifically exempt under SL No. 21A of the Exemption Notification as extracted hereunder:

"21A	<p>Services provided by a goods transport agency to an unregistered persons, including an unregistered casual taxable person, other than the following recipients, namely:-</p> <p>(a)Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or</p> <p>(b)Any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or</p> <p>(c)any Co-operative Society established by or under any law for time being in force; or</p> <p>(d)anybody corporate established, by or under any law for the time being in force; or</p> <p>(e)any partnership firm whether registered or not under any law including association of persons;</p>	Nil	Nil
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	(f)any casual taxable person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act."		
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2.32 The applicant submits that in this regard, its appointment as a GTA for transportation of goods upto the customer's Delivery Address coupled with the fact that consideration for such services would ultimately be borne by such customer would inevitably demonstrate that GTA services are in fact provided by the Applicant to such end customers.

2.33 The applicant further submits that once it is established that the services provided by it are classifiable as GTA Services and that recipients thereof are unregistered, its eligibility for the benefit of Sl. No. 21 A of the Exemption Notification should be liberally interpreted. In this regard, reliance is placed on the judgement of the Hon'ble Supreme Court in *Union of India and Others v. Wood Papers Ltd. & Anr.* [(1990) 4 SCC 256], the relevant portion of which is extracted hereunder:

"4. [...]

That is why its construction, unlike charging provision, has to be tested on different touchstone. In fact, an exemption provision is like an exception and on normal principle of construction or interpretation of statutes it is construed strictly either because of legislative intention or on economic justification of inequitable burden or progressive approach of fiscal provisions intended to augment State revenue. But once exception or exemption becomes applicable no Rule or principles requires it to be construed strictly. Truly speaking liberal and strict construction of an exemption provision are to be invoked at different stages of interpreting it When the question is whether a subject falls in the notification or in the exemption Clause then it being .in nature of exception is to be construed strictly and against the subject, but once ambiguity or doubt about applicability is lifted and the subject falls in the notification then full play should be given to it and it calls for a wider and liberal construction."

2.34 The applicant submits that the benefit of such Nil exemption under Sl. No. 21 A of the Exemption Notification is further available in respect of any ancillary services provided by the GTA {as clarified vide Circular No. 234/28/2024- GST dated 11.10.2024), given that such ancillary services are provided in the course of transportation of goods and are a part

of the composite supply of GTA services. The relevant portions from the said Circular dated 11.10.2024 are extracted hereunder:

"6. Whether incidental/ ancillary services such as loading/ unloading, packing. unpacking. Transshipment, temporary warehousing etc .. provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency service, being composite supply or these services are to be treated as separate independent supplies:

[....]

6.3 After deliberations on the issue and based on recommendations of the 54th GST Council, it is hereby clarified that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc will be treated as composite supply of transport of goods. The method of invoicing used by GTAs will not generally alter the nature of the composite supply of service."

CLASSIFICATION OF SERVICES TO BE SUPPLIED BY THE APPLICANT UNDER THE PROPOSED MODEL IS SQUARELY COVERED BY PRIOR GST ADVANCE RULINGS

2.35 The applicant submits that the services proposed to be supplied by it under the Proposed Model have been squarely classifiable as GTA services in numerous other advance rulings under GST law- as elaborated in the ensuing paragraphs

2.36 The applicant submits that the Hon'ble Authority for Advance Ruling, Karnataka *in Re: M/s. Sarvana Perumal [2020 (33) G.S. T.L. 39 (A.A.R. – GST - Kar.)]* observed that issuance of a Consignment Note for transportation of goods belonging to others coupled with undertaking to transport such goods for a consideration would lead to classification of the services of transportation of goods as GTA services. The relevant portion of the aforesaid ruling is extracted here under

"5.4 The Goods Transport Agency is defined · under clause 2(ze) of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017, for the purpose of the said notification, and is as under

"(ze) 'goods transport agency' means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;"

Hence when the applicant issues a consignment note for the transportation of goods belonging to others and undertakes to transport the same for a consideration, he would become a Goods Transport Agency within the meaning of clause (ze) of Notification No. 12/2017-Central Tax (Rate) dated 28-6-2017.

Further, the Goods Transport Agency is defined in the explanation to clause (iii) of Entry 9 of Notification No. 11/2017-Central Tax (Rate), dated 28-6-2017, for the purposes of the said entry, as under: "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;"

It could be seen from above that the definition of "goods transport agency" is one and the same for the purposes of both the aforesaid two notifications."

