

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Ms. P. Vinitha Sekhar, Additional Commissioner of Central Tax, (Member)

(2) Mr. A. A. Chahure, Joint Commissioner of State Tax, (Member)

| | |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GSTIN Number, if any/ User-id | 27AAHFL4335L1Z1 |
| Legal Name of Applicant | M/s. Liberty Translines |
| Registered Address/Address provided while obtaining user id | 9, Kashiram Jamnadas Building, 5, P. D'Mello Road, Mumbai – 400009 |
| Details of application | GST-ARA, Application No. 39 Dated 21.08.2019 |
| Concerned officer | Mumbai Nodal Division-1 |
| Nature of activity(s) (proposed/present) in respect of which advance ruling sought | |
| A. Category | Service Provision |
| B. Description (in brief) | Transportation of goods by Road (GTA) |
| Issue/s on which advance ruling required | (i) Classification of goods and/or services or both (iv) Admissibility of input tax credit of tax paid or deemed to have been paid (v) Determination of the liability to pay tax on any goods or services or both |
| Question(s) on which advance ruling is required | As reproduced in para 01 of the Proceedings below. |

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as “the CGST Act and MGST Act” respectively] by **M/s. Liberty Translines**, the applicant, seeking an advance ruling in respect of the following questions.

- 1. Considering the nature of transaction, under the new proposition where Liberty Translines the Applicant, will be issuing the consignment note in addition to the consignment note issued by POSCO ISDC Pvt. Ltd., whether the service rendered by the Applicant to POSCO ISDC Pvt. Ltd. as a sub-contractor would be classified as GTA service (SAC 996791) when the service rendered by POSCO ISDC Pvt. Ltd. as the main contractor, is already classified as GTA service (SAC 996791) and is going to remain unchanged?*
- 2. Whether the Applicant would be right in charging GST @12% under Forward Charge mechanism to POSCO ISDC Pvt. Ltd. in terms of Notification No. 20/2017-Central Tax (Rate) dated 22 August 2017 when POSCO ISDC Pvt. Ltd. as the main contractor, is already charging GST @12% under the same Notification, which is going to remain unchanged?*
- 3. Whether POSCO ISDC Pvt. Ltd. would be eligible to claim credit of the 12% GST charged by the Applicant in its invoice under Forward charge mechanism?*
- 4. Procedurally, is it correct to have two GTA Service Providers and two consignment notes for the same movement of goods, one issued by the Applicant as a sub-contractor and the other by POSCO ISDC Pvt. Ltd. as the main contractor?*

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression ‘GST Act’ would mean CGST Act and MGST Act.

2. FACTS AND CONTENTION – AS PER THE APPLICANT

The submissions made by the applicant are as under:-

- 2.1 M/s Liberty Translines, the Applicant, owner of various goods transport vehicles, is in the business of Road Transportation and registered as Goods Transport Agency (GTA) under GST Laws. The service rendered by applicant is classified under SAC 996791 which is covered under reverse charge.
- 2.2 Applicant, at present, issues consignment notes during execution of the service of transportation of goods and has opted for 5% GST payable by the recipient under reverse charge, as per Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 as amended. Hence Applicant does not charge GST to its clients and also does not claim any input tax credit (ITC) on goods or services used in supplying the service.
- 2.3 Sometimes, the applicant functions as a mere Transporter of goods for which consignment note is issued by some other party which acts as GTA for that transaction. Here, applicant's service gets classified under SAC 996511 for which scheduled rate of tax is Zero percent.
- 2.4 Applicant now wants to opt for payment of GST @ 12%, on forward charge basis and avail Input Tax Credit as permitted by Notification No. 20/2017- C.T. (Rate) dated 22.08.2017.
- 2.5 In particular, there is a company named POSCO ISDC Pvt. Ltd (POSCO) which provides GTA service and has opted for GST payable on forward charge basis at 12%, by claiming the related ITC. Since POSCO does not have enough fleet of its own, it sub-contracts GTA service to the Applicant who provides the GTA service as a sub-contractor.
- 2.6 Applicant would like to issue a consignment note (as a GTA) to POSCO, who is also a GTA, and the latter will in turn issue a second consignment note to the final client for the same transportation of goods by road happening in the same vehicle belonging to the Applicant where E-way bill will be prepared by POSCO only.
- 2.7 Further, the recipient of the goods (client of POSCO) availing the transportation will acknowledge the completion of the transportation services by signing/stamping the consignment note issued by POSCO as a proof of receipt of goods transported .
- 2.8 Applicant as a sub-contractor and POSCO as the main contractor for GTA Service, is permissible under GST laws and there is no impediment or irregularity in the same.
- 2.9 Hence, the query is whether the Applicant can also act as a 'GTA' in terms of Notification No. 20/2017 C.T. (Rate) dated 22.08.2017, and can issue consignment notes and charge



GST at 12% under forward charge, when POSCO is already acting as GTA and issuing consignment notes in terms of the same notification, although it will mean that there will be two GTAs in a single transportation of goods, issuing two consignment notes for the same goods/ transportation activity.

