WEST BENGAL APPELLATE AUTHORITY FOR ADVANCE RULING
AT 14, BELIAGHATA ROAD, KOLKATA-700015

Before:

Mr R. Srinivasa Naik, Member
Mr Khalid Aizaz Anwar, Member

In the matter of

Appeal Case No. 06/WBAAAR/APPEAL/2026 dated 06.02.2026

- And -

In the matter of:

An Appeal filed under Section 100 (1) of the West Bengal Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017, by Mr. Imankalyan Sarbajna, Joint Commissioner, State Tax, Large Taxpayer Unit, Govt. of West Bengal against the Ruling passed by the West Bengal Advance Ruling Authority vide Advance Ruling Order No - 15/WBAAR/2025-26 dated 09.12.2025 in respect of M/s Flipkart India Private Limited (GSTIN-19AABCF8078M1ZY).

Present for the Appellant:	Mr. Imankalyan Sarbajna, Joint Commissioner of Revenue, State Tax, Large Taxpayer Unit, Govt. of West Bengal
Present for the Respondent:	Mr. Rohit Jain (ELP); Mr. Supreme Kothari (ELP)

Matter heard on:	30.04.2026
Date of Order:	06.05.2026

At the outset we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act, 2017' and the 'SGST Act, 2017') are in pari materia and have the same provisions in like matter 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, 2017 would also mean reference to the corresponding similar provisions in the SGST Act, 2017.

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1. This appeal has been filed by Mr. Imankalyan Sarbajna, Joint Commissioner, State Tax, Large Taxpayer Unit, Govt. of West Bengal against the Ruling passed by the West Bengal Advance Ruling Authority (hereinafter referred to as WBAAR) vide Advance Ruling Order No. 15/WBAAR/2025-26 dated 09.12.2025 in respect of the application for Advance Ruling filed by M/s Flipkart India Private Limited (GSTIN-19AABCF8078M1ZY).

2. The concerned respondent, M/s Flipkart India Private Limited (applicant before the WBAAR) filed their application before the WBAAR under sub section (1) of section 97 of the GST Act and the rules made there under seeking an advance ruling in respect of following questions:

(a) Whether the services provided by the Applicant to customers would qualify as "Goods Transport Agency"(GTA) services?

(b) Whether the services provided by the Applicant to unregistered customers through the electronic commerce operator's portal would be eligible for exemption in terms of SL No. 21A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (as amended)?

Submission of the Respondent before the WBAAR

3. In their application made before the WBAAR, the respondent submitted inter alia the following:

ii. The respondent is a private limited company incorporated under the Companies Act, 2013. At the time of filing the application, the respondent was inter alia engaged in B2B trading of goods. The respondent proposed to implement a new business model, hereinafter referred to as the “Proposed Model”, under which it intended to provide transportation services for goods exclusively by road to customers purchasing such goods from various Electronic Commerce Operator (ECO) portals.

iii. The respondent submitted that it might also undertake other types of transportation activities under the Proposed Model. However, the respondent clarified that the application was confined only to the activity of transportation of goods by road undertaken by the respondent and to the provision of Goods Transport Agency (GTA) services to unregistered customers.

iv. At the time of filing the application, the respondent had not commenced the proposed new business activity.

v. Under the Proposed Model, whenever the goods are purchased by customers through the ECO portal, the seller would only be responsible for delivering the goods at a designated point for onward delivery - the Source Mother Hub (i.e. the nearest hub from the seller's location).

vi. Subsequently, the respondent would be responsible for collecting or picking up the goods from the concerned "Source Mother Hub" and delivering the same to the address specified by the end-customer at the time of purchasing the goods through the ECO portal, hereinafter referred to as the "Delivery Address". For the aforesaid purpose, the respondent would have a separate arrangement with the end-customer. The terms of such arrangement would be incorporated in the Customer's/Buyer's Terms of Use (TOUs), which are accepted by the end-customer while placing the order for goods on the ECO portal.

vii. The respondent clarified and reiterated that the services under the Proposed Model would be provided in terms of the Customer's/Buyer's Terms of Use (TOUs) under which, the respondent would be appointed as the Goods Transport Agency (GTA) for transportation of goods exclusively by road from the concerned Source Mother Hub to the Delivery Address.