2.37 The applicant further submits that similar views have been adopted by the Hon'ble Authority for Advance Ruling under GST Law in the following cases. *inter alia*:

i. In Re: Balasubramanyam Saravana Perumal [2020(32) G.S.T.(A.A.R-GST-A.P.)

ii. In Re. Posco India Steel Distribution Centre Pvt Ltd [2020(39) GST 72(A.A.R-GST-Mah)]

3. Submission of the Revenue

3.1 The concerned officer from Large Tax Payers Unit has submitted following reply:

In Sl. No.14 of the application, the taxpayer has placed reliance on the following court judgments to buttress their contention that issuance of a consignment note is a *sine qua non* for classification of services in relation to transport of goods by road as GTA services:

Dinshaws Dairy Foods Ltd Vs CCE

ST - Since the specialized refrigerated vans are hired on monthly basis and the charges are not based upon destination but on kilometers basis, it cannot be said that the services involved are of Goods Transport Agency - it is also obvious that no consignment note is issued as the service is not of consignment to be taken to any particular destination and, therefore, the services would not fall under the category of Goods Transport Agency - impugned orders set aside and appeals allowed with consequential relief: CESTAT [para 5] - Appeals allowed : MUMBAI CESTAT

M/s Mahanadi Coalfields Limited vs Commissioner of CGST & Central Excise, Rourkela.

M/s Mahanadi Coalfields Ltd was engaged in mining of Iron Ore and Manganese at Katamati Iron Ore and granted lease of mines by the Govt. of Odisha. For the said mining project, the Appellant sought forest clearance so that forest land falling under the said project can be utilized for non forest purposes. Accordingly, such clearance was granted by Ministry of Environment and Forest and Climate Change on payment of charges, known as 'Net Present Value (NPV) in the Compensatory Afforestation Fund (CAMPA Service Tax Appeal No. 75432 of 2022 FUND). The Investigating officers contended that such payment of NPV to Govt. of India, appeared to be in lieu of 'Declared Service' of toleration of the act of use of forest land for non-forest purposes rendered by Government and attracts service tax under reverse charge mechanism in terms of Notification No.30/2012-Service Tax dated 20.06.2012, which the Appellant failed to discharge.

East India Minerals Ltd. Vs. Commr. of C.Ex., Cus & ST

"15. We have carefully gone through the relevant documents, such as, the contract between the appellant and the raising contractors, the monthly bills raised by them on the appellant, the transit pass in 'Form-G', issued by the mining authority for the purpose of payment of mining royalty, and transportation of iron ore from the mines site. The raising contractors have not issued any other document in the name of the appellant, for the purpose of transportation of iron ore, which can be termed as a consignment note, as stipulated under Rule 4B of the Service Tax Rules, 1994, as amended. As per the legal principles decided by different Benches of Tribunal and relied upon by the appellant, the activities of transportation of iron ore in the present case, do not fall under the GTA service in terms of Section 65(105)(zzp) of the Finance Act, 1994, nor the raising contractors fall under the definition of 'GTA' as defined under Section 65(50b) of the said Finance Act."

NANDGANJ SIHORI SUGAR CO LTD vs CCE

In term of Section 65(105)(zzp), the taxable service means any service provided to a customer, by a Goods Transport Agency, in relation to transport of goods by road in a goods carriage. In terms of Section 65 (50a) ibid Goods Carriage has the meaning assigned to it in clause 14 of Section 2 of the Motor Vehicle Act, 1988. In terms of Section 65 (50b), Goods Transport Agency means any commercial concern which provides service in relation to transport of goods by road and issues consignment note, by whatever name called. The service tax has been demanded from the Appellants as service recipient under Rule 2(1)(d)(v) of the Service Tax Act 1994 read with Notification No. 35/2004(ST) dt. 03.12.04, on the payments made by them to transporters against the fortnightly bills being presented by them. While admittedly no consignment notes or GRs have been issued by the transports, according to the Department the Transporters bills are

