

**AUTHORITY FOR ADVANCE RULING, TAMILNADU  
ROOM NO.207, 2ND FLOOR, PAPJM BUILDING, NO.1, GREAMS ROAD,  
CHENNAI-600 006**

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

**Members present:**

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| <b>Shri. Balakrishna. S, I.R.S.,</b><br>Additional Commissioner/ Member(CGST),<br>Office of the Commissioner of GST & Central<br>Excise, Audit II Commissionerate,<br>Chennai -600 034. | <b>Shri. B. Suseel Kumar, B.E, MBA.,</b><br>Joint Commissioner/Member(SGST),<br>Authority for Advance Ruling,<br>Tamil Nadu,<br>Chennai-600 006. |
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**Advance Ruling No. 17 /ARA/2025 Dated: 09.05.2025**

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai as under Sub-Section (1) of Section 100 of CGST Act / TNGST Act 2017, within 30 days from the date on 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) of 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.

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|--|------------------------|---|
| GSTIN Number, if any / User id   |                        | UNREGISTERED  |
| Legal Name of Applicant  |                        | M/s. DHARMARAJU RAGUL   |
| Registered Address / Address provided while obtaining user id                            |                        | 63A/151, Thiruchengode Road, Near Jain Marbles, Namakkal – 637001.  |
| Details of Application   |                        | GST ARA – 01 Application Sl. No. 16/2024/ARA, dated 16-08-2024.   |
| Jurisdictional Officer   |                        | Center: Salem Commissionerate   |
| Concerned Officer  |                        | State : Namakkal (Town) Assessment Circle   |
| Nature of activity(s) (proposed / present) in respect of which advance ruling sought for |                        |   |
| A  | Category               | Service Provider  |
| B  | Description (in brief) | (1) M/s. Dharmaraju Ragul, an unregistered entity is planning to purchase goods carriage and give it on rent/lease to Goods Transportation Agency (GTA). Being a service provider, the applicant is doubtful whether their activity would fall under taxable supply.  |
| Issue/s on which advance ruling required   |                        | (i) Applicability of Notification issued under the provisions of this Act and<br>(ii) Determination of the liability to pay tax on any goods or services or both.   |
| Question(s) on which advance ruling is required  |                        | <u>Query-1:</u> Whether goods carriage given on lease to Goods Transportation Agency is a taxable supply?<br><u>Query-2:</u> If the above mentioned supply is an exempted/nil rated supply, are there any conditions to be satisfied to avail that exemption?<br><u>Query-3:</u> Whether the service provider has to be goods transportation agency to avail the above mentioned exemption or it can be any other person? |

At the outset, we would like to make it clear that the provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act are in *pari materia* and have the same provisions in like matters and differ from

each other only on few specific provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act, 2017 would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act, 2017.

2. M/s Dharmaraju Ragul (hereinafter '**the Applicant**') has made a deposit of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017. The online application form for advance ruling dated 8<sup>th</sup> Aug, 2024 was physically received on 16<sup>th</sup> Aug, 2024 as mandated under Rule 107A.

### **3. STATEMENT OF FACTS AS NARRATED BY THE APPLICANT:**

- The Applicant is an unregistered entity who is planning to purchase a goods carriage and give it to rent/lease to a Goods Transportation Agency (GTA).
- Being a service provider, they are doubtful whether their activity of supply would fall under taxable supply.
- They are seeking the applicability of GST on receipt of rent/lease income from renting of goods carriage to a Goods Transportation Agency.
- The queries of the applicant is as follows.
  - (i) Whether goods carriage given on lease to Goods transportation Agency(GTA) is a taxable supply?
  - (ii) If the above mentioned supply is an exempted/Nil rated supply, are there any conditions to be satisfied to avail the exemption?
  - (iii) Whether the service provider has to be a Goods Transportation Agency(GTA) to avail the above mentioned exemption or it can be any other person?

### **4. STATEMENT CONTAINING APPLICANTS INTERPRETATION OF LAW:**

- By Notification issued by CBIC vide Notification No.12/2017-CT(Rate) dated 28-06-2017, at Sl. No. 22, Heading 9966 or heading 9973,  
"Services by way of hire-  
(a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or  
(b) to a goods transport agency, a means of transportation goods"  
Is exempted from GST.
- In CBIC's Circular 164/20/2021-GST dated 6<sup>th</sup> Oct, 2021, clarification has been given regarding services by way of giving on rent to State transport undertakings and local authorities in entry No. 8 of page No. 4.