viii. The respondent submitted that the consideration for the goods transportation services provided by it, namely the transportation charges, would be payable by the end-customers purchasing the goods, who would be the recipients of the GTA services. It was further submitted that, for administrative convenience, such consideration may be remitted to the respondent by the ECO on behalf of the customers. In such cases, the ECO would collect the transportation charges from the customers at the time of purchase of goods on its portal, where payment is made online. Alternatively, where payment is made in cash at the time of delivery, the transportation charges may be collected by the respondent directly from the customers upon delivery of the goods.

ix. The respondent also submitted that the transportation charges would be specifically disclosed in the tax invoice or bill of supply issued by the respondent to the end-customer.

x. In respect of GTA services provided to B2B customers, the respondent proposed to discharge GST under the forward charge mechanism at the rate of 12%, in terms of Sl. No. 9(iii)(b) of Notification No. 11/2017-Central Tax (Rate), dated 28.06.2017.

xi. It was clarified by the respondent that it would issue a single consignment note to the end customer for transportation of goods from the Source Mother Hub to the Delivery Address, before undertaking the transportation of goods by road.

xii. The respondent further stated that the issuance of such single consignment note would not be affected by any break in the journey between the Source Mother Hub, Destination Mother Hub, Delivery Hub and the Delivery Address, or by the use of different road transport vehicles at different stages of transportation.

xiii. The respondent submitted that, upon issuance of the consignment note, a lien over the goods transported would be created in favour of the respondent and by virtue of the said consignment note, it would assume responsibility towards the end-customer for any loss of, or damage to, the goods occurring during the course of transportation until delivery at the Delivery Address.

xiv. The respondent further submitted that the actual transportation service may be provided by the respondent either on its own account or, wherever necessary, by engaging a third-party transporter.

xv. The respondent submitted that, at the time of actual delivery, or even after acceptance of delivery of the goods by the respondent, the customer may have the option to reject or return the goods. Consequently, the customer may also be entitled to claim refund of the transportation charges, where such charges have been paid in advance. In such cases, the loss of transportation charges would be borne by the respondent, with or without any corresponding charge payable by the ECO.

xvi. The respondent further submitted that it would obtain transit insurance in respect of the goods to be transported by road from the Source Mother Hub to the Delivery Address.

xvii. In view of the aforesaid facts and circumstances, the respondent submitted that the services proposed to be provided by it are classifiable as Goods Transport Agency (GTA) services. The respondent further contended that, where such GTA services are provided by it to unregistered customers placing orders for goods through the ECO portal, the same would be exempt from GST in terms of Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended.

xviii. The respondent referred to various statutory definitions, relevant rules, departmental circulars, explanatory notes and CBIC flyers relating to Goods Transport Agency (GTA) services of the present GST regime as well as the erstwhile Service Tax regime and also relied upon different case laws.

xix. On the basis of the aforesaid legal provisions, clarifications and judicial precedents, the respondent contended that the services proposed to be provided by the respondent are correctly classifiable as Goods Transport Agency services and not as courier services.

xx. The respondent further submitted that, once the services proposed to be provided by it are held to be classifiable as **Goods Transport Agency (GTA) services**, and the recipients of such services are unregistered persons, the respondent would be eligible for the benefit of exemption under **Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017**, as amended.

xxi. In support of the aforesaid claim, the respondent relied upon various judicial pronouncements and submitted that its eligibility for the benefit of Sl. No. 21 A of the Exemption Notification should be liberally interpreted.

Submission of the Department before the WBAAR

4. The jurisdictional authorities, namely LTU, WBGST and Rishra Division, Howrah CGST & CX Commissionerate, in their submissions made before the WBAAR, inter alia, highlighted the following issues:

i. In terms of sub-section (2) of section 35 of the CGST/WBGST Act, 2017, a Goods Transport Agency is required to maintain prescribed accounts and records, including records of the consignor, consignee and other relevant particulars of the goods transported. Further, in terms of sub-rule (4) of

rule 58 of the CGST/WBGST Rules, 2017, a Goods Transport Agency is required to maintain records of goods transported, delivered and stored in transit by it, along with the GSTIN of the registered consignor and consignee, for each of its branches, wherever applicable. However, it is observed that the respondent, in its submissions, has not specifically stated whether it would comply with the aforesaid statutory requirements relating to maintenance of accounts and records under the CGST/WBGST Act, 2017 and the rules made thereunder.

ii. Transportation services provided by GTA to unregistered/Casual Taxable Person are exempt and it is taxable when provided to the aforementioned specified class of recipients as mentioned in serial no 21A of Notification no. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended. Therefore, Goods Transportation Services by road provided by the applicant to unregistered customers/ Casual Taxable Person (through the electronic commerce operator's portal) would be eligible for exemption subject to nature/class of recipients.