in the nature of the consignment notes. Under Rule 4B of the Service Tax Rules, 1994, any Goods Transport Agency which provide service in relation to transport of goods by road in a goods carriage shall issue a consignment note to the customer. In term of Explanation to Rule 4B, Consignment Note means - a document issued by Goods Transport Agency against the receipt of goods for the purpose of its transport by road in a goods carriage, which is serially numbered and contains the name of consignor and consignee, registration number of the goods carriage in which goods are transported, details of goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or Goods Transport Agency. Thus mere transportation of the goods in a Motor Vehicle is not the service provided by a Goods Transport Agency. A Goods Transport Agency in term of its definition under section 65(50b) provides service in relation to transportation of goods under a consignment note which should have the particulars as prescribed in explanation to Rule 4B. In the present case admittedly no consignment notes have been issued. The fortnightly bills cannot be treated as consignment notes, as a consignment note issued by Goods Transport Agency represent its liability to transport the consignment handed over to it to the destination and deliver the same to the consignee and merely a bill issued for transportation of goods cannot be treated as Consignment Note. The fact of non issue of consignment to M/s. Nandganj is admitted in the Show Cause Notice itself. In case of M/s. Bajpur though it is not mentioned in the Show Cause Notice, this plea has been made by the Appellant and the same has not been refuted. The transportation of goods by individual truck owners without issue of consignment note, GRs & billties etc. as prescribed in Rule 4B of the Service Tax Rules, would be simple transportation and not the service of Goods Transport Agency which involves not only undertaking the transportation of the goods handed over to it but also undertaking delivery of the goods to the consignee and also temporary storage of the goods till delivery. When the transports did not issue consignment notes or GRs or Challans or any documents containing the particular as prescribed in Explanation to Rule 4B of the Service Tax Rules, 1994, the Transporters cannot be called Goods Transport Agency and, hence, in these cases, the service of transportation of sugarcane provided by the transporters would not be covered by Section 65(105)(zzp). In view of this we hold that there will be no service tax liability on the appellant sugarcane mills, as they have not received the service from a Goods Transport Agency.

(ze)“goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

Consignment Note: The term Consignment Note has not been defined in the GST Acts. However, according to the Explanation to Rule 4B of Service Tax Rules, 1994, a consignment note means a document issued by a GTA in respect of receipt of goods for the purpose of transport of the same by road in a goods carriage which is serially numbered and contains,-

- (i) the name of the consignor and consignee,
- (ii) the registration number of the goods carriage in which the goods are transported,
- (iii) the details of the goods transported,
- (iv) the details of the place of origin and destination and,
- (v) the details of person liable for paying service tax whether the consignor, consignee or the GTA

Furthermore, the court judgments cited by the taxpayer also highlights the fact that issuance of a consignment note is a *sine qua non* for classification of services in relation to transport of goods by road as GTA services. However, the subject matter of M/s Mahanadi Coalfields Limited vs Commissioner of CGST & Central Excise, Rourkela appears to be different. It addresses the issue of providing tolerance services.

Furthermore, in SI No 15 of the application, the applicant has placed reliance on Circular No. 104/ 07 /2008-ST dated 6th August, 2008

The following clarifications have been provided in the Circular No 104/ 07 /2008-ST dated 6th August, 2008

Issue 1: Whether the intermediary or ancillary activities is to be treated as part of GTA service and the abatement should be extended to the charges for such intermediary or ancillary service?

Clarification:

If any ancillary/intermediate service is provided in relation to transportation of goods, and the charges, if any, for such services are included in the invoice issued by the GTA, and not by any other person, such service would form part of GTA service and, therefore, the abatement of 75% would be available on it.

Issue 2: GTA providing service in relation to transportation of goods by road in a goods carriage also undertakes packing as an integral part of the service provided. It may be clarified whether in such cases service provided is to be classified under

Clarification:

Cargo handling service [Section 65 (105) (zr)] means loading, unloading, packing or unpacking of cargo and includes the service of packing together with transportation of cargo with or without loading, unloading and unpacking. Transportation is not the essential character of cargo

handling service but only incidental to the cargo handling service. Where service is provided by a person who is registered as GTA service provider and issues consignment note for transportation of goods by road in a goods carriage and the amount charged for the service provided is inclusive of packing, then the service shall be treated as GTA service and not cargo handling service

Issue 3 : Whether time sensitive transportation of goods by road in a goods carriage by a GTA shall be classified under courier service and not GTA service?

Clarification:

On this issue, it is clarified that so long as, (a) the entire transportation of goods is by road; and (b) the person transporting the goods issues a consignment note, it would be classified as 'GTA Service'.