2.10 Applicant made further submissions on 28.11.2019 as under:-

2.10.1 Main Contractor is POSCO, a GTA and the applicant, the sub-contractor, is also a GTA.

2.10.2 Non preparation of consignment note does not make an otherwise GTA service, go out of the classification of GTA and claim exemption for rendering non GTA transportation service. When the entire service is subcontracted, the classification of the sub contracted service remains the same as that of the original contractor.

2.10.3 Legally, there can never be a situation where a transporter does not issue a consignment note in view of the 'Carriage By Road Act', which requires a common carrier to compulsorily issue a Goods Receipt which is the same thing as a consignment note.

2.10.4 The Activity in question is GTA and not of 'hiring a vehicle'. Hence, the exemption vide Entry no. 22 of Notification No. 12 of 2017 is not applicable to them.

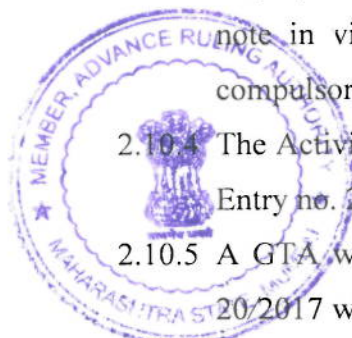
2.10.5 A GTA who has opted for forward charge must charge 12% GST as per Notification 20/2017 which states that a GTA opting for forward charge shall be liable to pay GST @ 12% on all the services of GTA supplied by it".

2.10.6 Consignment note is only a procedural matter. It cannot decide the legal aspects and taxability of any transaction. In any case, there is no requirement under GST law that there cannot be more than one consignment notes.

2.10.7 Services rendered by the applicant to POSCO, as a sub-contractor, is classifiable as GTA service (SAC 996791) even when the service rendered by POSCO as the main contractor, is already classified as GTA service (SAC 996791) and is going to remain unchanged.

2.10.8 Applicant would be right in charging GST @12% under Forward Charge mechanism to POSCO in terms of Notification No. 20/2017-C.T. (Rate) dated 22.08.2017 when POSCO, as the main contractor, is already charging GST @12% under the same Notification.

2.10.9 POSCO would be eligible to claim credit of the 12% GST charged by the Applicant in its invoice for sub-contracted GTA service under Forward charge mechanism.



2.10.10 Procedurally, it is correct to have two GTA Service Providers and two consignment notes for the same movement of goods, one issued by the Applicant as a sub-contractor and the other by POSCO as the main contractor.

2.11 GTA is not defined in GST law. The meaning is contained only by way of an explanation to Entry 9(iii) of Notification No. 20/2017. But as per Section 65(50b) of the erstwhile Finance Act 1994, GTA means any commercial concern which provides service in relation to transport of goods by road and issues consignment note, by whatever name called. Thus the definition has two limbs namely:- a) providing service in relation to road transport and b) issuing consignment note.

2.11.1 Main contractor providing road transport service to the ultimate customer, is also issuing consignment notes. Thus the main contractor falls in the definition of GTA. The Law nowhere says that the trucks or vehicles used in the service need to be owned by the GTA himself. Therefore, the fact that the main contractor does not own the vehicle used for rendering GTA service and appoints a sub-contractor to carry out the work on his behalf, does not go against the concept of GTA at all. The main contractor continues to be GTA at all times, whether the transportation happens in the truck owned by himself or by his sub-contractor. Thus in the present case POSCO, the main contractor has to be treated as GTA and the service rendered by POSCO is GTA service.

2.12 Applicant is a commercial concern which provides service in relation to transport of goods by road and issues consignment note and hence fits the definition of GTA. Applicant is registered under GST Act as GTA and is providing GTA Service to its clients, one of which is going to be POSCO. The classification of service as GTA service has been accepted by all the customers of Liberty Translines as well as the Department. The only difference that is going to happen in future is that Applicant wants to opt for forward charge mechanism in place of reverse charge mechanism. Simply because the charging mechanism is changed, the service classification cannot be different from the earlier one.