Observation of the WBAAR and its Order

5. While passing the impugned ruling, the WBAAR examined the proposed business model as described by the respondent in its application and recorded a detailed note thereon. The WBAAR also took into consideration, inter alia, the following submissions made by the respondent:

i. that the term 'in relation to' as mentioned in the definition of GTA has actually widened the concept of GTA by including the intermediate and ancillary services for in relation to transportation;

ii. that issuing consignment note is a *sine qua non* for classification as GTA;

iii. that the respondent's proposed service is in no way similar to the courier agency service;

iv. that the proposed activity of the respondent is a GTA service and covered under serial no 21A of Notification no. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended when the respondent provides the GTA service to individuals being unregistered persons;

v. that the goods under transportation are never owned by the respondent and the transfer of title of goods takes place directly from the seller to the buyer as specified in the Buyer‘s Terms of Use;

vi. that the respondent’s role is restricted to undertaking transportation of goods only in the capacity of a GTA;

vii. that the application (made before the WBAAR) was restricted to the sphere of transportation of goods by road only;

6. Consequently, the WBAAR restricted their discussion and reference to the specific area of transportation of goods by road and based their decision on the submissions made by the respondent. They noted, inter alia, the following:

i. The person who transports the goods from one place to another by road and issues a consignment note can be regarded as GTA. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till the safe delivery of the goods to the consignee. A transporter's lien on goods is a legal right that allows him to retain possession of goods until the shipper or consignee pays all outstanding transportation charges. Essentially, it's a security measure for the transporter, ensuring they are paid for their services before releasing the goods.

ii. The respondent being a company incorporated under the laws of the country qualifies for ‘person’ as defined in Section 2(84) of the CGST Act.

iii. As per the documents furnished, whenever a buyer agrees to buy some products using the e-commerce platform owned by Flipkart Internet Private Limited under the Terms of Use, he/she simultaneously agrees to engage the services of a transport service provider (facilitated by Flipkart Internet Private Limited) for transportation of product from the location of the seller, where it is handed over to the transporter and delivered to the buyer‘s location. The buyer has to agree that Flipkart Internet Private Limited is authorized to collect goods transport charges from the buyer on behalf of the transporter. According to the terms of use, the contract of sale exists only between the seller and the buyer. The transporter shall not be considered as buyer or seller at any point of time. His responsibility is restricted to providing logistics and delivery services.

iv. The respondent would enter into an agreement on principal-to-principal basis with Flipkart Internet Private Limited for providing transportation services to the end customer for delivery of goods listed on the latter's e-commerce platform. Flipkart Internet Private Limited would collect payments/ fees in respect of transportation charges on behalf of the applicant from the end customers except in case of CoD (Cash on Delivery) and would in turn pay the same to the respondent. In respect of goods return facilitated by Flipkart Internet Private Limited via its platform, the transporter would independently provide transportation and logistics services to Flipkart Internet Private Limited.

v. The respondent is providing the service of transport of goods from the seller (from the source mother hub) to the buyer and reverse transport in case of goods return.

vi. The transportation of goods from the Source Mother Hub to the Delivery address would be done exclusively by road. Transportation may take place either through trucks or vans or two wheelers or a combination thereto. There would be one single consignment note from the Source Mother Hub to the Delivery address to be issued by the applicant.

vii. The respondent would issue consignment note which will be serially numbered and will contain inter alia the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency.

viii. Reference made by the respondent to several cases related to the erstwhile Service Tax regime where it has been decided that issuing Consignment Note is an essential feature of GTA were also considered by the WBAAR.

7. The WBAAR further observed that the proposed activity of the respondent fulfils all the features of GTA and expressed their considered view that the respondent could be regarded as Goods Transport Agency so far as the activities delineated in the application for advance ruling was concerned.

