



**TELANGANA STATE AUTHORITY FOR ADVANCE RULING**  
**CT Complex, M.J Road, Nampally, Hyderabad-500001.**  
**(Constituted under Section 96(1) of TGST Act, 2017)**

**Present:**

**Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Taxes)**  
**Sri Sahil Inamdar, Additional Commissioner (Central Taxes)**

**A.R.Com/03/2024**

**Date:26.04.2024**

**TSAAR Order No.07/2024**

**[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]**

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1. M/s. DRS Dilip Roadlines Limited, Flat No.306, 3rd Floor, Kabra Complex, M.G.Road, Secunderabad, Hyderabad, Telangana-500 003(36AADCD1865C1ZY) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST 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 TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- under SGST and Rs. 5,000/- under CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided nor are pending before any authority under any provisions of the CGST/TGST Act'2017. The application is, therefore, admitted after examining it and the records called for and after hearing the applicant as per section 98(2) of TGST Act'2017.

**4. BRIEF FACTS OF THE CASE:**

- 4.1** M/s. DRS Dilip Roadlines Limited., are a Goods Transport Agency (GTA). Their main activity under GTA is transport of goods by road. They stated that they have opted for "Forward Charge Mechanism (FCM)" vide their declaration dt. 15-03-2023 filed before Ramgopalpet-I, GST Range, Secunderabad Division. As GTA they have claimed that they undertake the following activities:
1. Packing
  2. Loading
  3. Transportation
  4. Un loading
  5. Un packing.

They have submitted that transportation of goods is their main activity and packing, loading, unloading & unpacking are ancillary to their main activity and that their clients prefer their services as they provide all the above services.

They further submitted that their clients prefer the bundled service during shifting of household goods which includes packing, loading, unloading & unpacking apart from transportation service. The applicant submits that certain of their clients are expressing doubt if their activity of the above mentioned bundled service falls under GTA. Hence, this application.

The applicant relied on the following:

1. Notification No. 12/2017-CT(R), Dt. 28-06-2017 – Point No.2(ze) i.e. 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. FAQ – Transport & Logistics – released by CBIC – Point No. 6
3. CBEC Circular No. 104/07/2008-ST, dt. 06-08-2008
4. Section 2 (30) of the CGST Act, 2017
5. Advance Ruling in the case of IAC Electricals Pvt Ltd (GST AAR, West Bengal)

## **5. QUESTIONS RAISED:**

1. Whether their activity falls under Goods Transport Agency?

## **6. PERSONAL HEARING:**

A personal hearing notice was issued to the applicant to appear for personal hearing on 08-04-2024. Sri N. V. Sudhakar, DGM-Accounts has appeared and argued the case.

The Authorised Representatives reiterated the contentions already submitted along with the application.

Further, the Authorised Representative/Applicant M/s. DRS Dilip Roadlines Limited, Hyderabad reiterated that their case /Similar Case is not pending in any proceedings in the applicant's case under any of the provision of the Act and have not already decided in any proceedings in the applicant's case under any of the provisions of the Act.

The Applicant Opines that their activity comes under GTA.

## **7. DISCUSSION & FINDINGS:**

The applicant is a Goods Transport Agency and according to his statement at Sl. No. 15 of the application they have opted for Forward Charge Mechanism (FCM) by submitting the required form to their jurisdictional officer. The question raised by them is whether the supply of services including transportation, packing, loading, unloading & unpacking forms a single bundled supply, and whether the principal supply in this transaction is transportation.

The composite supply is defined in the CGST Act in Section 2(30) as follows:

"Composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply.

As seen from the above definitions a composite supply is essentially a naturally bundled supply where two or more different supplies invariably exist along with each other.

The Hon'ble High Court of Kerala in the case of Abott Health Care Pvt. Ltd., (2020) 74 GSTR 37 (Kerala) held that a composite supply must take into account supplies as affected at a given point in time on "as is where is" basis.