2.13 While determining the service classification what is important is the nature of service itself and what matters is the actual rendering of service.

To be specific, if a service provider who normally provides GTA service (SAC 996791) and prepares consignment notes, fails to prepare the consignment note for a particular

transaction, such transaction still remains GTA service (SAC. 996791). Just by not preparing the consignment note, the substance of the activity cannot be changed.

*To be more specific, it is not possible for such service provider to claim that by not preparing consignment note his service classification changes to "Non GTA transportation of goods by road" falling under SAC 996511 **which is covered by Entry no. 18 of Notification no. 12/2017.***

2.13.1 This issue becomes important because there is a perception in the market that simply by not issuing a consignment note the classification of the service changes. It is under these circumstances that the sub-contractors of GTA service classify their service under SAC 996511 which is not liable to tax.

2.13.2 In this connection reliance is placed on the decision in the case of **Bharathi Soap Works Vs Commr, CCE, Guntur as reported in 2007 (9) TMI 55 - CESTAT, BANGALORE**

In this case, Appellant argued that, transporter had not issued any consignment note hence the service is not GTA service and he is not liable for reverse charge. CESTAT ruled against the Assessee observing that Appellant was not contesting the fact of transportation of goods. He was merely finding fault with the documentation. CESTAT further held that the transporter was bound to issue consignment note.

2.14 It is common for businessmen to sub-contract their work fully or partially. If the sub-contracting is partial, it is likely that the classification of service may not be exactly the same as the main contract. However, where the entire service is sub contracted, there is no scope to say that the services provided by the main contractor and the sub-contractor are two different services, for example, if an architect sub-contracts his entire assignment to another architect, the classification of service for the principal architect and the sub-contractor architect will remain the same viz. architectural service. Similarly, if GTA service is fully sub-contracted, the nature of service provided by the main transporter and the sub-contractor will be GTA service only. There will not be two separate services.

2.15 Ruling No 17/2018-19, Dated Jan 30, 2019 of the Uttarakhand Advance Ruling Authority is cited wherein benefit of exemption and reduced rate available to the main contractor of Government jobs was granted to the sub-contractor also. Hence it is clear that there can be no difference in classification of service provided by the main contractor and sub-contractor.



2.16 The Carriage By Road Act, 2007 / ACT NO. 41 OF 2007 requires a common carrier to compulsorily issue a Goods Receipt. The Lorry Receipts issued by the transporters are in compliance of this legal requirement. It may be noted that there is no difference between a lorry receipt and a consignment note envisaged under GST Act. In fact, courts have held that a lorry receipt is nothing but a consignment note for the purpose of Service Tax.

Therefore, there can never be a situation where a transporter does not issue a consignment note. If any transporter does not issue a consignment note, he would be violating the provisions of The Carriage By Road Act, 2007.

In practice, what the sub-contractors do is to prepare the consignment notes but not to hand over the same to the main contractor because the main contractor is not willing to accept the same. He wants to claim that the sub-contractor has rendered a Non GTA service falling under classification SAC 996511 which is exempt from tax.

It may be noted that we are not talking about hiring of vehicles which falls under SAC 9966 or 9973. Therefore, exemption under Notification 12/ 2017 is not applicable to this case. The said notification entry specifically refers to 'giving on hire' to a GTA means of transportation, which is not the case here. It is important to note that the agreement between the main contractor and the sub-contractor is for transportation of goods. It is not an agreement for hiring of trucks.

2.18 If a GTA opts for forward charge of 12% GST, he does not have any other option. He cannot say that some of his activity is under reverse charge and some is under forward charge. He cannot claim any exemption under GTA service because that is the condition of the notification. It is the condition of Notification 20/2017 that a GTA opting for forward charge shall be liable to pay GST @ 12% on all the services of GTA supplied by it".

2.19 There is no definition of consignment note either in the Act or in the Rules under GST Laws. As commonly understood that it is a document given by the transporter while receiving the goods to be transported. It is a document of title to the goods. The document generally contains details like serial number, name of the consigner and consignee, registration number of the goods carriage in which the goods are transported, details of goods being transported, details of the place of origin and destination, and the person who will be liable for the service tax payable from the consignor, consignee or the goods transport agency. There is nothing in those provisions which contradicts the concept of

sub-contracting. There is nothing which says that more than one consignment notes cannot be issued for the same transportation.

