


GUJARAT AUTHORITY FOR ADVANCE RULING, GOODS AND SERVICES TAX, A/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380009.	
---	---

ADVANCE RULING NO. GUJ/GAAR/R/2022/15

(In Application No. Advance Ruling/SGST&CGST/2021/AR/49)

Dated:22.03.22

Name and address of the applicant	:	M/s. Gujarat State Road Transport Corporation, B-20, Central Work Shop Compound, Central Office, Naroda, Ahmedabad, Gujarat, 382346
GSTIN of the applicant	:	24AAACG5587H1ZI
Date of application	:	21-12-21
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(b), (e) & (g)
Date of Personal Hearing	:	18-2-22
Present for the applicant	:	Shri Rohan Thakkar, CA

Brief Facts

1. M/s. Gujarat State Road Transport Corporation (hereinafter referred to as GSRTC for the sake of brevity) submits as follows:
2. GSRTC operates more than 8700 buses daily basis and is engaged in intra state as well as interstate passenger transportation
3. GSRTC submits that it is mainly engaged in the passenger transportation services
4. GSRTC entered agreement with M/s Ashapura Trade and Transport Private Limited (hereinafter referred to as Ashapura) to provided space in its buses, on top of the bus as well as in bus cabin, for transporting parcels of Ashapura. The parcels booked by Ashapura and transported by the buses run by GSRTC from one station to another station which comes in its (bus route) scheduled route. GSRTC submits that it is not issuing any consignment note, nor is engaged in door to door delivery of the parcels booked by Ashapura. For the transportation of said parcels, GSRTC receives consideration as per the agreement.
5. GSRTC submits that Ashapura is a courier agency or GTA.
6. GSRTC submits that the said activity is exempt in terms of Sr No 18 of Notification No 12/2017-Central Tax (Rate) which reads as follows:

Services by way of transportation of goods-

(a) by road except the services of-

- (i) a goods transportation agency;
- (ii) a courier agency;
- (b) by inland waterways.

7. GSRTC submits that the activity will be taxable when it is of a courier agency or a goods transportation agency. Except that, all other activity of road transportation is exempt.

8. GSRTC submits as follows:

i. As per Para 2(u) of Notification No 12/2017-Central Tax (Rate), "courier agency" means 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 following are the essential elements to treat an activity in the category of 'courier agency'

- A. The services can be rendered by any person who is engaged in a specific service of door to door transportation of time sensitive documents, goods or articles;
- B. The service is to be rendered by utilizing the services of a person, either directly or indirectly;
- C. The said person is to carry or accompany the said documents, goods or articles.
- D. Such transportation should be of time sensitive documents

ii. The main activity which distinguishes a courier agency from other transport agencies is that the courier agencies arranges transportation from door of the sender to the door of the addressee. In other words, the documents, goods, or articles are expected to be picked by the representative of the courier agency from the premises of the sender and later transported and delivered to the premises of addressee. In the present case, GSRTC is not engaged in door to door transportation of time sensitive documents. Rather, it is Ashapura which is collecting documents and parcels and it delivers to the ultimate customer at their address. It is Ashapura which is engaged in door-to-door transportation of documents and parcels. GSRTC is merely transporting goods in its buses that is being handed over by Ashapura from one destination and to be dropped at another destination. GSRTC does not have a knowledge as to for whom the document or parcel ultimately belongs to.

iii. The term used in the definition is that the person must be engaged in the door-to-door transportation. The term engage means to take part or devote attention and effort, to employ ones' self as per the Law Lexicon by P. Ramnatha Iyer. While interpreting the expression 'actively engaged in the conduct of business' occurring in section 2(7)(iii)(b) of the Finance Act, 1962, the Gujarat High Court inter alia, observed as follows:

“The expression ‘engaged in’ is a term of various meaning depending on the context in which it is used but ordinarily it is intended to signify continuous occupation or employment; of action as well as physical participation. However, the term is often employed to denote a present obligation to devote time, attention and efforts to a particular activity, although for a time being, there may not be any active participation or wholesome involvement in such activity”- CIT v. Natvarlal Tribhovandas (1973) 87 ITR 703 (Guj)

