

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., 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. 20/ARA/2026, dated 05.03.2026

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	33ACFFA7656K1Z5
Legal Name of Applicant	M/s. A V CARGO MIGRATORS LLP
Trade Name of Applicant	NA
Registered Address / Address provided while obtaining user id	No.36/1, Raghav Towers, Amman Nagar, Saravanampatti, Coimbatore-641 035, Tamil Nadu
Details of Application	GST ARA - 01 Application dated 14.07.2025
Jurisdictional Officer	State: Saravanampatti (East) Assmt.Circle, Coimbatore Division.
Concerned Officer	Center: Coimbatore Commissionerate, Coimbatore - II Division
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for A Category B Description (in brief)	Service The Applicant operates as an E-commerce platform that arranges transportation of goods between vehicle owners/drivers (referred to as transporters) and customers who need their goods transported.
Issue/s on which advance ruling required	1. Classification of any goods or services or both
Question(s) on which advance ruling is required	Q1.Whether the applicant satisfies the definition of an "E-commerce operator" or do they satisfy the definition of "Goods Transport Agency"? Q2.What is the taxability of services provided by the applicant?

M/s. **A V CARGO MIGRATORS LLP**, No.36/1, Raghav Towers, Amman Nagar, Saravanampatti, Coimbatore-641 035, Tamil Nadu Tamil Nadu (hereinafter called as the "Applicant") are registered under the GST Act with **GSTIN:33ACFFA7656K1Z5**. The Applicant operates as an E-commerce platform that connects vehicle owners/drivers (referred to as transporters) with customers who require transportation services for their goods. Customers can book transporters through the online portal or mobile app of

the applicant, which is currently under development. The applicant has sought advance ruling on the following question:

Q1. Whether the applicant satisfies the definition of an "E-commerce operator" or do they satisfy the definition of "Goods Transport Agency"?

Q2. What is the taxability of services provided by the applicant?

2. 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 SGST Rules, 2017.

3. Statement of relevant facts:

3.1 The Applicant is a registered taxpayer. The Applicant operates an E-commerce platform that connects vehicle owners/drivers (referred to as transporters) with customers who require transportation services for their goods. Customers can book transporters through the online portal or mobile app of the applicant, which is currently under development.

3.2 Transporters can register on the platform by making a pre-deposit, which is used to cover the commission owned to the applicant for facilitating bookings. The commission is deducted from the transporters pre-deposit each time they complete a transportation job booked through the platform. Transporters are required to recharge their pre-deposit once it is depleted by commission deductions. However, they are allowed to continue accepting bookings through the platform even if their pre-deposit balance become negative, upto a limit of Rs.100/-. A sample copy of the agreement that will be entered into with the transporters by the applicant has been attached to this application.

3.3 The applicant generates revenue in the following ways:

- Customers pay freight charges directly to transporters, from which a 12% commission is deducted and collected by the applicant.
- In certain instances, customers may pay freight charges directly to the applicant. In such cases, the commission is deducted from the payment, and the remaining balance is paid to the transporter.

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

4.1 The applicant submits that the taxation of transportation services under the GST Act, 2017 is outlined in Clause (ze) of Notification No.12/2017- Central Tax (Rate) dated 28.06.2017. This notification defines a "goods transport agency" (GTA) as:

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

4.2 Further the applicant also acknowledges that key factors such as ancillary services and issue of consignment note requirements must be considered when determining whether a service is classified under GST as a GTA.

4.3 The term *“in relation to”* as mentioned in the definition of GTA, extends the GTA classification beyond core transportation to include essential ancillary services, such as loading, unloading, packing, trans-shipment, and temporary warehousing, as long as they are integral to the transport process and not billed separately. Further stated that as per Notification No.12/2017- Central Tax (Rate) which provides for the list of exempted supply of services under the CGST Act,2017 and serial No.18 of such notification, which reads as below:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
18	Heading 9965	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.	Nil	Nil

4.4 As per the above Serial No.18 of Notification No.12/2017-Central Tax (Rate), dated 28.06.2017, transportation services by road are generally exempt from GST, except when provided by a GTA or a courier agency. This exemption is significant, as it clarifies that road transportation services are typically not subject to GST unless provided by an entity explicitly classified as a GTA.

4.5 Further, the term *“Consignment Note”* has been defined under explanation to Rule 4B of the Service Tax Rules, 1994 and it reads as under:

“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”.

It is clear from the above definition that a “consignment note” is a document issued by a goods transport agency acknowledging receipt of goods for transport by road. It is an essential document for a GTA, as it serves as a proof of receipt of goods and contains all detailed information. The applicant stated that for a service to qualify as a GTA, it must issue a consignment note or an equivalent document that meets these requirements.

4.6 Also for individual transporters, the issuance of a consignment note is crucial for GTA classification. If a transporter issues a lorry receipt or similar document, it does not meet the criteria for a consignment note, which means their services are not classified as GTA and would be exempt under the applicable GST provisions.