Therefore a naturally bundled supply should possess the following attributes ( as mentioned in Education Guide on Taxation of Services published by CBE & C on 20.06.2012 at Para 9.2.4 ):

- a. There is a single price or the customer pays the same amount, no matter how much of the package they actually receive or use.
- b. The elements are normally advertised as a package.
- c. The different elements are not available separately.
- d. The different elements are integral to one overall supply - if one or more is removed, the nature of supply would be affected.

Further the illustration in the definition in the CGST Act mentioned above clarifies the context of composite supply. As seen from the illustration the supply of service i.e., insurance and goods go alongside each other.

The Hon'ble Supreme court of India in a catena of case law has ruled that illustrations in a statute are part of the statute and help to elucidate the principle of the Section ( Dr. Mahesh Chandra Sharma Vs Smt. Raj Kumari Sharma – AIR 1996 SC 869). Therefore a composite supply should be similar to a supply mentioned in the illustration to the definition in Section 2(30), where two or more taxable goods or services are supplied along with each other to constitute a composite supply.

The Entry No. 9(iii) of Notification No. 11/2017-CT(R), Dt. 28-06-2017 enumerates GTA as follows:

*(iii) (a) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use) supplied by a GTA...*

**4. Explanation.-** *for the purpose of this notification,- "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 Hon'ble Supreme Court of India in the case of Doypack Systems Pvt. Ltd. vs. Union of India (UOI) and Ors. (12.02.1988 - SC) AIR 1988 SC 782 clarified the meaning of the expression "in relation to" as follows:

"In this connection reference may be made to 76 Corpus Juris Secundum at pages 620 and 521 where it is stated that the term 'relate' is also defined as meaning to ring into association or connection with. It has been clearly mentioned that "relating to" has been held to be equivalent to or synonymous with as to "concerning with" and "pertaining to".

Similarly the Hon'ble Supreme Court of India in the case of Madhav Rao Jivaji Rao Scindia Vs Union of India AIR 1971 SC 530 observed that the expression "relating to" means to bring into relation or establish a relation. It was further clarified that there should be a direct and immediate link with a covenant and that there cannot be any independent existence outside such covenant.

The entry in the notification enumerates 'Services in relation' to transport of goods by road. Thus all services rendered in relation to transportation of goods including packing, loading, unloading & unpacking fall under this entry provided that such services have a direct and immediate link with the covenant/agreement for transport of goods i.e., the contract shall be for transport, packing , loading, unloading and unpacking of the same goods.


Therefore, if the transactions made by the applicant are in substance contracts for transport, packing, loading, unloading of the same goods entrusted by their customers, then such services fall under Entry 9(iii) of notification 11/2017-CT (R) dt.28-06-2017 i.e., goods transport Agency

**8. In view of the foregoing, we rule as follows:**

In view of the above discussion, the questions raised by the applicant are clarified as below:

Questions	Ruling
1. Whether their activity falls under Goods Transport Agency?	(a) Yes. If the agreement for transport, packing, unpacking, loading & unloading for the same goods.  (b) No. If service of transport and other services are in relation to different goods.

  
(S.V. KASI VISWESWARA RAO)  
(ADDL. COMMISSIONER (STATE TAXES))

  
(SAHIL INAMDAR)  
(ADDL. COMMISSIONER (CENTRAL TAXES))

**[under Section 100 (1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this order]**

To  
M/s. DRS Dilip Roadlines Limited,  
Flat No.306, 3rd Floor, Kabra Complex,  
M.G.Road, Secunderabad, Hyderabad,  
Telangana-500 003.

Copy submitted to :

1. The Commissioner (State Taxes) for information.
2. The Commissioner (Central Taxes), Secunderabad Commissionerate, 4th Floor, GST Bhavan, Hyderabad, Telangana - 500004.

Copy to:

3. The Superintendent (Central Taxes) Ramgopalpet-I Range.

//t.c.f.b.o//

Superintendent (Grade-I)