Extracts of the relevant provisions from service tax Rules are given below:

Rule 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 [to the recipient of service]. 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.

CONTENTION – AS PER THE JURISDICTIONAL OFFICER:

The submissions made by the jurisdictional officer is as under:-

- 3.1 Applicant issues consignment notes during execution of the service of transportation of goods and has opted for 5% GST payable by the recipient under reverse charge mechanism and therefore the applicant does not claim ITC. Applicant now wants to pay 12 % GST under forward charge.
- 3.2 Applicant was asked to produce agreement with POSCO ISDC Pvt. Ltd. Applicant said that there is no agreement in force.
- 3.3 As per Notification 11/2017-C.T. dt. 28.06.2017, applicant's service of "Transportation of goods to another Registered person (irrespective of whether GTA or not) will be classified as GTA service.
- 3.4 Notification 20 of 2017 Central Tax dt. 22.08.2017 has provided option to GTA service providers to avail full ITC & discharge liability @ 12%.
- 3.5 If POSCO is discharging liability at 12% under GTA, then ITC of 12% GST charged by the applicant would be available to POSCO as ITC.

04. HEARING

- 4.1 Preliminary hearing in the matter was held on 17.12.2019. Shri Kishor Choudhari, C.A., appeared and requested for admission of the application. Jurisdictional Officer Shri Suryakant Kathe, Assistant Commissioner of S.T.(D-847) Nodal 4, Mumbai along with the State Tax Officer (C-836) Nodal 4, Mumbai appeared.
- 4.2 The application was admitted and called for final hearing on 28.01.2020. Shri Kishor Choudhari, C.A., along with Shri Sanjay Baing, CFO, appeared, made oral and written submissions. Jurisdictional Officer Shri Suryakant Kathe, Assistant Commissioner of S.T.(D-847) Nodal 4, Mumbai along with the State Tax Officer (C-836) Nodal 4, Mumbai appeared and made written submissions. We heard both the sides.

05. DISCUSSIONS AND FINDINGS:

- 5.1 We have gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the jurisdictional officer.
- 5.2 Applicant has submitted that it is providing Goods Transport Agency services (GTA) and has opted for 5% GST payable by the recipient under reverse charge. Hence presently, Applicant does not charge GST to its clients and does not claim Input Tax Credit on goods or services used in supplying the service. In certain situations applicant functions as a mere transporter of goods for which applicant's service gets classified under SAC 996511 for which scheduled rate of tax is Zero percent. Applicant now intends to pay GST on forward charge basis and avail Input Tax Credit as permitted by Notification No. 20/2017- C.T. (Rate) dated 22.08.2017.
- 5.3 This application is made only with respect to transaction being done by the applicant with POSCO ISDC Pvt. Ltd (POSCO).
- 5.3.1 We observe that the Applicant has made various submissions in support of their contention that even they can issue a consignment note (as a GTA) to M/s POSCO ISDC Pvt. Ltd (POSCO) for the same transportation of goods by road, happening in the same vehicle belonging to the Applicant for which E-way bill will be prepared by POSCO only.
- 5.3.2 We also observe that the service of transportation of goods is sub-contracted to the applicant by POSCO. Thus effectively it appears that, the contract to undertake

transportation of goods is given by the consignee/consignor to POSCO and not to the applicant. The consignee/consignor may not be aware that the transportation will be done by the applicant. It is also possible that such sub-contract may/can also be given to some other party by POSCO. We find that, because POSCO deals with the consignee/consignor directly, they also issue E-way bills and also consignment notes. The role of the applicant is to just provide their vehicles to POSCO as and when called for and to this extent we are of the opinion that the applicant is giving only vehicles to POSCO and thus it is POSCO which has the transportation contract with the consignee/consignor. Thus we find that the transaction in this case would be one of hiring of vehicles and not that of a Goods Transport Operator.

5.3.3 Applicant has submitted that, legally there can never be a situation where a transporter does not issue a consignment note in view of the Carriage By Road Act, which requires a common carrier to compulsorily issue a Goods Receipt which is the same thing as a consignment note. We find that in the subject situation, it is POSCO who are transporters and in view of the fact that they do not have enough vehicles, at certain times vehicles are procured from the applicant. The fact in this matter clearly reveals that the applicant is just required to provide the vehicles to POSCO. The details of the consigner and consignee will be shared by POSCO with the applicant to enable the lifting of goods from the consignor and delivery to the consignee. It does not appear that there is an intention by the consignee/consignor to award the transportation contract to the applicant. The situation would have been different if the contract for transportation of goods was received by the applicant from the consignee/consignor.

