

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri C. Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 3/ARA/2026, dated 09.01.2026

1. *Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*
2. *In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
 - (a) *On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
 - (b) *On the concerned officer or the Jurisdictional Officer in respect of the applicant.*
3. *In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
4. *Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
5. *The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

GSTIN Number, if any/User id	33AABCF8078M1Z8
Legal Name of Applicant	Flipkart India Private Limited
Trade Name of Applicant	Flipkart India Private Limited
Registered Address/ Address provided while obtaining User id	Survey No. 292-302, 126, 295, Thiruvallur High Road, No. 111, Alamathi 2 Revenue Village, Sholavaram Panchayat Union, Tiruvallur – 600067.
Details of Application	Application Form GST ARA-01 received from the applicant on 16.06.2025.
Jurisdictional Officer	Center – Chennai-Outer Commissionerate, Ponneri Division, Ponneri Range.
	State – Large Taxpayers' Unit – DC1 Large Taxpayers' Division
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Service Provision Provision of Goods Transport Agency services to unregistered customers.
Issues on which advance ruling required	1. Classification of any goods or services or both; 2. Determination of the liability to pay tax on any goods or services or both;
Question(s) on which advance ruling is required	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)?

M/s. Flipkart India Private Limited, Survey No. 292-302, 126, 295, Thiruvallur High Road, No. 111, Alamathi 2 Revenue Village, Sholavaram Panchayat Union (hereinafter called as the "Applicant") are registered under the GST Act with GSTIN 33AABCF8078M1Z8 under the goods and services tax Act. They have filed this application for advance ruling under Section 97 of the CGST Act, 2017, and corresponding provisions under the Section 97 of TNGST Act, 2017. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

The applicant has sought advance ruling on the following question:

- 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)?

2. **Statement of relevant facts:**

2.1 Flipkart India Private Limited (hereinafter referred to as "FKI" or "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 (and the questions raised therein) is limited to the transportation of goods by road carried out by the Applicant. 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). 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/Terms of Use ("**TOUs**") - which is agreed by the end-customer while ordering goods on the ECO's portal. Sample TOUs in relation to the transportation activity of the Applicant (proposed to be listed on ECO's portal) is listed. 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). 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.

2.2 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. A draft bill of supply /Tax Invoice is attached.

2.3 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.

2.4 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. 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.

2.5 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). At the time of filing of the Application, the Applicant has not yet commenced the new business.

3. Interpretation of Law by the Applicant based on the statement of facts:

On interpretation of law, the applicant has stated that-

3.1 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.

3.2 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.

3.3 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 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."

3.4 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.

3.5 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."

3.6 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:

"4B. 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 paying service tax whether consignor, consignee or the goods transport agency."

3.7 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.

3.8 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, create such liability and the impugned order is not at fault for having held that tax liability does not arise.

3.9 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.

3.10 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) SCC 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.*"*

3.11 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:

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

3.12 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:

<p><i>"9965 Goods transport services</i></p> <p><i>99651 Land transport services of goods</i></p> <p><i>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....</i></p> <p><i>...This service code does not include:</i></p> <ul style="list-style-type: none"> <i>o messenger services of bicycle couriers, cf. 996812</i> <i>o courier delivery services, cf. 996812</i> <i>o local delivery services, cf. 996813</i> <i>o armored car services, cf. 998524</i>
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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."

3.13 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".

3.14 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 utilising 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.

3.15 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'."

3.16 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.

3.17 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).

3.18 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><i>Services provided by a goods transport agency to an unregistered person, including an unregistered casual taxable person, other than the following recipients, namely: -</i></p> <p><i>(a) any factory registered under or governed by the Factories Act, 1948(63 of 1948); or</i></p> <p><i>(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</i></p> <p><i>(c) any Co-operative Society established by or under any law for the time being in force; or</i></p> <p><i>(d) any body corporate established, by or under any law for the time being in force; or</i></p> <p><i>(e) any partnership firm whether registered or not under any law including association of persons;</i></p> <p><i>(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."</i></p>	Nil	Nil
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3.19 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.

3.20 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. 21A 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."

3.21 The Applicant submits that the benefit of such Nil exemption under Sl. No. 21A 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."

3.22 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.

3.23 The Applicant submits that the Hon'ble Authority / 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 hereunder:

*"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."

4. The applicant is under the administrative control of Centre. The concerned authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. Remarks have been received from the State Authority that there are no pending proceedings on the questions raised in their Advance Ruling Application. Since, no remarks have been received from the Central GST jurisdictional Authority, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application.

5. Personal Hearing

The applicant was given an opportunity to be heard in person on 07.10.2025 vide this office memorandum No.27/2025/ARA, dated 23.06.2025, Shri. Rohit Jain, Advocate & Shri. Arihant Tater, Advocate appeared for the personal hearing as the authorised representatives (AR) of M/s. Flipkart India Private Limited. The AR reiterated the submissions made in their application for advance ruling.