4.7 Further the applicant stated that based on Rule 33, they assert that they act strictly as a ‘pure agent’ when collecting payments for services rendered directly from customers. To support this position, they emphasize that in the event of loss of goods or consignments sent by customers through a transporter registered on the applicant’s E-commerce platform, the transporter bears responsibility for such goods or consignments and not the applicant.

4.8 Consequently, the applicant must collect TCS at the rate of 1% on the payments before remitting them to the transporters. This applies under Section 52(1) of the CGST Act, when the applicant collects the consideration for the supplies made through its platform.

4.9 The applicant stated that based on the above facts, they believe that they qualify as an e-commerce operator under GST rather than a goods transport agency for the following reasons:

- The applicant operates a digital platform to facilitate transportation booking.
- It does not directly engage in the physical transportation of goods or issue consignment notes.
- It generates revenue through commissions from transactions between customers and transporters.

Thus, the applicant is of the view that it should be classified as an e-commerce operator under GST. The applicant has also cited various advance ruling in their support.

5. The applicant falls within the administrative jurisdiction of 'STATE'. No remarks has been received from the State jurisdictional authorities. Hence, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application. The Central jurisdictional authorities have furnished their remarks and informed that there are no pending proceedings on the questions raised by the applicant

6. PERSONAL HEARING

6.1 The applicant was given an opportunity to be heard in person on 17.12.2025 vide this office memorandum No.35/2025, dated 04.12.2025. The applicant through their email letter dated 16.12.2025 have stated that due an urgent family commitment they were unable to attend the personal hearing on 17.12.2025 and requested to adjournment to some other date.

6.2 Accordingly, as per the request of the applicant another opportunity of personal hearing was granted to them on 20.01.2006 vide this office memorandum No.35/2025, dated 09.01.2026. Mr. P. Paul Thangam, Chartered Accountant appeared for the personal hearing as Authorized representative of the applicant.

6.3 The AR reiterated the facts submitted in the AAR application. The AR explained the business model to the members. The AR stated that the applicant operates an E-commerce platform that connects vehicle owners/drivers (transporters) with customers who require transportation services. Transporters registers themselves in the platform making a pre-deposit which is used to cover the commission owned to the applicant for facilitating the booking. Transporters are required to recharge their pre-deposit once depleted by deduction of commission.

6.4 The AR has not submitted any sample copy of the agreement as stated to be furnished with the application. When members asked AR to furnish a copy of the agreement entered into with the transporters, AR informed that they will furnish the same.

7. DISCUSSION AND FINDINGS:

7.1 We have carefully considered the submissions made by the applicant in the advance ruling application, and the submissions made during the personal hearing held on 20.01.2026. A sample copy of the agreement said to have been provided with the application has not been furnished till date.

7.2 The applicant is developing a business model where he operates an e-commerce platform that connects vehicle owners/drivers (transporters) with customers who require 'transportation services' for their goods. Transporters registers with the applicant making a pre-deposit which adjusted towards commission to the applicant each time after completion of transportation job. Customers can book transporters through the online platform or mobile app of the applicant.

7.3 Revenue is generated by the applicant in two ways.

(a) When customer pay the freight directly to transporters, 12% commission is deducted from the deposit made by the applicant.

(b) If customers pay freight directly to the applicant, commission is deducted from the payment and the remaining amount is paid to the transporter.

8. "Goods Transport Agency" (GTA) under definition 2(ze) of Notification No. 12/2017-CT(Rate) dated 28-06-2017 states,

(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;

As per the above definition, the applicant shall not be considered as a Goods Transport Agency (GTA) as he is not involved in any of the activity namely, transportation goods by road, issue of consignment note, or ancillary activities such as loading, unloading, packing, transshipment, warehousing etc.

9. Sl. No. 18 of the said Notification provides exemption only to 'services by way of "Transportation of goods by road' provided by persons other than Goods Transport Agency and Courier Agency. The relevant entry is,

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
18	Heading 9965	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.	Nil	Nil

10. In the instant case, as stated, the applicant is not providing the service of transportation of goods. Therefore, the applicant will not be eligible to claim the exemption provided under Notification No. 12/2017-CT(Rate) dated 28-06-2017.

11. Now, 'electronic commerce' and 'electronic commerce operator' has been defined under clause (44) and (45) of the Act, which states that,

(44) "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network;

and

(45) "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;

12. As per the facts stated by the applicant, an e-commerce platform is being developed and to be operated by the applicant which connects service provider and the customer for 'transportation of goods'. Though the service is 'transportation of goods', the supply of such service is through electronic platform. Therefore, as per the activity stated by the applicant, they qualify as an e-commerce operator and hence, all provisions relating to it need to be followed by the applicant.

13. As per Section 9(5) of the Act, tax is levied on some of the specified services, notified by the government in Notification No. 17/2017-CT(Rate) dated 28-06-2017, if supplied through an e-commerce operator, all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services. Here, the nature of service rendered through the applicant is transportation of goods which is not a specified service in the said notification. Hence, the provisions of Section 9(5) of the Act shall not apply in the instant case.