8. The WBAAR noted that the primary distinction between a courier agency and a GTA is the mode of transportation used, when evaluating whether the proposed activity of the respondent could be classified as services by a courier agency. A courier agency chooses a multi-modal transportation system that may involve air, rail, and road transportation from person to person, while a GTA exclusively delivers

products via road from one point to another. Courier agencies typically do not issue consignment notes, in contrast to a GTA. The WBAAR maintained that the respondent's proposed activity could not be compared to that of a courier agency. The WBAAR also cited Circular No. 104/07/2008-ST dated 06.08.2008 and Circular No.186/ 5/ 2015-ST dated 05.10.2015, and further stated that the time-sensitive transportation of goods is to be considered as services by the GTA if the transportation is entirely by road and the person transporting the goods issues a consignment note.

9. The WBAAR also addressed the question of whether the transportation services provided by the respondent to the end customer, who is an unregistered person, are covered by entry no. 21A of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017. It was noted that the end customer is responsible for the consideration payable for the supply of services. Thus, the end customer is classified as a recipient of service under clause (a) of the definition of a recipient of service in Section 2(93) of the CGST Act. It further concluded that the services will be covered by entry no. 21A ibid. if the end customer to whom the respondent provides service in the capacity of a GTA is an unregistered person. It was also determined that the incidental/ancillary services provided strictly in relation to and in the course of the specific transportation of goods would also be covered by the aforementioned exemption entry by virtue of Circular No. 234/28/2024- GST Dated 11.10.2024 issued by CBIC.

10. Accordingly, the WBAAR, in its Order No. 15/WBAAR/2025-26 dated 09.12.2025, answered both of the respondent's enquiries in the affirmative. The WBAAR ruled that the proposed transportation activity qualifies as a Goods Transport Agency (GTA) service under GST law and that such services provided to unregistered end customers are exempt from GST under Serial No. 21A of Notification No. 12/2017—Central Tax (Rate).

Submission of the Appellant before the WBAAAR

11. Aggrieved by the said ruling given by the WBAAR vide Advance Ruling Order No - 15/WBAAR/2025-26 dated 09.12.2025, the Joint Commissioner, State Tax, Large Taxpayer Unit, Govt. of West Bengal (hereinafter referred to as “the appellant”) filed the instant appeal before the West Bengal Appellate Authority for Advance Ruling (hereinafter referred to as the WBAAAR).

12. The appellant submitted the following points/grounds while preferring the instant appeal before the WBAAAR authority:

A. That it has been submitted that the learned WBAAR has erred in ruling that the proposed model of the respondent would fall within the scope and ambit of Goods Transport Agency services.

B. That as per the proposed model of the respondent, the transportation activity involves multiple transit points, namely, Source Mother Hub, Destination Mother Hub, Delivery Hub and the End Customer.

C. That in other words, delivery of the product purchased by a customer on the ECO portal, namely Flipkart Internet Private Limited, involves multiple legs, including last-mile delivery to the end customer by onboarded independent delivery partners using two-wheelers, bicycles, or electric-operated two- or three-wheelers.

D. That as stated by the respondent, the responsibility of transportation of the respondent commences from the Source Mother Hub, up to which point the seller remains responsible for delivering the goods.

E. That as recorded in the ruling of the WBAAR, the respondent, under the said model of transportation, enters into a separate engagement with the end customer, which is stipulated in the Customer's/Buyer's Terms of Use, agreed to by the end customer while ordering goods on the ECO's portal.

F. That no mention of any agreement with the seller has been made by the applicant before the WBAAR, as is evident from the instant ruling. It has been stated that, for the said purpose, the respondent would issue a consignment note to the end customer before undertaking transportation of goods by road from the Source Mother Hub to the delivery address, regardless of whether there is any break in the journey between the Source Mother Hub, Destination Mother Hub, Delivery Hub and delivery address, and regardless of the fact that different road transport vehicles may be used at each stage of the journey. It has further been stated that issuance of the said consignment note would create a lien over the goods being transported in favour of the respondent.

G. That, from the meaning of "consignment note" as provided in the Explanation to Rule 4B of the Service Tax Rules, 1994, it is evident that a consignment note is a document issued by a Goods Transport Agency against receipt of goods, evidently

from the supplier or consignor of the goods, whereby a lien is created over the goods undertaken for transportation.