In SI no 16 the applicant has contended that even under the Service Tax regime circular no 186 /5/2015-ST dated 05/10/2015 it was, *inter alia* ,clarified that Goods Transport Agency (GTA) has been defined to mean any person who provides service to a person in relation to transport of goods by road and issues consignment note, by whatever name called. The service provided is a composite service which may include various ancillary services such as loading/ unloading, packing/unpacking, transshipment, temporary storage etc., which are provided in the course of transportation of goods by road. These ancillary services may be provided by GTA himself or may be sub-contracted by the GTA. In either case, for the service provided, GTA issues a consignment note and the invoice issued by the GTA for providing the said service includes the value of ancillary services provided in the course of transportation of goods by road. These services are not provided as independent activities but are the means for successful provision of the principal service, namely, the transportation of goods by road.

From the above clarifications it is evident that GTA service involves many intermediate/ancillary services such as,- (i) Loading/unloading (ii) Packing/ unpacking (iii) Transshipment (iv) Temporary warehousing These services are generally components of composite supply where the principal supply is GTA service.

In terms of sub-section (2) of section 35 of the CGST/WBGST Act, 2017, GTAs are required to maintain the following accounts/records

, - (i) Records of the consigner, (ii) Records of the consignee and (iii) Other relevant details of the goods.

Further, in terms of sub-rule (4) of rule 58 of the CGST/SGST Rules, 2017 GTAs are also required to maintain,-

(i) Records of goods transported, (v) Records of goods delivered and (vi) Records of goods stored in transit by them, along with the GSTIN of the registered consignor and consignee for each of their branches.

However, in their submission the applicant has not mentioned if they are complying with the aforementioned provisions of the GST Act, 2017.

3.2 The concerned officer from Rishra Division, Howrah Commissionerate has submitted following reply:

In terms of Section 65B (26) of the Finance Act, 1994; "Goods Transport Agency means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called". Therefore, in the Service Tax regime, issuance of Consignment Note was integral and mandatory requirement before any road transporter could be brought within the ambit of GTA. Under GST laws, the definition of Goods Transport Agency is provided in clause (ze) of notification no. 12/2017-Central Tax (Rate) dated 28.06.2017.

"(ze) "goods transport agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;"

Thus, it can be seen that issuance of a consignment note is the sine-qua-non for a Supplier of service to be considered as a Goods Transport Agency. If such a consignment note is not issued by the transporter, the service provider will not come within the ambit of goods transport agency. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till its safe delivery to the consignee.

As per departmental database, though the applicant got themselves registered for with the GST department for provision of services "Road transport services of Goods including letters, parcels, live animals, household and office furniture, containers and the like by refrigerator vehicles, trucks, trailers, man or animal drawn vehicles or any other vehicles" classified under SAC 996511, it is evident from their Exhibit-D that they have issued consignment note to their consignee/receiver duly mentioning therein the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency.

Since, the applicant provides service in relation to transport of goods by road and issues consignment note, it appears that the applicant involves in provisions of services as "goods transport agency" following fulfillment of both the requisite conditions.

As per the provision of serial no 21A of Notification no. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended by notification no. 32/2017 Central Tax (Rate) dated 13.10.2017 which reads as under:

"21A

Heading 9965 or Heading 9967

Services provided by a goods transport agency to an unregistered person, including an unregistered casual taxable person, other than the following recipients, namely: -

- (a) any factory registered under or governed by the Factories Act, 1948(63 of 1948); or
- (b) any Society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- (c) any Co-operative Society established by or under any law for the time being in force; or
- (d) any body corporate established, by or under any law for the time being in force; or
- (e) any partnership firm whether registered or not under any law including association of persons;
- (f) any casual taxable person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.

Hence, it appears that transportation services provided by GTA to unregistered/Casual Taxable Person are exempt and it is taxable when provided to the aforementioned specified class of recipients.

Therefore, Goods Transportation Services by road provided by the applicant to unregistered customers/ Casual Taxable Person (through the electronic commerce operator's portal) would be eligible for exemption subject to nature/class of recipients.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representatives of the applicant during personal hearing. We have also considered the views given by the revenue.

4.2 As per the statement furnished, the applicant is already a registered taxable person under the GST Act and is *inter alia* engaged in B2B trading of goods. The applicant intends to start a new

business model in which it will *inter alia* provide transportation services of goods exclusively by road to the customers purchasing such goods from various e-commerce operator portals. It is made amply clear that the present application is strictly restricted to this proposed activity only and at the time of application the applicant has not started the activity.