5.1 The AR has furnished Additional submissions during the Personal hearing containing extracts of relevant statutory provisions, Notifications, Board Circulars and a few judgements. AR stated that they proposed a new business model by providing transportation services of goods exclusively by road to the customers purchasing such goods from various E-Commerce Operator portals. Whenever the goods are purchased by customers through the E-Commerce portal, the seller would deliver the goods to their nearest Flipkart India's warehouse known as "Source Mother Hub". The applicant will issue Goods Consignment Note and transport the goods

by road from Source Mother Hub to the Customer's delivery address. They will issue Tax Invoice for Goods Transport Charges under HSN 9965 and charge IGST @ 12%. The transport charges will be paid by the end customer along with cost of the goods to the E-Commerce Operator, who will in turn remit the same to the applicant. They claim that they are doing Goods Transport Agency service. Further, they claim exemption from GST on GTA services provided to unregistered customers ordering goods through the ECO's portal under S. No. 21A of Notification No. 12/2017 - Central Tax (Rate) dated 28.06.2017 (as amended).

5.2 Members asked for the contract between the applicant and the E-Commerce Operators and also the details of payments between them. The AR had assured to submit the same within one week and furnished the same on 14.10.2025 through email.

5.3 In the agreement between the Applicant and the E-commerce Operators, the following were agreed upon.

The Applicant will be providing transportation services to the End-customer for delivery of goods ("Services") listed on the Company's e-commerce platform, www.flipkart.com, Flipkart Mobile App and the Flipkart M-Site, collectively "Platform"; The rendition of these services would be facilitated by the Company. For the purpose of above-clause, the End-customer implies the person who orders goods on the Platform and has engaged the services of the Affiliate for transportation of such goods. The Company has collected payments/ fees from the End-customers for services rendered by the Applicant. Under this agreement, the Company is paying the payments/ fee so collected from the end-customer to the Applicant. The Parties have agreed to enter into an arrangement for disbursement of such amounts collected by the Company from the end-customer on behalf of the Affiliate on terms and based on the conditions set forth herein. In addition to the above, with respect to the returns facilitated by the Company via its platform, the Service Provider will independently provide transportation and logistics services to the Company, including but not limited to returns management and disposal detailed in Annexure A.

5.4 The Applicant/ Service Provider will raise a financial debit note on the Company for collection of the consideration collected by the Company on behalf of the Applicant for the transportation services rendered by it to the end-customer. The Affiliate will raise a tax invoice for the transportation services provided to the Company as per agreed consideration as detailed in Annexure B. All applicable GST (wherever applicable) shall be charged over and above the price provided in this Agreement. It is however clarified that no GST would be charged on disbursement of consideration by the Company to the Applicant. Appropriate taxes/ GST (wherever applicable) would be collected by the Applicant at the time of raising of tax invoice on the end-customer. The said GST liability (wherever applicable) would be independently discharged by the Applicant in compliance with the GST laws. The invoice for service fees shall

be duly raised by the Company within the time as prescribed under Central Goods and Services Tax Act and the Rules made hereunder. The Company shall state applicable Goods & Services Tax on its invoice and pay all collected taxes to the appropriate taxing authority.

6. Discussions and Findings:

6.1 We have carefully examined the submissions made by the applicant in their advance ruling application, submissions made during the personal hearing and the additional submissions through email thereafter. We have also considered the issue involved, the relevant facts and the applicant's submission / interpretation of law in respect of question on which the advance ruling is sought.

6.2 We find that the queries are liable for admission as it gets covered under Section 97 (2) (a) & (b) of CGST/TNGST Act, 2017 under

"(a) classification of any goods or services or both;

(b) applicability of a notification issued under the provisions of this Act"

6.3 We find that the applicant is starting a new business model by providing transportation services of goods exclusively by road to the customers purchasing such goods from various E-Commerce Operator portals. Whenever the goods are purchased by customers through the E-Commerce portal, the seller would deliver the goods to their nearest Flipkart India's warehouse known as "Source Mother Hub". The applicant will issue Goods Consignment Note and transport the goods by road from Source Mother Hub to the Customer's delivery address. They will issue Tax Invoice for Goods Transport Charges under HSN 9965 and charge IGST @ 12%. The transport charges will be paid by the end customer along with cost of the goods to the E-Commerce Operator, who will in turn remit the same to the applicant. They claim that they are doing Goods Transport Agency service. Further, they claim exemption from GST on GTA services provided to unregistered customers ordering goods through the ECO's portal under S. No. 21A of Notification No. 12/2017 - Central Tax (Rate) dated 28.06.2017 (as amended).

