Transportation of Goods by road- Taxation in GST

SERVICES

By way of transport in goods carriage

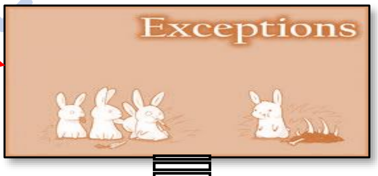
By way of giving, a goods carriage, on hire- By **any person** to GTA

By **any person** who issue "Consignment Note" (Goods Transport Agency

NO

YES

YES



Transportation of:-

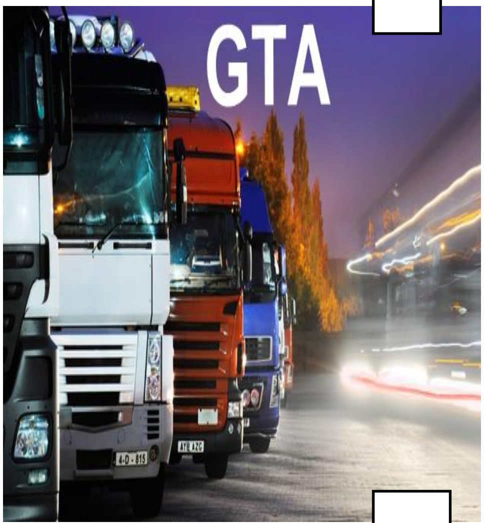
a) *Agricultural produce;*
b) *Goods, where consideration charged for the transportation of Goods* **on a consignment transported in a single carriage<=Rs.1500**
c) *Goods, where consideration charged for transportation of All such goods for a single consignee<= Rs.750*
d) *Milk, salt and food grain 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 equipment.*

Mechanism to discharge GST liability

Un-registered Individuals

Charge & Pay

SERVICES TO



SERVICES TO

(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; or
(d) Any person registered under CGST/IGST/SGST/UTGST Act or
(e) Any body-corporate established, by or under any law; or
(f) Any partnership firm whether registered or not under any law including association of persons; or
(g) Any casual taxable person;

- Located in the taxable territory.
- Persons except (d), even if un-registered.

BY RECIPIENTS

Now the GTA or the recipient of services need to identify whether the services are in nature of intra-state or inter-state. For this **location of supplier**[1] and **place of supply**[2] of services is relevant factors.

1. **Location of the supplier of services- Section 2(15) of IGST Act :** Means

(*a*) Where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
(*b*) Where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
(*c*) Where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and
(*d*) In absence of such places, the location of the usual place of residence of the supplier;

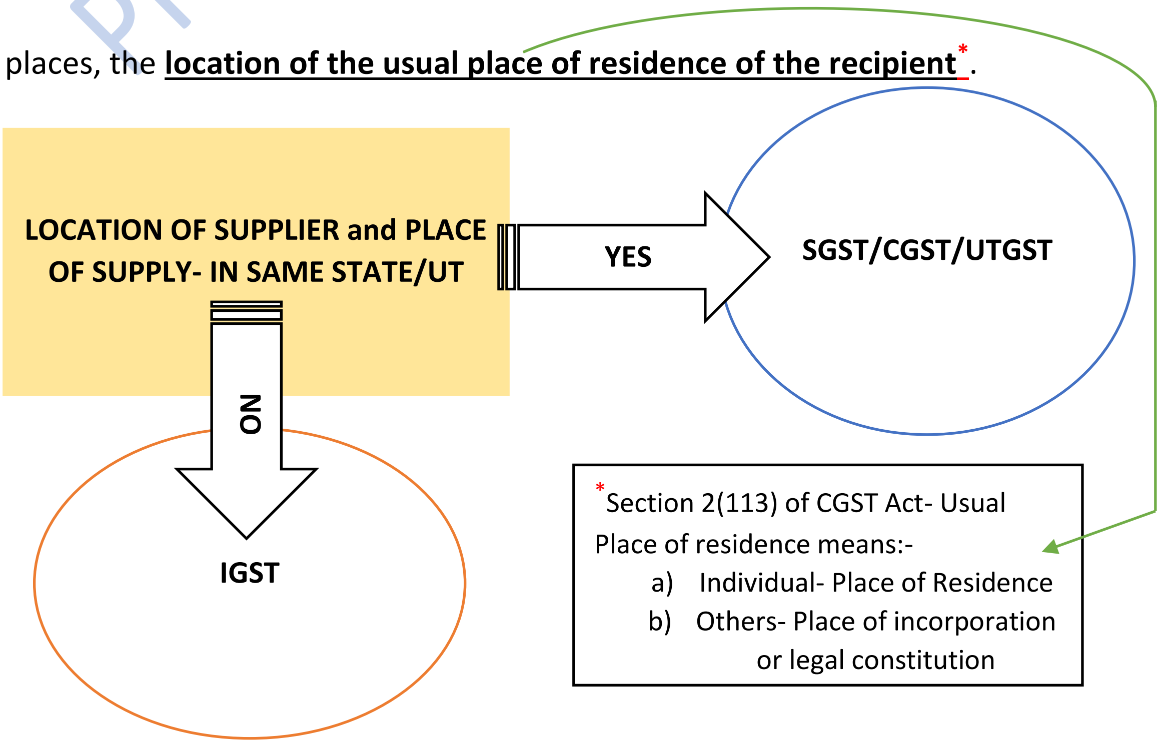
2. **Place of supply under section 12(8) of IGST Act, 2017**

When transportation services to:-

(a) A registered person, shall be the **location of such person**[3]; (B-to-B Transactions)
(b) A person other than a registered person, shall be the location at which such goods are handed over for their transportation (B-to-C Transactions)

3. **Location of the recipient of services- Section 2(14) of IGST Act**

(*a*) Where a supply is received **at a place of business for which the registration has been obtained**, the location of such place of business;
(*b*) Where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
(*c*) Where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
(*d*) In absence of such places, the **location of the usual place of residence of the recipient**[*].



EXAMPLES

Supplier	Recipient	Location of supplier	Place of Supply	GST levy & Payment
Goods transport agency TCI located in Delhi- Registered in GST	Ram in Delhi-not registered in GST	State of Delhi	As ram delivered goods to TCI for transportation at Noida- POS is state of UP	Its inter-state transaction and TCI will charge IGST, recover from Ram and pay to Government
---Same-----	ABC Limited in Delhi- registered in GST	----Same-----	Location of ABC Limited- Delhi	Its intra-state transaction, TCI will not charge GST but ABC limited will pay CGST & Delhi SGST under Reverse Charge and take ITC
---Same-----	ABC Limited in Delhi- not registered in GST	----Same-----	As ABC Limited delivered goods to TCI for transportation at Noida- POS is state of UP	Its inter-state transaction, TCI will not charge GST but ABC limited need to take registration and pay IGST under Reverse Charge.
Truck owner not issuing consignment note- carrying goods of from Delhi to UP	Ram in Delhi-not registered in GST Ramesh in Delhi- Registered in GST	NA	NA	Covered in nil rated Services-no GST
Goods transport agency TCI located in Delhi- Transporting Rice of ABC Limited	ABC Limited in Delhi- registered in GST	NA	NA	Transportation services for rice is covered in nil rated services-no GST
Truck owners giving trucks on hire	Goods Transport Agency	NA	NA	Covered in nil rated Services-no GST