



Clarification to the queries of Members of Indian Corrugated Box Manufacturers Association, Mumbai on GST dated 16.08.2017

To	Members of Indian Corrugated Box Manufacturers Association, Mumbai
From	Rohit Kumar Singh, Dipak Tiwary - Karvy Data Management Services Ltd.
Date	August 16, 2017
Subject	Impact of GST on corrugated box industry

Query 2: Applicability of GST in case of supply of goods by road.

Answer: Applicability of GST in case of supply of goods by road have been discussed below:

- 1. Services by way of transport of goods by road provided by a registered Goods Transport Agency to a registered person:** 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.

Any services provided by a registered GTA in relation to transport of goods by road to a registered person under GST shall within the ambit of reverse charge mechanism and the recipient registered person shall be liable to pay tax under RCM. (Notification No. 13/2017 dated 28.06.2017)

Applicable rate of tax is 5% falling under tariff head 9965 (Notification no. 11/2017 dated 28.06.2017)

The recipient of GTA services would be in a position to avail ITC of the tax paid under RCM.

- 2. Services by way of transport of goods by road provided by a registered Goods Transport Agency to an unregistered person:** 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.

Any services provided by a registered GTA in relation to the transport of goods by road to an unregistered person under GST shall be treated as a B2C supply of services and the registered GTA supplier shall be the person liable to pay tax under GST.

Applicable rate of tax is 5% falling under tariff head 9965 (Notification no. 11/2017 dated 28.06.2017)

Credit of input tax charged on goods and services used by the GTA in supplying such outward supply of services shall not be available to the GTA. (Notification no. 11/2017 dated 28.06.2017)

- 3. Services by way of transport of goods by road provided by an unregistered / registered person (other than a GTA and a courier agency) to a registered / unregistered person:** Services provided by way of transportation of goods by road except the services of a Goods Transport Agency (GTA) and of a Courier Agency falling under tariff head 9965 shall attract "nil" rat of tax under GST (Notification No. 12/2017 dated 28.06.2017 sl. no. 18)

In this case, where the services have been provided by an unregistered person or a registered person (other than a GTA and courier agency) to a registered or an unregistered person, irrespective of the tax liability getting generated under reverse charge or forward charge mechanism shall be treated as 'nil' rated supply under GST.

The above provision is best applicable to the case where a registered person has availed services of transport of goods by road from an individual truck owner (not being a GTA or a courier agency) who doesn't issue any consignment note. In this case the registered person is not liable to pay tax under GST since the same falls within the ambit of exempt supply of services with nil rate of tax.