

J. NO-94/2024-25

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU – 560 009**

**Advance Ruling No. KAR ADRG 39/2024**

**Date : 06-11-2024**

Present:

**1. Sri. Kiran Reddy T**

Additional Commissioner of Customs & Indirect Taxes . . . . Member (Central)

**2. Sri. Prathap Kumar S**

Additional Commissioner of Commercial Taxes . . . . Member (State)

|    |   |  |
|----|---|--|
| 1. | Name and address of the applicant                                     | M/s. GLOBE MOVING AND STORAGE COMPANY PRIVATE LIMITED,<br># 141, Sri Shanthi Towers, 3 <sup>rd</sup> Floor, 3 <sup>rd</sup> Main Road, East of NGEF Layout, Kasturi Nagar, Bengaluru-560 043, Karnataka. |
| 2. | GSTIN or User ID  | 29AABCG6630Q1Z2  |
| 3. | Date of filing of Form GST ARA-01                                     | 08-05-2024   |
| 4. | Represented by  | Sri. V A Philip, Manager, Accounts & Authorised Representative   |
| 5. | Jurisdictional Authority – Centre                                     | The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru. (Range-BED4)   |
| 6. | <b>Jurisdictional Authority – State</b>                               | ACCT, LGSTO-55, Bengaluru.   |
| 7. | Whether the payment of fees discharged and if yes, the amount and CIN | Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2905240031041 dated 07.05.2024.                              |

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017  
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Globe Moving & Storage Company Private Limited (herein after referred to as 'Applicant'), # 141, Sri Shanthi Towers, 3<sup>rd</sup> Floor, 3<sup>rd</sup> Main Road, East of NGEF Layout, Kasturi Nagar, Bengaluru-560 043, Karnataka, having GSTIN 29AABCG6630Q1Z2, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act, KGST Act.

# Globe Moving & Storage Company



2. The applicant submitted that they are into the business of GTA (Goods Transport Agency) and packing, moving, transportation, customs clearing through CHA and related supporting services; they provide services to their foreign clients, who are in the same line of business, with regard to exports to India from their country on Door-to-Door delivery basis such as "Customs clearance, transportation and related supporting services" for delivering such exported goods to the place of customer in India.

3. In view of the above, the applicant has sought advance ruling in respect of the following question:

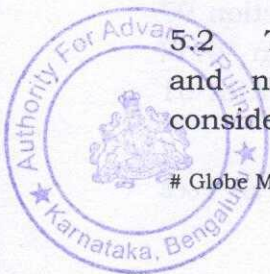
*Whether the supply of pure service made by our organization, (being a GTA-cum-Packing & Moving Company) to or on behalf of a foreign entity unregistered in India (unregistered person), is exempt from charge of GST under Notification No.32/2017-Central Tax (Rate) dated 13-10-2017 (entry number 21A) & IGST Notification No.33/2017-IGST(Rate) dated 13-10-2017 (entry number 22A) ?*

4. **Admissibility of the Application** : The advance ruling sought by the applicant on the question, at para 3 supra, is in respect of the issue of (i) applicability of a notification issued under the provisions of the CGST/KGST Act 2017, which is covered under Section 97(2)(b) and hence the application is admissible under Section 97(2)(b) of the CGST/KGST Act 2017.

5. **BRIEF FACTS OF THE CASE:** The applicant furnished the following facts relevant to the issue:

5.1 The applicant is into the business of GTA (Goods Transport Agency) and packing, moving, transportation, customs clearing through CHA and related supporting services; the client of the applicant in foreign country (unregistered person / entity), who are also in the same line of business, book the consignments of their customers in such foreign country that are intending to relocate to India, and thus export some house-hold or other goods to India for ultimate use/consumption in India. The packing, moving & forwarding agents (foreign clients of the applicant) aggregate such goods, pack them up and facilitate to export to India on "**Door to Door Delivery**" basis by making all customs formalities abroad and collect the entire Door-to-Door delivery charges from their customers in their own country. The foreign client of the applicant avails the services of the applicant in India, as they have no permanent or temporary place of business in India, for "Customs clearance, transportation and related supporting services" for delivering such goods to the place of customer in India. Accordingly, the applicant arranges for customs clearance of goods in Indian ports through authorized Customs House Agents and transport the said goods to the ultimate destination in India as per shipping documents and also as per the instructions of their foreign client.

5.2 The applicant provides only "Pure Service" to the unregistered foreign clients and no materials are used in providing such services; they receive the consideration from foreign client (un-registered person in India) but not from any



other person(s), in convertible foreign currency; the foreign client is neither a registered entity in India under GST Acts nor has any permanent/ temporary place of business in India.

**6. Applicant's Interpretation of Law:** The applicant submits their interpretation of law about the question raised, inter alia stating as under:

6.1 The services being provided are of the nature of "pure service" as the said services do not involve supply of any materials and thus the said supply is exempt from GST.