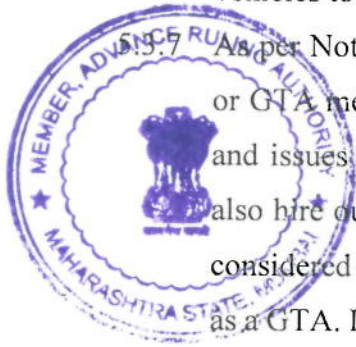
5.3.4 Applicant has submitted that there is no requirement under GST law that there cannot be more than one consignment notes. A perusal of the GST Laws also do not reveal that there can be more than one consignment note in one particular transaction. In any transaction of transportation, generally it is the transporter having a contract with the consignor/consignee who has to issue consignment notes as is being done in the subject case by POSCO.

5.3.5 Under the erstwhile service tax provisions, while issuing Clarifications on details in consignment note, the Board, vide CBE & C. Circular No.95/6/2007-S.T., dated 11.6.2007- 2007 (7) S.T.R. C3 read with CBE & C. Circular No.97/8/2007-S.T., dated 23.8.2007- 2007 (215) E.L.T. (T24-T34) had mentioned that "*Rule 4B of Service Tax Rules*



prescribes that any 'goods transport agency' providing service in relation to transport of goods by road in a goods carriage shall issue a consignment note to the customer. In terms of this rule, the "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"

5.3.6 Thus, the consignment note contains details of consignor/consignee, details of the place of origin and destination, details of the goods transported, etc. which are known only to POSCO, in the subject case. These details are then given to the applicant who arranges for vehicles to transport the goods.

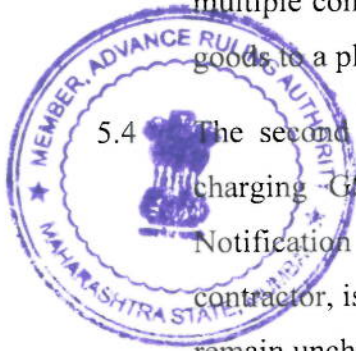


5.3.7 As per Notification No. 11/2017-C.T. (Rate) dated 28.06.2017, "goods transport agency" or GTA means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called. This means, while others might also hire out vehicles for goods transportation, only those issuing a consignment note are considered as a GTA. Thus, a consignment note is an essential condition to be considered as a GTA. In the subject case, it is POSCO which has a contract for transportation of goods from the consignee/consignor. It will therefore be POSCO which is responsible for the safe delivery of goods to the consignee. POSCO has an arrangement with the applicant whereby the applicant supplies vehicles for POSCO to perform the act of transportation as per the contracts.

5.3.8 What we see is that there is a difference between a GTA and a person who owns truck commonly known as transporter who may give transportation service either by himself or through a transport agent i.e. GTA. We have already mentioned above that a consignment note is a necessary qualification to be considered as a GTA as per the explanation in Notification No. 11/2017 C.T. (Rate) dated 28.06.2017 and the provision of Service shall be 'transport of goods by road'.

5.3.9 In the transportation industry, as in the subject case, there are situations where one transporter (in this case, POSCO) takes the help of another transporter (in this case, the

applicant) by way of sub-contracting the work. The other person (in this case, the applicant) bills the first transporter (in this case, POSCO) for subcontracting service and the main transporter is the actual service receiver. It is generally seen that subcontractor person is actually providing transportation service on behalf of the first transporter. As per the definition of GTA in the GST Laws, as stated above it is very clear that person who issues consignment note will be treated as goods transport agency. In the subject case, POSCO issues consignment note, which is further stamped by its consignee, on delivery of the goods and is therefore a GTA for this transaction. Any services by way of transportation of Goods by road other than through GTA would be exempt supply as per the entry of notification as quoted in the above paragraph. In the subject case Applicant is providing the transportation service but not as GTA but only as a truck owner to POSCO. Further, a consignment note is proof of the custody of goods during the movement and transportation of goods. For a single transaction and the same movement of goods, there cannot be multiple consignment notes. Hence there will be one consignment note for movement of goods to a place, to be issued by POSCO.