The followings are the highlights of the proposed model as stated by the applicant:

- Whenever the goods are purchased by customers through the e-commerce portal, the seller will only be responsible for delivering the goods at a designated point called the Source Mother Hub (i.e. the nearest hub from the seller's location) for onward delivery.
- The applicant will collect/ pick up such goods from the appropriate Source Mother Hub.
- The applicant will deliver the goods to the address for delivery mentioned by the end customer at the time of purchasing the goods on the e-commerce portal.
- There will be separate engagement between the applicant and the end customer which will be stipulated on the Customer's / Buyer's Terms of Use (ToU). The end customer while placing order on the e-commerce portal has to agree to the said ToU. Under the provisions of the said ToU, the end customer agrees to engage the services of a transport service provider (facilitated by Flipkart Internet Private Limited) for transportation of products from the location of the seller to the end customer. It is also provided that such movement of products is on the end customer's account and the transporter is only responsible for transportation of products. The transporter's role is strictly limited to providing logistics and delivery services.
- The transportation activity proposed by the applicant may involve multiple transit points for example, Source Mother Hub > Destination Mother Hub > Delivery Hub > End Customer.
- Transportation may take place either through trucks or vans or two wheelers or a combination thereto.
- The applicant will issue a single consignment note from the Source Mother Hub to the Delivery Address. The actual transportation services may be provided by the applicant on his own account or by engaging a third party transporter, if necessary.
- The consideration for such goods transportation services provided by the applicant will be paid by the end customer purchasing goods. Such consideration may be remitted to the applicant by the e-commerce operator on behalf of the end customer and in turn e-commerce operator will collect the consideration from the end customer in case the payment is made online at the time of purchase. Else, the applicant will collect the consideration from the end customer upon delivery of goods if the payment is made by

cash.

- The transportation charges will be specifically mentioned in the tax invoice/ bill of supply raised by the applicant to the end customer.
- The applicant will arrange for transit insurance in respect of the goods to be transported by road from the Source Mother hub to the Delivery Address.

At the backdrop of the above proposed scheme the applicant has raised the following two questions:

1. Whether the services provided by the applicant to customers will qualify as 'Goods Transport Agency' (in short GTA) services?
2. Whether the services provided by the applicant to unregistered customers through the e-commerce operator's portal will be eligible for exemption in terms of serial no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017, as amended?

4.3 The applicant believes that under the proposed model of activity as detailed in Paragraph 4.2 his activity will be qualified as GTA services. He has referred to the definition of GTA as provided in the Notification No. 11/2017 Central Tax (Rate) Dated 28.06.2017. There GTA has been defined as 'any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called'.

According to the applicant, the phrase 'in relation to' has actually widened the concept of GTA by including intermediate or ancillary services provided for and in relation to such transportation e.g. loading/unloading, packing/ unpacking, trans-shipment, temporary warehousing etc. in addition to the actual transportation.

The applicant has also submitted that issuing consignment note is a *sine qua non* for classification as GTA. It is also submitted that the applicant's proposed activity is in no way similar to courier agency service.

From the above points the applicant has tried to establish that his proposed activity is a GTA service and as such it is covered by serial no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017, as amended when the applicant provide the GTA service to individuals being unregistered persons.

At the time of personal hearing and also in the additional written submission the applicant states that the goods under transportation are never owned by him. The transfer of title of goods takes place directly from the seller to the buyer as specified in the Buyer's Terms of Use. The applicant's role is restricted to undertaking transportation of goods only in the capacity of a GTA.

4.4 Since the applicant himself has declared that his application is restricted to the sphere of transportation of goods by road only, we will limit our discussion and reference to that particular area only.

In terms of Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017 (serial no.18), the following services are exempt from GST

Services by way of transportation of goods (Heading 9965):

(a) by road except the services of:

(i) a goods transportation agency;

(ii) a courier agency;

(b) by inland waterways.

Thus, it is evident that mere transportation of goods by road, unless it is a service rendered by a goods transportation agency or a courier agency, is exempt from GST.

The above notification has also defined the term Goods Transport Agency in clause (ze) of Definitions. According to the said clause "Goods Transport Agency" means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

4.5 From the above definition we find the following elements as the features of Goods Transport Agency:

1. Goods Transport Agency (in short GTA) must be a person as has been defined in Section 2(84) of the GST Act.
2. The person provides service of transport of goods. Transport of goods refers to the physical movement of products, materials, or merchandise from one location to another. This process is crucial for connecting suppliers and recipients staying at different locations.
3. The person carries out the transport of goods by road. For qualifying as GTA the transport of goods should be made by road only.
4. The person being GTA issues consignment note for such transport of goods from one place to another.