6.2 Supply of pure service in India by an Indian GTA entity (Goods Transport Agency) registered under GST Act, to or on behalf of foreign entity which is not registered under Indian GST Act (unregistered person) and not having any place of business in India (either permanent or temporary) is exempt from charge of GST under GST Act as per Notification No.32/2017-Central Tax (Rate) dated 13.10.2017 vide entry number 21A and IGST Notification No.33/2017-IGST (Rate) dated 13.10.2017 vide entry number 22A.

6.3 In view of the above, they contend that they fulfill all the conditions for availing exemption from charging GST on the invoice raised on the foreign client and request to allow the exemption on the invoice raised on the foreign client.

#### **PERSONAL HEARING PROCEEDINGS HELD ON 27.05.2024 & 21.10.2024**

7. Sri. V A Philip, Manager, Accounts & Authorised Representative of the applicant appeared for personal hearing proceedings and reiterated the facts narrated in their application.

#### **FINDINGS & DISCUSSION**

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts along with the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

10. The applicant submitted that they are into the business of GTA (Goods Transport Agency) and packing, moving, transportation, customs clearing through CHA and related supporting services; they provide services to the foreign client (unregistered person / entity), who are also in the same line of business, who export the consignments of their customers, intend to relocate to India, for ultimate use/consumption in India on "**Door to Door Delivery**" basis, by making all



customs formalities abroad and collect the entire Door-to-Door delivery charges from their customers in their own country. The foreign client of the applicant avails the services of the applicant in India, as they have no permanent or temporary place of business in India, for “Customs clearance, transportation and related supporting services” for delivering such goods to the place of customer in India. Accordingly the applicant arrange for customs clearance of goods in Indian ports through authorized Customs House Agents and transport the said goods to the ultimate destination in India as per shipping documents and also as per the instructions of their foreign client.

11. The applicant contended that they provide only “Pure Service” to the unregistered foreign clients and no materials are used in providing such services; they receive the consideration from foreign client (un-registered person in India) but not from any other person(s), in convertible foreign currency; the foreign client is neither a registered entity in India under GST Acts nor has any permanent/ temporary place of business in India.

12. In view of the foregoing, the applicant sought for advance ruling on the applicability of the exemption under entry number 21A of Notification 12/2017-Central Tax (Rate) dated 28.06.2017, as amended by the Notification No.32/2017-Central Tax (Rate) dated 13-10-2017 & IGST Notification No.33/2017-IGST(Rate) dated 13-10-2017 (entry number 22A). We proceed to examine the issue for which we invite reference to the said exemption which is as under:

| Sl. No. | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services  | Rate (per cent.) | Condition |
|---------|---|--|------------------|-----------|
| (1)     | (2)   | (3)  | (4)              | (5)       |
| 21A     | Heading 9965 or Heading 9967                              | <p>Services provided by a goods transport agency to an unregistered person, including an unregistered casual taxable person, other than the following recipients, namely: -</p> <p>(a) any factory registered under or governed by the Factories Act, 1948(63 of 1948); or</p> <p>(b) any Society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or</p> <p>(c) any Co-operative Society established by or under any law for the time being in force; or</p> <p>(d) any body corporate established, by or under any law for the time being in force; or</p> <p>(e) any partnership firm whether registered or not under any law including association of persons;</p> <p>(f) any casual taxable person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.</p> | NIL              | NIL       |



Entry at Sl.No. 22A of IGST Notification No.33/2017-IGST(Rate) dated 13-10-2017 is identically worded.

13. From the description of service in the aforesaid entry at S.No 21A it is evident that the said exemption is exclusively in respect of Services provided by a *goods transport agency* to an unregistered person, including an unregistered casual taxable person, other than certain specified recipients. The term “goods transport agency” is defined in para 2 (ze) of the Notification supra, “*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. In the instant case the applicant has nowhere claimed to have issued a consignment note in relation to transport of goods and therefore his claim that he is providing goods transport agency service is not justified. It is also observed that applicant is providing a bundle of services of customs clearance (CHA service), loading & unloading services, port handling, liner fee and destination services in India. Further it is observed from the copy of invoice raised by the applicant that many services are individually charged. Therefore, the exemption supra is not applicable to the applicant’s case.

14. In view of the foregoing, we pass the following

### **RULING**

*The exemption under entry number 21A of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, as amended by the Notification No.32/2017-Central Tax (Rate) dated 13-10-2017 and entry no. 22A of IGST Notification No. 9/2017-IGST(Rate) as amended by Notification No. 33/2017-IGST(Rate) dated 13-10-2017 is not applicable to the services provided by the applicant.*

  
(PRATHAP KUMAR S)

Member  
MEMBER

Place : Bengaluru,  
Date : 06-11-2024

  
(KIRAN REDDY T)

Member

MEMBER  
Karnataka Advance Ruling Authority  
Bengaluru - 560 009

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-55, Bengaluru.
5. Office Folder.

# Globe Moving & Storage Company