A person can, therefore, be said to be ‘engaged in’ providing a service, if he carries on such a service, not as an isolated transaction, but as an organized and fairly continuous activity. In the present context, to fit the activity of a person in the definition of courier agency, ‘the organization must undertake courier service as an organized and fairly continuous activity and not as an isolated or occasional act or transaction. Since, GSRTC is engaged in the activity of passenger transportation by virtue of its establishment under the Road Transport Corporation Act, 1950 and therefore, is not engaged in the business of courier agency. In order to qualify the activity of a courier agency, it must be engaged in transportation of time-sensitive documents, goods or articles.

iv. In the present case, GSRTC is not engaged in door to door transportation of time sensitive documents. Rather, it is Ashapura which is collecting documents and parcels and it delivers to the ultimate customer at their address. To deliver the documents on time is the responsibility of Ashapura and not that of GSRTC. Ashapura merely uses the spaces of bus for the purpose of transportation of the documents. It is Ashapura’s discretion whether to utilize the services of GSRTC or any other entity for the purpose of delivering time sensitive documents and parcels to its customers.

V. Further, the buses run by GSRTC are as per the schedule framed by it and not as per the instructions of Ashapura to deliver its time sensitive documents and parcels that it has booked for its customers. It is for Ashapura to select and identify as to whether a particular bus will be able to transport its documents in time that it has contracted with its customers or not. For Ashapura, GSRTC is not changing its route or timings. Further, a person may have to deliver its documents in any part of India, however, GSRTC has its operations in Gujarat and few other states, but not in the entire country. Thus, the GSRTC is not engaged in transportation of time sensitive documents. From the above, it is concluded that the activity done by GSRTC is not classifiable under the definition of ‘courier agency’.

- vi. As per section Para 2(ze) of Notification No 12/2017-Central Tax (Rate), "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.
- vii. Para 2(zd) of Notification No 12/2017-Central Tax (Rate) defines goods carriage; "Goods carriage" has the meaning assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988). As per Section 2(14) of the Motor Vehicles Act, "Goods carriage" means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods;"
- viii. Thus, it is not disputed that the buses of GSRTC are considered as goods carriage in terms of definition as contained in section 2(14) of the Motor Vehicles Act since it is used for transportation of goods, however, that will not make GSRTC as a goods transport agency.
- ix. One of the conditions for levy of GST on transport of goods by Road is that the consignment note must be issued. Consignment Note is neither defined in the Act nor in the notification No.12/2017-Central Tax (Rate). As a reason, reference has been taken w.r.t meaning of the term 'consignment note' as contained in the erstwhile Service Tax Law wherein the provisions regarding issuance of consignment note is contained in Rule 4B of Service Tax Rules, 1994.
- x. As per Explanation to Rule 4B, '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 paying service tax whether consignor, consignee or the goods transport agency'.
- xi. The consignment Note shall also contain the details of the consignment note number and date, gross weight of the consignment. [2nd Proviso to Rule 4A of Service Tax Rules, 1994]
- xii. GSRTC is issuing 'Parcel Receipt' and by no stretch of imagination, it can be considered as consignment notes. Copy of 'Parcel Receipt' is enclosed.
- xiii. In the following cases pronounced under the erstwhile Law, it has been considered that 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 goods provided by the transporters would not be covered in the definition of Goods Transport Agency. This principle has been held in:
- South Eastern Coal Fields Ltd v. CCE [2014 (8) TMI 857 – (Delhi-Tri)]

- Ultra Tech Cement Ltd. Versus Commissioner of Central Excise, Kolhapur [2017 (11) TMI 297- (Mumbai- Tri)]
- Premier Industries India Ltd. Versus C.C.E., Indore [2017 (11) TMI 481- (Mumbai- Tri)]
- M/s. Kranti SSK Ltd. Versus Commissioner of Central Excise & Service tax, Kolhapur [2017 (6) TMI 275- (Mumbai- Tri)]
- M/s Western Coal Fields Ltd. Versus CCE, Nagpur [2017 (5) TMI 398- (Delhi- Tri)]

xiv. Since, in the present case, no consignment note has been issued by GSRTC for the goods transported of Ashapura, therefore, the activity done by GSRTC is not classifiable under the category of ‘goods transport agency’.

(xv) Thus, the activity performed by GSRTC is transportation of goods by Road other than courier agency and GTA and therefore, is exempt in terms of Sr. No 18 of Notification No 12/2017-Central Tax (Rate).