H. That the contention of the respondent that a consignment note is issued to the end customer consequent upon entering into an agreement with the end customer, which in turn creates a lien over the goods to be transported, is completely misplaced and beyond the scope and purpose of a consignment note. Hence, the documents issued to the end customer in this regard cannot qualify as consignment notes.

I. That, a consignment note, inter alia, requires details of the registration number of the goods carriage and details of the place of origin. Evidently, in the instant case, the documents purportedly stated to be consignment notes do not contain the registration number of the goods carriage, since the respondent would never be in a position to know the exact vehicle details of each and every goods carriage after the goods leave the Source Mother Hub.

J. That it is common knowledge that the last leg of transportation to end customers is undertaken by onboarded delivery partners using their two-wheelers, bicycles, or electric-operated two- or three-wheelers, and the same is random and decided on the basis of availability of delivery partners at the last-mile delivery hub. Further, in many cases, such mode of transportation does not qualify as a motor vehicle and, consequently, as a goods carriage in terms of Sections 2(28) and 2(14) of the Motor Vehicles Act, 1988.

K. That the responsibility of transportation of the respondent starts from the Source Mother Hub, which is in no way the place of origin of the goods. The respondent has no responsibility over the leg of transportation initiated from the place of business of the seller or consignor, which, in other words, is the point of origin of transportation of goods.

L. That the sample consignment note submitted by the respondent did not mention the details of all goods carriages involved in delivery of the goods, including the last leg of delivery by the onboarded delivery partners. Further, it is evident that the single consignment note issued by the respondent admittedly fails to capture all necessary details required in terms of Rule 4B of the Service Tax Rules, 1994.

M. That the contention that the document purportedly issued by the respondent for delivery of goods is a consignment note is not only misplaced but also unjustified.

For the reasons stated above, the clarifications provided in the context of the erstwhile service tax regime cannot be made applicable to the instant case.

N. That as per the submission of the respondent the consideration for such goods transportation would also be paid by the end customers purchasing the goods, i.e., the recipients of GTA services. However, for administrative convenience, such consideration may be remitted to the respondent by the ECO on behalf of the customers, which in turn would have collected such consideration from the customers at the time of purchase of goods on its portal, where payment is made online at the time of purchase of goods, or may be collected by the applicant from the customers upon delivery of such goods to such customers, where payment is made in cash at the time of delivery.

O. That the common feature of the e-marketplace ecosystem is the explicit or implicit agreement to deliver goods to the customer. In this context, the contention that the end customers purchasing the goods are the recipients of GTA services instead of the sellers is a misplaced argument.

P. That the language of the clarification contained in Circular No. 186/5/2015-ST dated 05.10.2015, particularly the expression “in case where GTA undertakes to reach/deliver the goods at destination within a stipulated time”, evidently indicates an agreement with the seller or the consignor to reach or deliver the goods at the destination.

Q. That the submission of the respondent before the WBAAR is ominously silent on this aspect, and the same has not been considered in the ruling given by the WBAAR in the instant case. Further, for the reasons stated hereinabove, the clarification provided in the context of the erstwhile service tax regime cannot be made applicable to the instant case.

R. That it has also been stated that, at the time of actual delivery or even after accepting delivery of goods by the respondent, the customer may have the option to reject or return the goods. Consequently, the customer may also be entitled to seek refund where the customer had made prior payment of transportation charges. In such instances, the loss of transportation charges could be borne by the applicant, with or without any charge payable by the ECO.

S. That it is submitted by the respondent that the loss of transportation charges would be borne by the respondent in case of rejection or return of the goods by the

end customer. That this is not only self-contradictory but also sufficient to establish a composite contract involving delivery of goods purchased by the end customer in the e-marketplace. That the service of delivery can in no way be equated with provision of GTA service by the respondent. In the present case, the respondent essentially realizes delivery charges from the end customer for delivering the goods purchased by him, except where the goods are rejected or returned.

T. That the definition of courier agency indicates that courier service involves:

i) door-to-door transportation;

ii) transportation of time-sensitive documents, goods or articles; and

iii) utilization of the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles.

The department noted that the Explanatory Notes to the Scheme of Classification of Services, under "Courier Services", include local delivery services. Further, in terms of the Explanatory Notes to the Scheme of Classification of Services, road transport services of goods do not include courier delivery services and local delivery services.