- The applicant has contended that as per the Notification, the term 'hire; means not only hire but it also includes by way of lease or rent.

#### **5. Comments offered by Joint Commissioner(ST), Intelligence, Salem Division**

Joint Commissioner (ST), Salem Intelligence, has stated that there is no pending proceedings with them against the applicant M/s. Dharmaraju Ragul (Un registered).

#### **6. Personal Hearing:**

The Applicant, was given an opportunity to be heard in person on 27<sup>th</sup> Mar, 2025. Shri. Dharamraju Ragul, Proprietor appeared for the personal hearing as scheduled. The applicant reiterated the submissions made in their original application. He further informed that he is planning to purchase goods carriage vehicle and give it on rent/lease to a 'Goods Transport Agency'. As on date, unregistered, he requested whether the supply of 'Goods Carriage vehicle' to a GTA falls under taxable supply. He intends to claims exemption provided under Sl. No. 22 (heading 9966 or heading 9973) of Notification No. 12/2017-CT (Rate) dated 28-06-2017. On a request made by the members, he furnished draft of contract, GST registration copy of the GTA and sample copies of consignment note.

#### **7. DISCUSSION AND FINDINGS:**

**7.1** We have carefully considered the submissions made by the applicant in the advance ruling application and also the submissions made during the personal hearing.

**7.2** As per the facts presented, the applicant, who is unregistered, as on date, is intending to purchase goods carriage vehicle and give it on rent / lease to a Goods Transport Agency (GTA). The queries raised by the applicant is as follows.

**Query-1:** *Whether goods carriage given on lease to Goods Transportation Agency is a taxable supply?*

**Query-2:** *If the above mentioned supply is an exempted/nil rated supply, are there any conditions to be satisfied to avail that exemption?*

**Query-3:** *Whether the service provider has to be goods transportation agency to avail the above mentioned exemption or it can be any other person?*

**7.3** The applicant is venturing into the business of providing goods carriage and are yet to get registered with GST and any other law. Being an individual proprietary firm, the applicant has furnished copy of the Draft agreement

(Vahan Vikas Yojna Agreement) with M/s. Celcius Logistics Solutions Private Limited, Mumbai to be entered.

**7.4** As per the agreement, M/s. Celcius Logistics Solutions Private Limited is in the business of Supply chain transport, logistics and warehouse management system including specifically for 'cold chain logistics'. Cold chain logistics refers to the management and transportation of temperature-sensitive goods, like food and pharmaceuticals, to ensure they remain within specific temperature ranges throughout the supply chain. For the said purpose, they have a software/market place, a platform, for cold chain logistics. This platform is a business to business software as a service platform connecting transporters to shippers in the cold chain logistics industry.

**7.5** As per the terms of the contract, the applicant is going to own a 'Reefer Vehicle' and hire it to M/s. Celcius Logistics Solutions Private Limited for a period of five years.

**8.** Notification No. 12/2017-CT (Rate) dated 28-06-2017 exempts intra-state supply of services, as below.

| Sl. No. | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services   | Rate (per cent.) | Condition |
|---------|---|---|------------------|-----------|
| 22      | Heading 9966 or Heading 9973                              | <b>Services by way of giving on hire –</b><br>(a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or<br><b>(b) to a goods transport agency, a means of transportation of goods.</b> | Nil              | Nil       |

**9.** The applicant being an individual and intend to own a goods carriage is going to supply the vehicle to a Goods Transport Agency. As a proof, the applicant has furnished copy of the registration certificate of M/s. Celcius Logistics Solutions Private Limited, whose GSTIN: 27AAICCC8038K1Z9 and sample copies of consignment note issued by M/s. Celcius Logistics Solutions Private Limited as a proof that they are also a 'Goods Transport Agency'.