5.4 The second question raised by the applicant is whether Applicant would be right in charging GST @12% under Forward Charge mechanism to POSCO in terms of Notification No. 20/2017-C.T. (Rate) dated 22.08.2017 when POSCO as the main contractor, is already charging GST @12% under the same Notification, which is going to remain unchanged?

5.4.1 Vide the second question mentioned above, the Applicant is actually asking whether they can charge GST @12% under Forward Charge mechanism as a GTA, in terms of Notification No. 20/2017-C.T. (Rate) dated 22.08.2017. We have already held above that, in the subject case, applicant cannot issue another consignment note for the same goods and for the same transaction where consignment notes are already issued by POSCO. Hence the applicant, in respect of the subject transaction cannot be treated as a GTA and therefore cannot charge GST @12% under Forward Charge mechanism as a GTA, in terms of the said Notification No. 20/2017-C.T. (Rate) dated 22.08.2017.

5.5 The third question raised in the subject application is whether POSCO would be eligible to claim credit of the 12% GST charged by the Applicant in its invoice under Forward charge

mechanism. The proper person to raise this question would be POSCO and not the applicant. We therefore refrain from answering this particular question.

5.6 The fourth question is whether it is procedurally correct to have **two** GTA Service Providers and two consignment notes for the same movement of goods, one issued by the Applicant as a sub-contractor and the other by Posco ISDC Pvt. Ltd. as the main contractor.

5.6.1 As per Section 95, the term '*advance ruling*' means a decision provided by this authority to an applicant on matters or questions specified in subsection 2 of Section 97, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

5.6.2 Section 97(2) of the CGST Act, 2017, states that *the question on which the advance ruling is sought under this Act, shall be in respect of,—*



a. classification of any goods or services or both;

b. applicability of a notification issued under the provisions of this Act;

c. determination of time and value of supply of goods or services or both;

d. admissibility of input tax credit of tax paid or deemed to have been paid;

e. determination of the liability to pay tax on any goods or services or both;

f. whether applicant is required to be registered;

g. whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

5.6.3 We observe in the instant case, the question which has been raised by the applicant is not pertaining to any of the matters mentioned in Section 97 (2) of the GST Act. In fact, the question raised is with respect to 'procedure' which the applicant wants to follow. Section 97(2), which encompasses the questions, for the ruling by this Authority does not deal with the issue of procedures to be followed by applicants. Hence, it is held that this authority does not have jurisdiction to pass any ruling on such matters.

06. In view of the above discussions, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 39/2019-20/B-

24

Mumbai, dt.

05/03/2020

For reasons as discussed in the body of the order, the questions are answered thus –

Question 1. *Considering the nature of transaction, under the new proposition where Liberty Translines the Applicant will be issuing the consignment note in addition to the consignment note issued by POSCO ISDC Pvt. Ltd., whether the service rendered by the Applicant to POSCO ISDC Pvt. Ltd. as a sub-contractor would be classified as GTA service (SAC 996791) when the service rendered by POSCO ISDC Pvt. Ltd. as the main contractor, is already classified as GTA service (SAC 996791) and is going to remain unchanged?*

Answer:-

Answered in the negative in view of discussions made above.

Question 2. *Whether the Applicant would be right in charging GST @12% under Forward Charge mechanism to POSCO ISDC Pvt. Ltd. in terms of Notification No. 20/2017-C.T. (Rate) dated 22.08.2017 when POSCO ISDC Pvt. Ltd. as the main contractor, is already charging GST @12% under the same Notification, which is going to remain unchanged?*

Answer:-

In view of answer to question no. 1 above, the Applicant cannot charge GST @12% under Forward Charge mechanism to POSCO, in terms of Notification No. 20/2017-C.T. (Rate) dated 22.08.2017

Question 3. *Whether POSCO ISDC Pvt. Ltd. would be eligible to claim credit of the 12% GST charged by the Applicant in its invoice under Forward charge mechanism?*

Answer:-

Not answered in view of discussions made above.

Question 4. *Procedurally, is it correct to have two GTA Service Providers and two consignment notes for the same movement of goods, one issued by*

the Applicant as a sub-contractor and the other by POSCO ISDC Pvt. Ltd. as the main contractor?

Answer:- *Not answered in view of discussions made above.*



— sd —
A.A.CHAHURE
(MEMBER)

— sd —
P.VINITHA SEKHAR
(MEMBER)

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint Commissioner of State Tax, Mahavikas for Website.

CERTIFIED TRUE COPY


MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai – 400021.