U. That it is undeniable that whenever a customer chooses to purchase goods in an e-marketplace, the agreement invariably involves the features of door-to-door transportation and time-sensitive delivery of the goods so purchased. That the same is achieved by utilization of the services of a person, either directly or indirectly, to carry such goods, at least at the last leg of transportation. It is undeniable that the e-commerce model cannot be conceived without the above features, which are imperative in nature.

V. That the element of door delivery of goods purchased is unique and essential to the e-commerce model and is a distinct feature of the e-marketplace ecosystem. Time sensitivity is also integral to the e-commerce ecosystem. Further, that the last leg of delivery is crucial in the present case and is integral to the entire delivery system, which is achieved with the participation of available onboarded delivery partners at the last-mile delivery hub.

W. That in other words, last-mile delivery is achieved by utilization of the services of a person, either directly or indirectly, to carry or accompany such goods or articles

and that it is undeniable that the said features of transportation and delivery of goods to the end customer in the e-commerce ecosystem are akin to courier services, as stated above, and have no similarity with GTA services by any stretch of imagination.

X. That in view of the above, it has been submitted that the learned WBAAR erred in ruling that the proposed model of the respondent would fall within the scope and ambit of GTA services. That the ruling may be modified by holding that the proposed model of provision of transportation services by the respondent to end customers cannot be classified as GTA services.

13. Accordingly, the appellant prayed the following before the Appellate Authority of Advance Ruling:

a. Order No. 15/WBAAR/2025-26 dated 09.12.2025 passed by the West Bengal Authority for Advance Ruling may be set aside.

b. The order no. 15/WBAAR/2025-26 dated 09.12.2025 passed by the West Bengal Authority for Advance Ruling may be modified accordingly and/or

c. Pass any such further or other order(s) as may be deemed fit and proper in the facts and circumstances of the case.

Submission of the Respondent before the WBAAAR

14. In its written submission made before the WBAAAR, the respondent inter alia submitted the following:

i. The Appeal has been filed with a 29-day delay, for which no sufficient cause for condonation has been demonstrated, as mandated by Section 100(2) of the CGST/WBGST Act. The Department's explanation regarding the delay in obtaining the certified copy of the Impugned Order is vague and insufficient. Despite the certified copy being issued on 18.12.2025, it was reportedly received only on 21.01.2026, over a month later, with no valid reasons provided for this delay. Notably, Section 100(2) states that the limitation period starts when the advance ruling is “communicated” to the applicant, not when the certified copy is received. The communication occurred on 09.12.2025, thereby rendering the Appellant's reliance on the delay in obtaining the certified copy irrelevant for limitation purposes. Consequently, the application for condonation should be rejected.

ii. The Respondent denied each and every contention, averment, allegation and submission made in the Appeal, save and except those that are expressly admitted in their written submission. The Grounds of Appeal are specifically denied as being erroneous, misconceived and contrary to facts on record as well as the legal position.

iii. While appearing before the WBAAR, the jurisdictional officer acknowledged that the proposed transportation activity qualifies as services by a "Goods Transport Agency" (GTA), allowing for an exemption under Entry 21A of Notification No. 12/2017-Central Tax (Rate) for services provided to unregistered recipients. However, it has reversed its stance in regard to the instant appeal, asserting that, the activity does not qualify as GTA service but rather as courier services. This shift indicates that the appeal is an afterthought and lacks merit.

iv. The Respondent submitted the following point-wise reply to the Grounds of Appeal raised by the Appellant:

Grounds of Appeal by Department	**Reply of Respondent**
Para 5.4 and 5.5 - The Appellant has specifically alleged that the consignment note issued to the end customer (and not to the supplier) cannot qualify as a “consignment note”. In this regard, reliance has been placed on the Explanation to Rule 4B of the Service Tax Rules, 1994 to contend that such consignment note ought to be issued to the supplier of goods and not to the end-customer.	The aforesaid allegation is misconceived and is denied. In the present case, the end-customer engages the Respondent-Applicant for transportation of goods and is liable to pay the consideration for such services. Accordingly, the consignment note is issued to the end-customer, being the recipient of the transportation service. There is no requirement under law that a consignment note must necessarily be issued to the supplier of goods, nor is there any prohibition on issuing the same to the end-customer where such person contracts for transportation. The Appellant’s reliance on the Explanation to Rule 4B of the Service Tax Rules, 1994 is wholly misplaced. The said provision merely prescribes the particulars to be contained in a consignment note and does not mandate that the same must be issued only to the supplier of goods. The Appellant is thus seeking to read into the provision an extraneous condition which does not exist, contrary to the judgment of the Hon’ble Supreme Court in Union of India

