

Ancillary services provided along with GTA services are not taxed separately

The Telangana, AAR in ***DRS Dilip Road lines Limited [TSAAR Order No.07/2024 dated April 26, 2024]*** ruled that ancillary services viz., packing, loading, unloading and unpacking provided by the assessee along with the main supply of Goods transportation would be covered under the ambit of GTA service as long as such ancillary services have direct link with transportation services.

Facts:

DRS Dilip Road lines Limited, (“**the Applicant**”) was a GTA service provider and opted to pay tax under forward charge mechanism and was further undertaking the enlisted services along with transportation of goods, namely: packing, loading, unloading and unpacking as ancillary services.

The Applicant submitted that clients prefer the bundled service during shifting of household goods which includes packing, loading, unloading & unpacking apart from transportation service.

However, the applicant was confused whether providing the ancillary of services along with the main service of transportation would be covered under GTA service?

Issue:

Whether ancillary services namely: packing, loading, unloading and unpacking provided along with the transportation service would be covered under the ambit of GTA Service?

Held:

The Telangana, AAR in ***TSAAR Order No.07/2024***, held as under:

- Observed that, Entry No. 9(iii) of Notification No. 11/2017-Central Tax (Rate), dated June 28, 2017 enumerates GTA as: “(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...”.

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.

- Noted that, 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 fall under this entry provided that such services have a direct and immediate link with the agreement for transport of goods i.e., the contract shall be for transport, packing, loading, unloading and unpacking of the same goods.
- Ruled that, the ancillary services provided by the Applicant viz., transport, packing, loading, unloading of the same goods to their customers are covered under the category of GTA services.

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