POSCO INDIA STEEL DISTRIBUTION CENTRE PVT LTD

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-134/2018-19/B-23 (the last digits of the series are partly ille… Dated **05.03.2020**

Q Questions Before the Authority

- What will be the classification of the applicant's services (under service code 996511, 996791, 996799 or any other) where the applicant issues the consignment note but the actual transportation is done through a third-party transporter who also issues a consignment note?
- What will be the applicable GST rate on the applicant's services among: 12% under entry 9(iii) of Notification 11/2017-CT(Rate); 12% under entry 11(i); 18% under entry 11(ii); or any other rate?
- Whether the applicant would be eligible to avail input tax credit of the 12% GST charged by the third-party transporters?
- Whether the transporter would be right in charging GST at 12% under forward charge to the applicant under Notification 20/2017-CT(Rate) dated 22 August 2017, when the applicant as main contractor is already charging GST at 12% under the same notification?
- Procedurally, is it correct to have two GTA service providers and two consignment notes for the same movement of goods, one issued by the applicant as main contractor and the other by the transporter as sub-contractor?

F Facts

The applicant is a logistics service provider that transports steel coils by road for POSCO group companies, both from the port of import to the POSCO-MAH factory at Mangaon and from the factory to customers. It works on a back-to-back arrangement with a transport vendor, Royal Translines Pvt Ltd, which carries the goods, while the applicant issues consignment notes that are stamped by the consignee. The transport vendor also issues its own consignment notes, does not charge GST to the applicant, and the applicant elects to discharge GST at 12% under forward charge.

H Ruling

Q1: Classification of the applicant's services where a third-party transporter carries the goods	**Covered under Heading 996511**	The Authority treated the applicant as a GTA providing services to POSCO group companies directly. It did not adopt the alternative codes 996791 or 996799.
Q2: Applicable GST rate on the applicant's services	**Entry 9(iii) of Notification 11/2017-CT(Rate) applies, at 5% or 12%**	5% applies if credit on goods and services used in the supply has not been taken. The alternative is 12% if the GTA opts to pay central tax at 6% on all GTA services it supplies. The 11(i) and 11(ii) rates were not adopted.
Q3: Input tax credit on the 12% GST charged by third-party transporters	**No. The applicant cannot avail credit on those transporters' invoices**	The transporters are not charging any GST on their services to the applicant. The body of the order adds that credit is available only if the applicant opts for 12% and satisfies Chapter V of the CGST Act.

Q4: Whether the transporter may charge 12% under forward charge to the applicant under Notification 20/2017-CT(Rate)	**Not answered**	The question concerns a supply not made by the applicant, so it falls outside the scope of Section 95 of the Act.
Q5: Whether two GTA service providers and two consignment notes for the same movement of goods are procedurally correct	**Not answered**	The question concerns procedure and does not fall within the matters listed in Section 95 (a) to (g).

The Authority held that the applicant is a Goods Transport Agency (GTA) because it provides road transport services for goods and issues consignment notes, and that its services fall under Heading 996511 and entry 9(iii) of Notification 11/2017-CT(Rate). It ruled that the applicant can discharge GST at **5%** if it does not take input tax credit on goods or services used, or at **12%** if it opts to pay central tax at 6% under the forward charge option. It held that the applicant cannot take credit on the third-party transporter's invoices, because no GST was charged on them. It declined to answer questions 4 and 5, as the first concerns a supply made by someone other than the applicant and the second concerns procedure.

R Reasoning

The Authority relied on the definition of 'goods transport agency' in Notification 11/2017-CT(Rate) (explanation to entry 9), which covers any person who provides road transport services for goods and issues a consignment note by whatever name called. Because the applicant issues the consignment notes and renders transport services directly to POSCO group companies, it was held to be a GTA. The services were then placed under Heading 996511 by reference to the scheme of classification, and entry 9(iii) was applied on that basis. On the input tax credit question, the Authority reasoned that the transporters charged no GST, so there was no tax on which credit could be claimed. Questions 4 and 5 were declined under Section 95 of the CGST Act.

P Provisions Relied On

- Section 95, CGST Act and MGST Act (scope of advance rulings)
- Section 97 and Section 98, CGST Act and MGST Act (application and procedure)
- Notification 11/2017-CT(Rate) dated 28 June 2017, entry 9(iii) and explanation (definition of GTA)
- Notification 11/2017-CT(Rate) dated 28 June 2017, entries 11(i) and 11(ii) (considered, not adopted)
- Notification 12/2017-CT(Rate) dated 28 June 2017, entries 18 and 22 (referred to in the jurisdictional officer's submissions)
- Notification 13/2017-CT(Rate) dated 28 June 2017, entry 1 (reverse charge for GTA services)
- Notification 20/2017-CT(Rate) dated 22 August 2017 (amendment to entry 9(iii))
- Explanation to Notification 11/2017-CT(Rate), section 2(ze) of the CGST Act (definition of goods transport agency)
- Chapter V, CGST Act (input tax credit, referred to in the body of the order)

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

! For the Practitioner

This order is useful for a logistics provider that issues its own consignment notes and sub-contracts the haulage. It confirms that such a provider can be treated as a GTA under entry 9(iii) and may choose between the 5% rate with no input credit and the 12% rate with credit. It also confirms that no input tax credit is available where the sub-contractor charges no GST. It does not decide whether a second GTA and a second consignment note can co-exist for the same movement, nor whether a transporter may forward-charge the applicant, since the Authority declined both questions.

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 -> mah aar 134 2019-20 b-23 05.03.2020 pisdcpl.pdf

Prepared 19-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com