

M/s. B2B Trucks (P) Ltd.

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 49/ARA/2025

Dated 17.11.2025

Q Questions Before the Authority

- Requesting for GST exemption in respect of an escrow deposit account to be opened and operated by them solely to facilitate forwarding of freight amounts as deposited by shippers to the accounts of carriers without any deduction.

F Facts

The applicant operates an online portal connecting shippers and carriers across India without undertaking responsibility for the physical movement of goods. Shippers deposit freight amounts into the applicant's account, which are then forwarded in full to the carriers upon delivery. The applicant acts as a facilitator and receives a separate commission or subscription fee for this service, on which they pay GST.

H Ruling

GST liability on freight amounts deposited in applicant's account

Not liable to pay GST

The amount is held solely for forwarding to carriers without deduction

The authority ruled that the applicant is not liable to pay GST on the balance amount of freight deposited by shippers into their account. This amount is held by the applicant solely for the purpose of forwarding it to the carriers without any deduction. Consequently, this transaction does not constitute a supply of goods or services by the applicant.

R Reasoning

The authority determined that the freight amount does not constitute 'consideration' for the applicant as defined under Section 2(31) of the CGST Act, 2017, because it is not a payment for a supply made by the applicant. Furthermore, the applicant does not qualify as a 'pure agent' under Rule 33 of the CGST Rules, 2017, as they do not incur expenditure on behalf of the recipient. Since the applicant is merely a facilitator and the freight amount does not belong to them, the transaction does not meet the criteria for a 'supply' under Section 7 of the CGST Act, 2017. Therefore, the **deposit amount is not taxable** in the hands of the applicant.

P Provisions Relied On

Section 2(31) of the CGST Act, 2017

Section 7 of the CGST Act, 2017

Rule 33 of the CGST Rules, 2017



For the Practitioner

This ruling provides clarity for online logistics aggregators that act as pure conduits for freight payments. It confirms that **pass-through freight amounts** held in a current or escrow account are not subject to GST in the hands of the facilitator, provided they do not retain any portion of the freight as consideration. Practitioners should ensure that the service fee or commission is clearly separated and taxed appropriately to maintain this distinction.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 5-ms-b2b_trucks_pvt_ltd.pdf

Prepared 15-10-2026.

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