9. GSRTC has submitted the following SAC codes:

		SAC	Description
		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
113	Group 99652		Water transport services of goods
114		996521	Coastal and transoceanic (overseas) water transport services of goods by refrigerator vessels, tankers, bulk cargo vessels, container ships and the like
115		996522	Inland water transport services of goods by refrigerator vessels, tankers and other vessels
116	Group 99653		Air and space transport services of goods
117		996531	Air transport services of letters and parcels and other goods
118		996532	Space transport services of freight

10. GSRTC submits the definitions from the erstwhile Service Tax Law:

- i. As per section 65(105)(zzzo) which taxes services pertaining to transport of passenger embarking in India for domestic journey

or international journey reads as 'Any service provided or to be provided to any passenger, by an aircraft operator, in relation to scheduled or non-scheduled air transport of such passenger embarking in India for domestic journey or international journey;'

- ii. Further, as per section 65(105)(zzn) which taxes transport of goods by aircraft which reads as 'Any service provided or to be provided to any person, by an aircraft operator, in relation to transport of goods by aircraft;'
- iii. Thus, in the above case, the aircraft remains same and used for twin purpose, one for transportation of passenger as well as another for transportation of goods. As per section 65(3b) of the Finance Act, 1994, "aircraft operator" means any person who provides the service of transport of goods or passengers by aircraft;'

11. Similar to above, GSRTC submits that they are also providing services of transportation of passengers as well as transportation of goods in its vehicles. Just as for one air craft which carries passengers and goods, the two taxable categories are there, viz., "transport of passenger by aircraft" and "transport of goods by aircraft", similarly, in the present case, the bus remains same, which is used for twin purpose., viz., transport of passengers and transport of goods. As a reason, for transport of goods, the activity will be stated as 'transport of goods by Road'. Thus, as per the provisions of the Motor Vehicles Act, 1988, the buses are also used for transportation of goods, hence, will be considered as goods carriage.

12. GSRTC cites section 65(105)(zzzp) which taxes the taxable service of 'Transport of goods by Rail' which reads as 'Any service provided or to be provided to any person, by any other person, in relation to transport of goods by rail, in any manner'. Thus, there is a separate category of taxable service which taxes the services of transportation of goods by Rail.

13. GSRTC has submitted the general procedure involved in transportation of goods by Rail: (Source: <http://www.publishyourarticles.net/knowledge-hub/business-studies/what-are-the-procedure-of-transporting-goods-by-railway-transport/811/>)

i. Selection of the Train

This is the first step of transporting goods over railways. The first thing to be selected whether goods are to be transported through a passenger train or goods train. The selection depends on how quickly the goods are to be transported. If the goods are to be

delivered at an early date, the passenger train will be preferred than goods train. The nature of the commodity plays an important role in deciding goods train or passenger train. If the goods are of perishable nature, these are to be transported through a passenger train.

ii. Packing of Goods:.

After the selection of the train where the goods are to be dispatched, the next step is to pack the goods properly. The goods are packed either in wooden boxes or canvas sacks. The front side of the packets should clearly state the name and address of the receiver, the name of the station where goods are dispatched, railway zone and the destination. Sometimes additional instructions like fragile or glass with care is written to attract the attention of the railway people.

iii. Dispatch Note:

After proper packing, goods are delivered to the booking office. Two notes called forwarding note and consignment are prepared. When goods are carried through a passenger train, a forwarding note is prepared and when goods are carried through a goods train, a consignment note is prepared.

iv Booking of goods:

The railway booking office book the goods and issues a receipt clearly stating whether goods are carried at owner's risk or railway's risks. The booking work is done after the receipt of goods properly packed and a forwarding or consignment note.

v Dispatch of Railway receipt:

After booking the goods, the consignor obtains a railway receipt from the railway authorities. This RR is dispatched to the consignee who on presentation take the delivery of goods. The RR can be made self or on the name of the receiver. When it is made under the self name, it is endorsed in favour of the consignee otherwise goods cannot be released.

14. GSRTC submits that in transportation of goods through rail, the customer goes to the booking office and delivers the goods. When the goods are given, the railway authorities give the railway receipt. The railway authorities then transport the goods from origin to the destination. At the destination, the recipient collects the goods from the office of railway by showing the railway receipt. In this case, the activity is not taxed under the category of 'courier'

15. GSRTC submits that similarly, in transportation of goods in a vehicle which is the service provided by GSRTC, the customer provides services of transportation of goods handed over to it by Ashapura in its buses. The goods are then transported from origin to the destination in the space provided in the buses. At the destination, the recipient collects the goods from the office of GSRTC. Thus, this activity should also not be taxed under the category of 'Courier' as well as it will not be considered as 'GTA' as no consignment note is also issued. However, the activity of transportation of goods has

taken place, thus, it will squarely be covered in Sr No 18 of Notification No 12/2017-Central Tax (Rate) .