It is evident from the above that any person whoever transports goods from one place to another by road cannot be a GTA. The person who transports the goods from one place to another by road and issues a consignment note can be regarded as GTA. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till the safe delivery of the goods to the consignee. A transporter's lien on goods is a legal right that allows him to retain possession of goods until the shipper or consignee pays all outstanding transportation charges. Essentially, it's

a security measure for the transporter, ensuring they are paid for their services before releasing the goods.

4.6 Consignment Note has not been defined anywhere in the GST Act or in any notification. Since the concept of GTA under the GST regime is the same as it had been in the erstwhile Service Tax regime, we can refer to Rule 4B of Service Tax Rules, 1994. In terms of the said rule, consignment note means a document, issued by a goods transport agency against the receipt of goods for the purpose of transport of goods by road in a goods carriage, which is serially numbered, and contains *inter alia* the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency.

4.7 Moreover, the definition in Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 has included some other aspects into the concept of GTA. The phrase 'in relation to transport of goods' has indeed brought some other activities which are ancillary and closely related to transport of goods. Loading/unloading of goods, packing/unpacking of goods, trans-shipment (which sometimes becomes necessary), temporary warehousing of goods etc. are such activities which have been included in the definition of services of GTA. But such activities must be in relation to and in course of a particular incident of transport of goods.

This aspect has been dealt with in details in Circular No. 234/28/2024- GST Dated 11.10.2024 issued by CBIC. Clause 6 of the circular is reproduced for ready reference.

'6 Whether incidental/ ancillary services such as loading/ unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency service, being composite supply, or these services are to be treated as separate independent supplies:

6.1 *Representations have been received to clarify whether incidental/ ancillary services such as loading/ unloading, packing, unpacking, transshipment, temporary warehousing etc., provided in relation to transportation of goods by road is to be treated as part of Goods Transport Agency (GTA) service, being composite supply, or these services are to be treated as separate independent supplies.*

6.2 *It has been brought to notice that enforcement agencies are raising demands for such services holding them leviable to GST at the rate of 18% by interpreting last para of Question No. 6 of the FAQ issued by CBIC which states that **"If such incidental services***

are provided as separate services and charged separately, whether in the same invoice or separate invoices, they shall be treated as separate supplies”, to mean that if a GTA shows packing charges, loading, unloading charges etc., separately in the invoice, the GTA becomes liable to pay GST at the rate of 18% on these services by treating them as cargo handling services.

6.3 After deliberations on the issue and based on recommendations of the 54th GST Council, it is hereby clarified that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as composite supply of transport of goods. The method of invoicing used by GTAs will not generally alter the nature of the composite supply of service. However, if such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods.’

4.8 Now we will discuss whether the different features of a GTA as detailed in paragraph no. 4.5, 4.6 and 4.7 are applicable to the applicant.

- The applicant being a company incorporated under the laws of the country qualifies for ‘person’ as defined in Section 2(84) of the CGST Act.

- As per the documents furnished, whenever a buyer agrees to buy some products using the e-commerce platform owned by Flipkart Internet Private Limited under the Terms of Use, he/she simultaneously agrees to engage the services of a transport service provider (facilitated by Flipkart Internet Private Limited) for transportation of product from the location of the seller, where it is handed over to the transporter and delivered to the buyer's location. The buyer has to agree that Flipkart Internet Private Limited is authorized to collect goods transport charges from the buyer on behalf of the transporter. According to the terms of use, the contract of sale exists only between the seller and the buyer. The transporter shall not be considered as buyer or seller at any point of time. His responsibility is restricted to providing logistics and delivery services.

From the additional written submission of the applicant it is seen that the applicant will enter into an agreement on principal-to-principal basis with Flipkart Internet Private Limited for providing transportation services to the end customer for delivery of goods listed on the latter's e-commerce platform. Flipkart Internet Private Limited will collect payments/ fees in respect of transportation charges on behalf of the applicant from the end customers except in case of CoD (Cash on Delivery) and will in turn pay the same to the applicant. In respect of goods return facilitated by Flipkart Internet Private Limited via its platform, the transporter will independently provide transportation and logistics services to Flipkart Internet Private Limited.

It is evident that the applicant is providing the service of transport of goods from the seller (from the source mother hub) to the buyer and reverse transport in case of goods return.

- As per the statement of the applicant, the transportation of goods from the Source Mother Hub to the Delivery address will be done exclusively by road. Transportation may take place either through trucks or vans or two wheelers or a combination thereto. There will be one single consignment note from the Source Mother Hub to the Delivery address to be issued by the applicant.