	vs. Inter-Continental [2008 SCC Online SC 22].
Para 5.6 - The Appellant has contended that a valid consignment note must necessarily contain particulars such as the registration number of the goods carriage and the place of origin, and has further alleged that the Respondent Applicant would not be in a position to know the exact vehicle details for each leg of transportation as multiple vehicles are involved in transportation.	The aforesaid contention is misconceived and is denied. It is clarified that the Respondent-Applicant maintains complete records of the transportation undertaken, including vehicle details, origin and destination details etc. The allegation that the Respondent-Applicant is not aware of the vehicle details or place of origin is factually incorrect. At the time of commencement of movement of goods, the registration number of the first vehicle is recorded in the consignment note. Details pertaining to subsequent legs of transportation, wherever applicable, are updated in the Respondent's system in the ordinary course of business. Issuance of a consignment note signifies that the transporter assumes lien and responsibility for the goods during transit. A consignment note is issued in relation to a specific consignment and is not restricted to any singular vehicle. The use of multiple vehicles during the course of transportation does not in any manner alter the nature of the service or disentitle the Respondent Applicant from being regarded as a GTA.
Para 5.6 - The Appellant has contended that the last leg of transportation is typically undertaken through delivery partners using two-wheelers, bicycles or electric vehicles, and therefore such transportation would not qualify as being undertaken through a "goods carriage".	The said contention is incorrect and is denied. It is clarified that the Respondent-Applicant does not use bicycles for transportation of goods in the present model. In any case, there is no requirement, either under the definition of GTA or under Entry 21A of the relevant Exemption Notification, that transportation must be undertaken specifically by a "goods carriage". The condition of transportation through a "goods carriage" has been expressly incorporated in other entries, such as Entry 21 and Entry 21B, but has consciously not been prescribed under Entry 21A. Further, SAC 996511 under the Scheme of Classification of Services, along with the corresponding Explanatory Notes, clarifies that

	road transport of goods may be undertaken through various modes and not just through "goods carriage".
Para 5.4 and 6.2 - The Appellant has contended that the Impugned Ruling is silent on agreement between the Respondent-Applicant and the Seller and has, therefore, allegedly failed to consider the arrangement between the parties.	The contention of the Appellant is erroneous and is denied. It was, in fact, specifically clarified by the Respondent-Applicant before the Hon'ble AAR that no agreement exists between the Seller of goods and the Respondent-Applicant. The Respondent-Applicant is independently engaged by the end-customer for provision of transportation services. A specific query in this regard was even raised by the AAR during the hearing and this factual position was expressly brought on record by way of Written Submissions filed before the Hon'ble AAR.
Para 6.2 - The Appellant has further contended that the common feature of an e-market ecosystem is the explicit or implicit arrangement to deliver the goods to the end-customer. Therefore, to state that the end-customer purchasing the goods is the recipient of GTA services would be a misplaced argument.	The contention is misconceived and is denied. In the present case, the end-customer engages the Respondent-Applicant for transportation of goods and pays the transportation charges as per the Buyer Terms of Use ("TOU"). Accordingly, the end customer is the recipient of the transportation service. A separate tax invoice/ bill of supply for goods transportation services is raised by the Respondent-Applicant to the end-customer. It is common in the e-commerce ecosystem for delivery fees to be charged directly to the end customer, including in sectors such as food delivery, grocery deliveries and similar platform-based services. Under the GST law, the recipient of a service is to be determined in accordance with the statutory provisions, and means the person who is liable to pay the consideration for such service. In the present case, since the end-customer is liable to pay and in fact pays the delivery charges to the Respondent-Applicant, the end-customer qualifies as the recipient of the transportation service. The Department's attempt to determine the recipient merely based on its incomplete understanding of the functioning of e-commerce operators is misplaced and cannot override the actual contractual arrangement, regular market