16. GSRTC has submitted that like the way the goods transported through rail gets covered under the category of 'transport of goods by rail' (SAC code - 996512); transport of goods through water gets taxed under the category of 'Coastal and transoceanic (overseas) water transport services of goods by refrigerator vessels, tankers, bulk cargo vessels, container ships and the like (SAC -996521) and Inland water transport services of goods by refrigerator vessels, tankers and other vessels (SAC - 996522)' , transport of goods by air gets taxed under 'transport of goods by aircraft' (SAC 996531), the transport of goods through road should also be treated as 'transport of goods by road' as the operations performed under all the modes of transport remains more or less same except that the mode of transport is different.

17. GSRTC submits that the activity done by it gets covered in Sr No 18 of Notification No 12/2017-Central Tax (Rate) and therefore exempted from payment of GST.

18. GSRTC cited Section 2(68) of the CGST Act, 2017 (also similar provision under Gujarat GST Act, 2017) which defines job work as, 'job work' means any treatment or process undertaken by a person on goods belonging to another registered person and the expression "job worker" shall be construed accordingly.

19. GSRTC submits that it is merely transporting goods given by Ashapura by providing space in its bus from one location to another location. It is not doing any treatment or process on the goods. The goods are merely transported from one location to another location in the same condition. Not a single process on the goods is being done by GSRTC.

20. GSRTC cites that classification under GST is to be taken as specified in the First Schedule to the Customs Tariff Act, 1975; Section and Chapter Notes and the General Explanatory Notes of the First Schedule, for the purposes of interpretation.

21. Questions on which Advance Ruling sought:

- (a) Whether GST will be applicable on the parcels of Ashapura that are being transported by GSRTC ?
- (b) Whether GSRTC is eligible to avail exemption in terms of Sr. No 18 of Notification No 12/2017-Central Tax (Rate) whereby GSRTC is transporting parcels of Ashapura, but is neither GTA nor courier agency?

- (c) What will be the rate at which GST is required to be charged by GSRTC, in case at (b) above, it is held that GSRTC is not eligible for exemption?
- (d) What will be the SAC code for the transportation of goods by Road other than courier and GTA provided by GSRTC?
- (e) Whether the tax, in case it is required to be paid as held in (c) above, be considered to be covered under Notification No 13/2017-Central Tax (Rate) whereby the service recipient is required to make payment of tax instead of service provider?

Personal Hearing

22. Personal hearing granted on 18-2-22 was attended by Shri Rohan Thakkar, CA and they reiterated the submission.

Additional Submission by GSTRC:

23. GSRTC vide letter dated 1-3-22 submitted a Sample Transport Receipt:



23.1 The content of the Receipt is explained as follows:

- i. Valsad to Vyara indicates that the parcels have been loaded at Valsad Depot and Unloaded at Vyara Depot;
- ii. Vapi Depot, indicates that the receipt has been generated from Vapi Depot. No 010042 represents the Serial Number of the Machine from which receipt is generated.
- iii. 31/07/20 17:06:16 represents date and time of parcel receipt;
- iv. Total Distance 105 Kms represents total kilometer distance from the point of loading of bus depot to point of unloading of the bus depot;
- v. Units 17 represents number of parcels transported in a particular journey
- vi. Receipt Number 2701 represents the document number.
- vii. 259013 5060C represents conductor Duty Number
- viii. 794B represents driver duty number;
- ix. 53191547N – Machine hardware number.
- x. GJ 18 Y 8843 represents the Bus number in which goods have been transported.

23.2 GSRTC submits that by no stretch of imagination, the parcel receipt referred above will be categorized as consignment note.

23.3 GSRTC has submitted that it is not disputed that the buses of GSRTC are considered as goods carriage in terms of definition as contained in section 2(14) of the Motor Vehicles Act since it is used for transportation of goods, however, that will not make GSRTC as a goods transport agency.