6.4 We find that the applicant has sought for advance ruling on the following :

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)?

6.5 We will analyse the "Good Transport Agency" services;

As per Paragraph 4(xxxx) of the Rate Notification (Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017)

*“(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.”*

Also Para 2 (ze) of Notification No. 12/2017- Central Tax (Rate) New Delhi, the 28th June, 2017 states as follows:

*(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.*

From the above said explanations given in both the above said notifications, it can be inferred that “Goods Transport Agency” is

- a) Any person providing service in relation to transport of goods by road
- b) And issues a Consignment Note.

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. By issuing a consignment note, the GTA undertakes to transport the goods from the consignor to the end-customer’s delivery address for a consideration to be paid by the customer. In the instant case, the applicant is providing the service of transporting the goods to the customers purchasing them (through E-Commerce portals) by road to their delivery address and also issues a Consignment Note to them. We have referred to the sample Consignment Notes furnished by the Applicant. The Applicant would issue a single Consignment Note from the goods pick-up point at Source Mother Hub to the Delivery Address, due to which a lien is created over the goods being transported in favour of the Applicant and 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. 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 such, the customer may be entitled to a refund in case the prior payment is made by them. In such instances, the loss of transportation charges would be borne by the Applicant with or without any charge payable by the E-commerce operator. 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. The end-customer makes payment for such transportation services along with GST through the e-commerce portal along with the cost of the goods. The e-commerce operator remits the transport charges to the Applicant. Hence, the aforesaid activity of the applicant in providing the services of transporting the goods by road to the end-customers would qualify as a “Goods Transport Agency services”.

6.6 On perusal of the Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017, we observe that entry S.No.21 of the said Notification exempts the services provided by a goods transport agency in respect of the following situations, viz.,

(1)	(2)	(3)	(4)	(5)
21	Heading 9965 or Heading 9967	Services provided by a goods transport agency, by way of transport in a goods carriage of - (a) agricultural produce; (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees; (c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty; (d) milk, salt and food grain including flour, pulses and rice; (e) organic manure; (f) newspaper or magazines registered with the Registrar of Newspapers; (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or (h) defence or military equipments.	NIL	Nil

In this regard, we further note that an entry S.No.21A was inserted to the exemption Notification No.12/2017 – Central Tax (Rate) dated 28.06.2017, by way of an amendment Notification No. 32/2017- Central Tax (Rate) dated 13.10.2017, and the said entry read as follows :-

(1)	(2)	(3)	(4)	(5)
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) anybody 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.	Nil	Nil


The aforesaid entry S.No.21A of Notification no.12/2017-Central Tax (Rate) dated 28.06.2017 (as amended) gives exemption to services provided by a goods transport agency to an unregistered person. The transportation services provided by a Goods Transport Agency by transporting goods to a person not registered under GST or a Casual Taxable person not registered under GST is eligible for exemption from GST vide the aforesaid entry.

6.7 The Applicant claims exemption from GST vide entry S.No.21A of Notification no.12/2017-Central Tax (Rate) dated 28.06.2017 (as amended) in respect of Goods Transport Agency services provided to unregistered persons ordering goods through e-commerce portals. Any person ordering goods through e-commerce portal, if not registered under GST is eligible for exemption from GST on services provided by a Goods Transport Agency.


7. In view of the above discussion, we rule as under:

Ruling

- 1) The Applicant's activity of transporting the goods ordered through e-commerce portal to the customer by road on issue of a Consignment Note qualify as "Goods Transport Agency (GTA) services".
- 2) Services provided by the Applicant to unregistered customers who orders goods through the electronic commerce operator's portal are eligible for exemption in terms of entry Sl.No.21A of Notification No. 12/2017 - Central Tax (Rate) dated 28.06.2017 (as amended).


7-09/10/2026
(B.SUSEEL KUMAR)
Member (SGST)




09/10/2026
(C. THIYAGARAJAN)
Member (CGST)

To

M/s Flipkart India Private Limited
Survey No. 292-302, 126, 295,
Thiruvallur High Road,
No. 111, Alamathi 2 Revenue Village,
Sholavaram Panchayat Union,
Tiruvallur - 600067.

(BY SPEED POST)

Copy submitted to

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Uthathamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.

3. The Commissioner of GST and Central Excise,
Chennai - Outer Commissionerate,
Newry Towers, No. 2054, I Block,
II - Avenue, 12th Main Road,
Anna Nagar, Chennai - 600 040.

Copy to

1. The Deputy Commissioner (ST),
Large Taxpayers' Unit - I,
4th Floor, Integrated Commercial Taxes and
Registration Department Building,
Nandanam, Chennai - 600 035.
2. Stock File - A1.