**10.** Sl. No. 22 of the said notification is specific to Chapter heading 9966 and 9973. Chapter heading 9966 relates to 'Rental services of transport vehicles with operators' and Chapter heading 9973 is for 'Leasing or rental

services without operator'. The applicant during the personal hearing have informed that he is only supplying the goods carriage vehicle (Reefer vehicles) without the driver. Further, the period of agreement is for five years which shall not be considered as a short period. Therefore, the period of contract or agreement entered into by the applicant with M/s. Celcius Logistics Solutions Private Limited for supply of goods carriage vehicle can only be a 'Lease/Rental'. Hence, the classification would rightly be under 9973 as "Leasing or rental services without operator".

**11.** CBIC, vide Circular No. 164/20/2021-GST (CBIC – 190354/207/2021-TO(TRU-II)-CBEC) dated 6<sup>th</sup> October, 2021, while clarifying applicability of GST on Renting of Vehicles to State Transport Undertakings and Local Authorities', have clarified that "giving on hire" in Sl. No. 22 of Notification No. 12/2017-CT(Rate) includes 'renting of vehicles' and accordingly the services where vehicles rented or given on hire to State Transport Undertakings and Local Authorities, are eligible for exemption. Therefore, the term, 'giving on hire' specified in the notification includes 'leasing and rental services' also.

**12.** Now, as per the above notification, the following should be fulfilled to claim the exemption provided in the Notification.

- (a) The activity of the applicant should be 'a service of hiring' ;
- (b) The provision of service should be to a goods transport agency; and
- (c) The goods given on hire to the goods transport agency should be a means for transportation of goods. .

**13.** As per the facts submitted by the applicant, as on date they are unregistered and are venturing into the business of providing on hire, goods carriage for a period of five years. The goods carriage which the applicant going to procure and give it on hire to M/s. Celcius Logistics Solutions Private Limited is only for the purpose of transportation of goods; that M/s, Celcius Logistics Solutions Private Limited is a logistic company as per the agreement and are in the business of Goods Transport Agency Service since they are issuing consignment note. The activity of providing goods carriage by the applicant to a Goods Transport Agency is a taxable supply. However, by virtue of Sl. No. 22 of Notification No. 12/2017-CT (Rate) dated 28-06-2017, the activity is charged to Nil rate of tax.

**14.** As per entry 22 of the above Notification, there is no specific condition prescribed with regard to that entry and hence, as per the notification, no condition is prescribed for claiming the same.

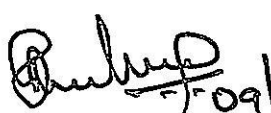
**15.** In the instant case, the service rendered is 'providing vehicle on hire'. the service provider is the applicant, M/s. Dharmaraju Ragul who is providing

the goods carriage vehicle on hire for a consideration and the Service receiver is M/s. Celcius Logistics Solutions Private Limited, who necessarily must be a goods transport agency. No condition is specified for claiming the facility provided in the notification for the service provider who is giving the goods carriage on hire.


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

**RULING**

- (i) The supply of goods carriage on hire or lease to a Goods Transport Agency is a taxable supply. By virtue of Sl. No.22 of Notification No.12/2017-CT (Rate) dated 28-06-2017, the activity is charged to Nil rate of tax.
- (ii) Column 5 of the Table in the Notification is for conditions applicable for that specific entry. At Sl. No. 22 of the said Notification, no condition is specified for claiming the facility provided under the notification.
- (iii) As discussed in para 11 and 12, the service provider, namely the applicant need not be a goods transport agency to claim the facility of the Notification.

  
(B. SUSEEL KUMAR)  
Member (SGST)



  
(BALAKRISHNA. S)  
Member (CGST)

To

**M/s. DHARMARAJU RAGUL.**  
63A/151, Thiruchengode Road,  
Near Jain Marbles,  
Namakkal – 637001.

//by RPAD//

**Copy submitted to:**

1. The Principal Chief Commissioner of GST & Central Excise,  
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Commissioner of Commercial Taxes,  
2<sup>nd</sup> Floor, Ezhilagam, Chepauk, Chennai – 600 005.
3. The Commissioner of GST & Central Excise,  
Salem Commissionerate.

**Copy to:**

1. The Assistant Commissioner (ST),  
Namakkal (Town) Assessment Circle,  
Integrated Commercial Taxes Building,  
1<sup>st</sup> Floor, Mohanur Road,  
Namakkal – 637 001.
2. Master File/ Spare – 2.