24. GSRTC submitted that Parcel receipt cannot be considered as consignment note because it does not have name of consignor, consignee, details of the goods transported, person liable for paying tax whether consignor, consignee or the goods transport agency. In the case of CCE & ST Raigad Vs JAC Logistics Pvt Ltd 2018 (5) TMI 1131 – CESTAT Mumbai, it is held that an invoice which contains all essential ingredients as laid down in rule 4B is no substitute for a consignment note. An invoice creates a liability of debt on the part of recipient of 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. Issue of monthly invoice does not, ipso facto, creates such liability and hence cannot be substituted for a consignment note.

25. The relevant clause of agreement is reproduced as follows:

Clauses of the agreement

7(d) The transportation of parcel, allied services and courier covers accepted by the Licensee to place where there are no offices will be at the sole risk of the Licensee. The licensor shall not be responsible, if such parcels are misplaced or lost or any manner damage to the parcel or courier.

7 (h) The total weight of the parcel, allied services and courier to be transported on a bus shall not exceed single parcel 80 kilograms and parcel height 40 inch allowed only.

7 (n) The Licensor shall not be responsible for any loss or damage or shortage that may be suffered by the Licensee due to withdrawal or cancellation of buses, agitations, vandalism by the crew or outsiders, strikes, war , flood, fire, accident natural calamities or any other cause like act of god.

7(o) The Licensor reserves the right to transport their goods, daks and other departmental (GSRTC) items by buses and the Licensee shall not have any right to demand or claim charges for transport of these items.

7(r) The Licensee should take necessary safety precautions for passengers, Licensor's property and other road users while transporting parcels/ courier by the buses of the Licensor. The licensor shall not be responsible for any loss or damage.

25.1 GSRTC submits that it is not responsible for any loss of goods that are being transported by it and the responsibility to do safe transportation rests with that of licensee and not that of GSRTC. Even GSRTC is not aware about the contents of the goods that are being transported. Thus, on account of above reasons, the activity will not be treated as 'Goods Transport Agency'.

26. GSRTC referred Section 2 of the Custom Tariff Act, 1975 for classification of the service provided by it. GSRTC submits that the essential character of the activity done by it is the transport of goods and not the job work. In terms of principles of classification, the activity will remain classified under 'transport of goods by road' as it gives the essential character to the activity performed by the GSRTC. The activity is classifiable under 'transport of goods' other than courier and Goods Transport Agency, therefore, is covered under Sr No 18 of Notification No 12/2012-CT (R).

27. GSRTC cited the following case laws:

- i. CCE v. Modi Rubber (2001) 133 ELT 515 (SC 3-member Bench)
- ii. Oblum Electrical Industries (P) Ltd. v. CC 94 ELT 449 (SC) = AIR 1997 SC 3467 = 1997 AIR SCW 3557 = 1997(7) SCC 581 - followed in KR Steel Union v. CC 2001 AIR SCW 1541=2001(4) SCC 736 = 129 ELT 273 (SC 3 member bench)
CCE v. Acer India Ltd. (2004) 172 ELT 289 =(2004) 8 SCC 179= AIR 2004 SC 4805 = 137 STC 596 = 2004 AIR SCW 5496
- iii Shriram Vinyl v. CC2001 (129) ELT 278 (SC 3 member bench)
- iv CC v. Rupa and Co Ltd. 2004 AIR SCW 4241 = 170 ELT 129 (SC),
- v. Mysore Minerals v. CIT 1999 AIR SCW 3146 = AIR 1999 SC 3185 = 239 ITR 775 = 106 Taxman 166 (SC)
- vi CIT v. Gwalior Rayon Silk Mfg Co. - (1992) 62 Taxman 471 = 196 ITR 149 SC)
- vii Hercules Tyre and Rubber Industries v. CCE 1983 (13) ELT 1017 (CEGAT) ' Asea Brown Boveri Ltd. v. CCE 2000 (121) ELT 666 (CEGAT)' Baxter (1) P. Ltd. v. CC 2001 (130) ELT 652 (CEGAT) . Pitamber Coated Paper v. CCE 2003 (157) ELT 297 (CESTAT).
- viii Tata Oil Mills Co. Ltd. v. CCE (1989) 4 SCC 541 = 43 ELT 183 = 82 STC 225 = AIR 1990 SC 27 (SC).
- ix HMM Ltd. v. CCE - 1996 (11) SCC 332 = 87 ELT 593 (SC)
- x New Holland Tractors v. CCE (2010) 253 ELT 249 (CESTAT)
- xi Cochin Cements v. State of Kerala (2008) 18 VST 224 (Ker HC DB)
- xii UOI v. Ranbaxy Laboratories (2008) 7 SCC 502 = AIR 2008 SC 2286 - quoted with approval in N Kannadasan v. Ajoy Khose (2009) 7 SCC 1.