- The applicant will issue consignment note which will be serially numbered and will contain *inter alia* the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency. The Specimen copies of such consignment notes are furnished by the applicant.

The fact of issuing consignment note can be regarded as a *sine qua non* for consideration of a supplier of transport services as GTA. Reference has been made by the applicant to several cases related to the erstwhile Service Tax regime where it has been decided that issuing Consignment Note is an essential feature of GTA. The cases of CCE v. JWC Logistics Pvt. Ltd., Chartered Logistics Limited v. CCE, Ahmedabad are a few examples where it is accepted that issuing Consignment Note is in fact an integral and mandatory requirement for a supplier of transport services to be considered as GTA.

The Customs, Excise and Service Tax Appellate Tribunal, New Delhi in CCE (Appeals), Jaipur v. JWC Logistics Pvt. Ltd. Case accepted the point. In point no. 6 of the order passed by the Tribunal it is noted that

‘Having heard both the sides and perused the records of the case, I find that the main thrust of the argument of the learned counsel for the appellant is that no service tax is chargeable as one of the basic ingredient as per the provisions of the Finance Act, 1994 to constitute “Goods Transport Agency” is that the service provider has to issue „Consignment Note” is missing and the Tribunal in catena of decisions have held that issuance of Consignment Note is pre-requisite for taxability under GTA services. The Tribunal have categorically laid down the law that in absence of consignment note services cannot be considered as GTA services and the demand of service tax under the category of “Goods Transport Agency” does not sustain.’

On the other hand, the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench observed the mandatory requirement of consignment note in the Chartered Logistics Limited v. CCE, Ahmedabad case. In Paragraph 6.5 of the order passed in that case the tribunal observed that

‘a person can be said to be Goods Transport Agency, if the person provides services in relation

to the transportation of goods by road and issues the consignment note. From the above legal position, it clear that not all the person who transport of goods by road are qualified as Goods Transport Agency. To qualify as services of GTA, the GTA should issue necessarily a consignment note then only services provided by the GTA are taxable under Finance Act, 1994. In the present matter it is admitted fact that in case of supply of transportation of goods services to M/s FCPL. Appellant have not issued any consignment notes. M/s FCPL issued consignment notes/LRs to consignee/consignor of goods. In such circumstance Appellant is not qualified under the Goods Transport Agency as per the above definition of GTA.'

The proposed activity of the applicant fulfils all the features of GTA as described in paragraphs 4.5, 4.6 and 4.7 As such we are of the considered view that the applicant can be regarded as Goods Transport Agency so far as the activities delineated in the application for advance ruling is concerned.

4.9 Another pertinent issue is whether the proposed activity of the applicant can be considered as services by courier agency. This aspect is integrally related to the second question raised by the applicant in his application for advance ruling. The exemption provided by entry no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 has been extended to GTA only, not to a courier agency.

The term 'courier agency' has been defined in clause (u) of definitions to be found in Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017. Courier agency is defined as any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles.

The main point of difference between a courier agency and a GTA lies in the mode of transport used. A GTA exclusively delivers goods via road from one point to another, while a courier agency opts for a multi-modal transportation system that may involve air, rail and road transportation from person-to-person. Unlike a GTA, usually courier agency does not issue consignment note. In this respect the applicant's proposed activity cannot be equated with that of courier agency.

Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017 has exempted from GST the services by way of transportation of goods (Heading 9965) by road except the services of (i) a goods transportation agency and (ii) a courier agency. There are certain areas in the activities of both GTA and courier agency which seem to create confusion. Since the provisions in respect of the services of GTA or courier agency are the same in both the GST Act and the erstwhile Service Tax, we may refer to Circular No. 104/ 07 /2008-ST dated 06. 08 .2008

(Service Tax levy on goods transport by road services -reg.) and Circular No.186/ 5/ 2015-ST dated 05.10. 2015 (Service Tax levy on services provided by a Goods Transport Agency -reg.). Both the circulars have clarified certain issues related to the activity of GTA as compared to the activity of courier agency.

The relevant portions of the circulars are reproduced:

Circular No. 104/ 07 /2008-ST dated 06. 08 .2008

Issue 3: *Whether time sensitive transportation of goods by road in a goods carriage by a GTA shall be classified under courier service and not GTA service?*

Clarification: *On this issue, it is clarified that so long as, (a) the entire transportation of goods is by road; and (b) the person transporting the goods issues a consignment note, it would be classified as 'GTA Service'.*

Circular No.186/ 5/ 2015-ST dated 05.10. 2015

5. It is also clarified that transportation of goods by road by a GTA, in cases where GTA undertakes to reach/deliver the goods at destination within a stipulated time, should be considered as services of goods transport agency in relation to transportation of goods for the purpose of notification No. 26/2012- ST dated 20.06.2012, serial number 7, so long as (a) the entire transportation of goods is by road; and (b) the GTA issues a consignment note, by whatever name called.