14. An 'agent' is defined under Section 2(5) of the Act, as

(5) "agent" means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another;

The above definition states that an agent executes the supply or receipt of goods or services on behalf of another, namely the principal. Here, the receipt and supply of 'goods transport service' is between the transporter and the customer through the applicant's electronic platform. Moreover, the passenger transportation services are not provided by the applicant, but by the transporter to the customer, though facilitated by the applicant.

Therefore, the activity of the applicant would not fall within the scope of an 'agent'.

15. The applicant further stated that in some bookings, the consideration collected by the applicant directly from the customers and paid to transporters through them after deducting their commission, would fall within 'pure agent's' service and would not be liable to tax.

16. The definition of pure agent under Rule 33 of the CGST Rules, 2017 states as,

Rule 33. Value of supply of services in case of pure agent.-

Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely,-

(i) the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;

(ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and

(iii) the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.

Explanation. - *For the purposes of this rule, the expression "pure agent" means a person who-*

(a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;

(b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;

(c) does not use for his own interest such goods or services so procured; and

(d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

As per the definition of 'Pure agent' provided in the explanation to Rule, 33, the primary criteria is that the person should have entered into a contractual agreement with the recipient of supply to act as their pure agent, should incur expenditure or costs in the course of supply of goods or services or both, neither intends to hold or hold any title to the goods or services, does not use for his own interest and receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

17. Here, there is no contractual obligation between the applicant and the transporter to act as a 'pure agent'. The applicant did not fulfil the definition of a 'pure agent' and conditions specified in the rule. In the absence of fulfilling such conditions, the applicant shall not be considered as a pure agent for the limited purpose of collecting the entire money from the customer. Therefore, they are rightly classified as an e-commerce operator.

18. The applicant receives a 'commission' from the vehicle owners/drivers/transporters who accepts the bookings through the platform each time the job of 'transportation of goods' is completed. This commission is deducted by the applicant from the pre-deposit to be made by the vehicle owners/drivers/transporters. Therefore, the applicant is liable to pay GST on the commission received from the vehicle owners/drivers/transporters.

19. In addition to the commission received by the applicant, as an e-commerce operator, the collection of tax and liability to pay by the applicant is mandated under Section 52 of the Act. Section 52 provides guidelines and procedures for an e-commerce operator to collect tax at source, specifies the applicable rate of "Tax collected at Source"(TCS), procedure for remitting the TCS and mandatory periodical declarations and returns to be submitted to the department.

20. The applicant in this case, is not a 'Goods Transport Agency', not an 'agent' not the actual service provider of 'transportation of goods' but facilitates both the transporters and the customers thorough electronic platform to render and avail the said service. Therefore, the applicant is rightly classified as an e-commerce operator who is liable to follow Section 52 of the Act.

***Section 52. Collection of tax at source.-**

(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the "operator"), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies

made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

Explanation .-For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

(2) The power to collect.....

(3) The amount collected under sub-section (1) shall be paid to the Government

21. As per Section 52(1) of the Act, every electronic commerce operator, who is not an agent, should collect an amount notified by the government from time to time, on the net value of taxable supplies made through e-commerce operator by the suppliers of taxable service and the consideration is to be collected by the operator. The applicant being an e-commerce operator is liable to collect TCS at the rate specified by Notification.

22. The CGST rate of 0.5% notified by Notification No. 52/2018-CT dated 20-09-2018 was reduced to 0.25% by Notification No. 15/2024-CT dated 10-07-2024 issued under Section 52(1) of the Act. Similarly, the rate of IGST was 1% under Notification No. 02/2018-IT dated 20-09-2018 was reduced to 0.5% by Notification No. 01/2024-IT dated 10-07-2024.

23. The applicant is deducting commission from the deposit made by the transporters for each booking through their e-commerce portal/app. E-commerce operator is liable to pay GST on the commission, fees or any other charges they receive for providing their online platform. In addition to such commission, as the applicant is qualified as an e-commerce operator, if not under Section 9(5) of the Act (only for specified services), they are liable to follow the provisions contained in Section 52 of the Act. Accordingly, as per Section 52, the applicant is liable to collect the rate specified on the net value of taxable supplies made through it by the transporter(supplier) where the consideration for such supply of transportation has to be collected by the applicant, irrespective of whether the consideration paid is by the customer directly to the transporter or paid to the transporter through the applicant's e-commerce platform.

24. Based on the above discussion, we rule as under.


RULING

(i) Whether the applicant satisfies the definition of an "Electronic commerce operator" or do they satisfy the definition of "Goods Transport Agency"?


The applicant satisfies the definition of an 'economic commerce operator' and all the related provisions are required to be followed. The applicant do not satisfy the definition of 'Goods Transport Agent' as discussed in para - 8 above.

(ii) What is the taxability of services provided by the applicant?

In addition to paying GST on the commission received from the transporters, all the provisions of Section 52 are required to be followed.


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To

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