28. GSRTC vide letter dated 5-3-22 submitted that the activity carried out by it will not be classified as support service under GST.

29. GSRTC submitted the following from Notification No. 11/2017-CT (R):

11	Heading 9967 (Supporting services in transport)	⁵ [(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> “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.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
				or
			6	Provided that the goods transport agency opting to pay central tax @ 6% under this entry shall, thenceforth, be liable to pay central tax @ 6% on all the services of GTA supplied by it.]
		(ii) Supporting services in transport other than (i) above.	9	-

29.1 GSRTC has submitted five digit sub- classification as follows:

Heading 9967	Supporting services in transport
Group 99671	Cargo handling services
Group 99672	Storage and warehousing services
Group 99673	Supporting services for railway transport
Group 99674	Supporting services for road transport
Group 99675	Supporting services for water transport (coastal, transoceanic and inland waterways)
Group 99676	Supporting services for air or space transport
Group 99679	Other supporting transport services

29.2 The six digit classification w.r.t ‘supporting service for road transport’ reads as:

Scheme of Classification of Services

S.No.	Chapter, Section, Heading or Group	Service Code (Tariff)	Service Description
(1)	(2)	(3)	(4)
138	Group 99674		Supporting services for road transport
139		996741	Bus station services
140		996742	Operation services of national highways, state highways, expressways, roads and streets; bridges and tunnel operation services
141		996743	Parking lot services
142		996744	Towing services for commercial and private vehicles
143		996749	Other supporting services for road transport nowhere else classified

30. GSRTC submitted that six digit classifications reveals that the support service for road transportation stated above assists in road transportation and is different from the activity of transportation of goods by road. Thus, the activity of transportation of parcels of Ashapura will not be considered as support service on road transport.

Revenue's submission

31. Revenue has neither submitted its comments nor appeared for hearing.

Findings

32. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and GGST Act, 2017 are in *parimateria* and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the GGST Act.

33. We have carefully considered the submissions made by GSRTC.

34. On reading of the Agreement entered by GSRTC with Ashapura, we find that said agreement expired on 30-6-20. Shri Thakkar during the personal hearing, submitted that GSRTC intends to do such activities, as detailed in agreement submitted before us, in future. GSRTC vide its letter dated 18-2-22 submitted that it intends to carry on such activities on the same terms and condition (as per submitted agreement) in future and in anticipation of the same, GSRTC filed the present application before us. We, thereby, hold that GSRTC has locus standi, as per Section 95(a) to seek Ruling on its proposed supplies to be undertaken by it and thus the subject Advance Ruling Application is admitted taking into account GSRTC's letter dated 18-2-22.

35. The proposed activities, deduced from GSRTC's submissions; and the agreement with Ashapura, are as follows: [We use the word Ashapura, which may be read interchangeably as service recipient of GSRTC]

- i. GSRTC invites tenders from agencies carrying out business of transportation of parcels and specific allied services and courier.
- ii. GSRTC intends to give space available on roof and dickeys of its buses (except AC and volvo) for transportation of the said parcels of service recipient.
- iii. GSRTC intends to give space at its parcel offices/ pick up sheds at its various bus stands, for the service recipient. Further, GSRTC to provide open spaces in bus stations without parcel office, subject to availability of open space.
- iv. GSRTC to permit recipient to use its weighing scales where ever available. Maintenance and stamping of those weighing scales to be done to recipient itself.
- v. GSRTC charges two types of fees on the service recipient for the following:
 - a. **Fees for transportation for parcel service:**
 - b. **Fees towards rent of parcel offices:**

- vi. Recipient to pay service tax under Transportation of goods by road (para 8 of the agreement).

36. We find that GSRTC provides services to such firms/ agencies (its service recipients) carrying on the business of transportation of parcels, specific allied services. We agree with GSRTC that it itself is not a courier agency as it is not engaged in door to door transportation of goods/articles/documents. It is a fact on record that Ashapura is engaged in door to door transportation of its parcel goods but not GSRTC. What we find from the agreement is that GSRTC's services to Ashapura is supporting the business of Ashapura, by transporting the parcels of Ashapura from one destination to other, wherein Ashapura is both the consignor and consignee at the respective bus stations. Ashapura utilises the services of GSRTC for enabling it (Ashapura) for door to door delivery of parcels. Further, the specific activity of GSRTC supplying parcel office space/cabin/shed to Ashapura falls under the category of infrastructural support services which is a subset of Business Support Services. We hold GSRTC supplies Business Support Services to its service recipient. The standard agreement submitted before us asserts our findings.