It is evident from the above clarifications that if the transportation of goods is done entirely by road and the person transporting the goods issues consignment note, the time sensitive transportation of goods is to be considered as services by GTA.

4.10 Then we come to the discussion as to whether the transportation services provided by the applicant to the end customer being an unregistered person are covered by entry no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017.

According to the discussions and findings detailed in the preceding paragraphs, we are of the considered view that the applicant is a GTA as per the proposed model and the services provided by the applicant is regarded as services provided by a GTA.

As per the Terms of Use for the buyers, select products offered by sellers may be eligible for business purchases on the platform of Flipkart Internet Private Limited. Buyers of those products are registered persons under the GST. There remains another segment of buyers who are individuals having no registration under GST. They are categorised as unregistered persons.

Here we reproduce the relevant entry of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017.

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
[21A	Heading 9965 or Heading 9967	<p>Services provided by a goods transport agency to an unregistered person, including an unregistered casual taxable person, other than the following recipients, namely: —</p> <p>(a) any factory registered under or governed by the Factories Act, 1948 (63 of 1948); or</p> <p>(b) any Society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or</p> <p>(c) any Co-operative Society established by or under any law for the time being in force; or</p> <p>(d) any body corporate established, by or under any law for the time being in force; or</p> <p>(e) any partnership firm whether registered or not under any law including association of persons;</p> <p>(f) any casual taxable person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.</p>	Nil	

We have already discussed elaborately the reasons for which the applicant should be considered as GTA. Now the only issue left is whether the applicant provides the GTA services to unregistered persons when individuals buy products on the platform of Flipkart Internet Private Limited and the applicant is going to provide the transportation service i.e. who is the recipient of transportation services provided by the applicant.

Here the definition of recipient of supply of goods or services or both comes into play. According to Section 2(93) of the CGST Act “*recipient*” of supply of goods or services or both, means—
(a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;

(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available;

(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied.

As per the proposed scheme, the applicant will issue a consignment note in the name of the end customer before undertaking the transportation of goods from the Source Mother Hub to the end customer's given address. Accordingly a bill of supply in respect of goods transport charges will be issued in the name of the end customer. The end customer will have the option either to pay the said charges on the platform at the time of placing order or to pay it by cash at the time of delivery. In either case the consideration payable for supply of services (by the applicant) is paid by the end customer. As such the end customer qualifies as recipient of service under clause (a) of the above definition.

If the end customer to whom service is provided by the applicant in the capacity of a GTA is an unregistered person the services will be covered by entry no. 21A *ibid*.

It is needless to mention that the incidental/ ancillary services provided strictly in relation to and in the course of the specific transportation of goods will also be covered by the above exemption entry by virtue of Circular No. 234/28/2024- GST Dated 11.10.2024 issued by CBIC as detailed in paragraph no. 4.7.

In view of the foregoing discussion, we rule as under:

RULING

Question 1: Whether the services provided by the applicant to customers will qualify as 'Goods Transport Agency' (in short GTA) services?

Answer: The answer is in the affirmative.

Question 2: Whether the services provided by the applicant to unregistered customers through the e-commerce operator's portal will be eligible for exemption in terms of serial no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017, as amended?

Answer: The answer is in the affirmative.

Sd/-
(SHAFEEQ S)
Member
The West Bengal Authority for Advance
Ruling

Sd/-
(JAYDIP KUMAR CHAKRABARTI)
Member
The West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 9th December, 2025

To,

Flipkart India Private Limited

ESR Warehousing and Logistic Park, B. No.3 & B. No.4, Chandipur

Harinarayanchak and Amraberia, in J.L. No. 9, 55 and 8, P.S- Uluberia, Uttar Pirpur,

Howrah-711316

Copy to,

(1)The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector,
Kolkata-700107

(2)The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700015

(3)The Commissioner, Howrah Commissionerate, 1, strand Road, M. S. building, Kolkata-
700001

(4)The Special Commissioner, Large Tax Payers Unit, 14, Beliaghata Road, Kolkata-700015

(5)Office Copy