



GST on Transportation of Goods by Road



CA Sandeep Bhatnagar

on 22 January 2019

GST is applicable on GTA and not on transport owners. When a consignment note is issued the lien on goods has been transferred to the transporter and the transporters become responsible for the goods until delivered to the consignee. Thus GST is applicable on such agency function. Services provided by individual truck/tempo operators who do not issue consignment note are covered by entry at S.no. 18 of Notification 12/2017 Central Tax (Rate) which is exempt from GST.

If a person is exclusively supplying goods or services, the total tax on which is required to be paid by the recipient under reverse charge, is not required to obtain registration even if his aggregate turnover exceeds Rs. 20 lakhs.

Notification no.11/2017 prescribes a rate of 2.5% CGST for GTA services with the condition that ITC used in supplying the services has not been taken. If the ITC is to be availed then GTA service provider has to charge 6% central tax on all services provided by it.



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Recipient of GTA services paying reverse charge is entitled to take ITC provided it is used in the course of furtherance of business. Where the GTA has opted to pay GST Forward charge basis, the recipient is eligible for ITC.

If the GTA has not paid central tax @6% in the case of services to certain categories then the recipients have to pay GST on reverse charge basis.

Exemptions to specific services provided by GTA

- Agricultural produce
- Consideration for transportation in a single carriage does not exceed Rs. 1500/-
- Consideration for transportation for a single consignee does not exceed Rs. 750/-
- Milk, salt, food grain, pulses and rice
- Organic manure
- Newspapers and magazines
- Relief materials for natural or man-made disasters
- Defence or military equipment

Rule for Place of Supply:

If GTA services supplied to a registered person P.O.S is location of such person.

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If GTA services supplied to unregistered person P.O.S is location where such goods are handed over for their transportation.

If location of supplier or recipient is outside India, P.O.S shall be place of destination of such goods.

Generation of E-Way Bill by the Transporter:

Where the e-way bill is not generated by supplier, information in Part A of Form GST EWB-01 shall be furnished by the supplier to the transporter who shall complete the information in Part B and generate the e-way bill. If the value of all goods carried in the conveyance is more than Rs. 50,000 then the transporter shall generate Form EWB-01 on the basis of Invoices/Bill of Supply/Delivery challan prior to movement of goods.

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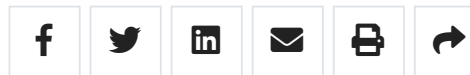
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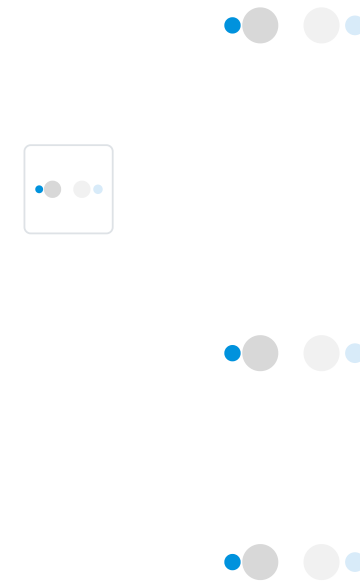
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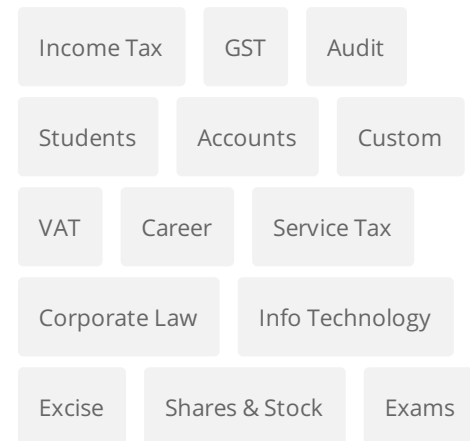
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sir if the receiver of goods is unregistered dealer paying a freight of rs 10000 to unregistered



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transporter. then who will pay the rcm

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If the aggregate turnover of the transporter is less than Rs.20 Lakhs then no GST payable by any party

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does there is any further consequences if goods received whose e-way bill is expired??



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It will be treated as non-compliance of e-way bill rules and penalty may be levied. Goods can also be confiscated

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@CA Sandeep Bhatnagar but sir how goods can be confiscated or penalty be levied once goods are received in the premises.



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Yes, nothing can happen if goods have been received in the premises

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my legal hair depositing 18% rcm (9+9) on my monthly freight charges and taking itc of this amount per month. But as per above mentioned details it should be only 6%. What to. Do now?

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