37. As already discussed, in the previous para, we find that GSRTC is not a Courier Agency as it is not involved in door to door transportation of goods/articles/documents.

38. We note that GSRTC transports goods, as detailed in agreement before us, by road in its buses. We note from Notification 11/2017- CT (R), a 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. In present case, GSRTC is providing service in relation to transport of goods by road and GSRTC issues parcel receipt. Though not specifically mentioned in these parcel receipts, we infer that both the consignee and consignor will be Ashapura. We note that Parcel receipts do not have the details of the goods transported. During the personal hearing, Shri Thakkar was not able to clarify, if the details of the goods entered in the registers maintained by recipient will be matched with any line item on the parcel receipt.

39. Though GSRTC transports goods by road in its buses and issues parcel receipt, we are not inclined to accord this activity of GSRTC to fall under goods transport agency service for the following reasons

- i. The service description in subject matter is Business Support Service and GSRTC supports the services to be supplied by Ashapura to its (Ashapura's) recipients.
- ii. GSRTC in the said agreement at para 7(q) submits that it is not responsible or liable in case the parcels, courier covers is lost or damaged **in transit**, in the

buses or premises or bus stations, recipient shall be solely responsible and liable for the same.

What we find is that although a parcel receipt is issued by GSRTC, it absolves itself from any responsibility of the parcels after receipt. Thus we find it hard to equate this parcel receipt to a consignment note wherein the responsibility of the goods being transported is not on the consignee.

- iii. Further, the consideration received by GSRTC includes the following:
 - a. Charges for transportation of parcel
 - b. Charges for providing parcel office space.

40. We note that GSRTC cited certain case laws at para 8(xiii) pertaining to GTA & reverse charge liability in the service tax era. Firstly, our issue at hand is GST liability on services supplied by GSRTC and not pertaining to service tax liability. Second, we concur with GSRTC that it is not providing services of a goods transport agency as discussed at para 39. We find that the said case laws cited by GSRTC are thereby no avail for the twin reasons cited in this para.

41. In continuum to holding that GSRTC is not supplying goods transport agency service, We also concur with GSRTC that its services will not be classified as supporting services for road transport under SAC 99674.

42. We note that GSRTC has cited many a case laws at para 27. We fail to grasp the reason why GSRTC has cited these case laws, as the facts of the case laws are different from the present facts. We find these cited case laws irrelevant to present facts. To illustrate, the Modi Rubber case law pertains to Input duty credit/ proforma credit in central excise and its set off. The Oblum electricals case law pertains to duty exemption scheme in Customs. The Shriram vinyl case law pertains to eligibility of Notification 155/86- Customs. Rupa & Co case law pertains to Textile machinery imported under EPCG. Further, we note that GSRTC has cited a few case laws pertaining to Income Tax such as Mysore Minerals and Gwalior rayon silk case laws. The Hercules Tyre case law pertains to the scope of Notification 47/72- central excise. The Tata oil mills case law pertains to exemption to soap on use of rice bran oil in its manufacture. The HMM case law pertains to metal screw cap on horlics bottle and applicability of Notification 201/79- central excise. New holland tractors case law pertains to eligibility of Notification 23/2004 and 6/2006- central excise pertaining to captively consumed engines in manufacture of tractors. We found that GSRTC made us do a futile exercise to go through all these case laws cited by it at para27, for the sole reason that these have no bearing on the facts of the present case.

43. In conspectus of aforementioned discussion and findings, we pass the Ruling,

RULING

1. In this specific scenario presented before us, GSRTC supplies Business Support Service to its recipient.
2. SAC is 998599, covering Other Support Services n.e.c.; GST rate being 18%.
3. GSRTC is neither a GTA nor a courier agency, thus the Ruling with respect to Question (b) & (e) is thereby not applicable, in view of aforementioned Ruling at Sr. No. 1.

(ATUL MEHTA)
MEMBER (S)

(ARUN RICHARD)
MEMBER (C)

Place: Ahmedabad
Date: 22.03.2022