	practices and the settled legal principles under the GST law governing determination of the recipient of a service. It is also clarified that the Source Mother Hub ("SMH") is merely the nearest pick-up point to the Seller's location. Under the Seller's Terms of Use ("TOU"), the Sellers themselves are responsible for transportation of the goods up to the SMH at their own cost. The Respondent-Applicant's role in the transportation chain commences only from the SMH. However, the fact that the Respondent Applicant's responsibility begins at the SMH does not have any bearing on the classification of the services rendered by the Respondent-Applicant as services provided by a GTA. The Respondent Applicant undertakes transportation of the goods by road from the SMH to the end-customer's location, charges the end-customer for such transportation, and issues a consignment note in respect of the said movement. Accordingly, the essential conditions for classification as GTA services continue to be satisfied.
Para 6.3 and 6.4 - The Appellant has contended that the entire arrangement constitutes a composite contract involving delivery of goods purchased by the end-customer on the marketplace, and has sought to draw support from the fact that the Respondent-Applicant bears the risk of loss in cases of rejection or return of goods.	The contention is misconceived and is denied. The mere fact that the Respondent-Applicant contractually bears the risk of loss in certain situations, such as rejection or return of goods, is only a commercial arrangement agreed upon between the parties and does not, in any manner, determine or alter the nature or classification of the services rendered by the Respondent Applicant. In any event, the arrangement cannot be construed as a single or composite contract, as it comprises two independent supplies undertaken by different parties - namely, the supply of goods by the Seller and the provision of transportation services by the Respondent. It is a settled principle of law that the wisdom, prudence, or commercial expediency of a business arrangement must be judged from the perspective of the assessee. So long as the transaction is genuine and undertaken in the

	ordinary course of business, the authorities cannot substitute their own perception of how the business should have been conducted. [Ref: CIT Vs. Dalmia Cement Ltd. (2002) 254 ITR 377 (Del), Hero Cycles (P) Ltd. v. CIT (2015) 379 ITR 347 (SC)].
Para 7.1 to 7.3 - The Appellant has further contended that the transportation undertaken by Respondent-Applicant is akin to courier services, as it has features of door-to door delivery, time sensitivity etc.	The contention is incorrect and is denied. The services provided by the Respondent-Applicant cannot be equated with "courier services", as specifically analysed and held by the Hon'ble AAR. In the erstwhile Service Tax regime, the distinction between GTA services and courier services was clarified by the Board vide Circular No. 104/7/2008-ST dated 06.08.2008, wherein it was clarified that where (a) the transportation of goods is entirely by road; and (b) the person transporting the goods issues a consignment note, the service would be classified as GTA service, even where the transportation is time-sensitive. This position was further reiterated by the Board in Circular No. 186/5/2015-ST dated 05.10.2015.

v. The respondent submitted the following, while arguing that the services provided by the respondent will constitute as GTA services as long as transportation is carried out by road and a Consignment Note is issued:

(i) A Consignment Note is a document issued by a GTA against the receipt of goods for the purpose of their transportation by road in a goods carriage. In commercial parlance, a Consignment Note signifies that the responsibility & lien for the goods lies with the GTA until their delivery. It is well settled that transportation of goods by road coupled with issuance of a consignment note is the sine qua non for classification of services as those provided by a GTA.

(ii) The Respondent submitted that it fulfils the two essential ingredients of the definition of a GTA, namely:

a. The Respondent-Applicant is engaged in providing services in relation to transportation of goods by road; and

b. The Respondent-Applicant issues a consignment note in respect of such transportation.

Both these elements have been consistently recognized in judicial precedents and Board Circulars as the determinative tests for identifying a service provider as a GTA.

vi. Furthermore, in support of its claim that the services rendered by the Respondent are still encompassed by the definition of a "goods transport agency" even after 22.09.2025, the following were submitted:

(i) The amended definition of “goods transport agency” (as defined in Rate Notification and Exemption Notification) (inserted w.e.f. 22.09.2025) reads as under: “‘(ze) goods transport agency’ means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include (i) an electronic commerce operator by whom the services of local delivery are provided, (ii) an electronic commerce operator through whom the services of local delivery are provided.”

(ii) With effect from 22.09.2025, exclusion clause has been incorporated in the definition of GTA. The said amendment merely carves out an exclusion for a specific class of service providers i.e.

a. Electronic Commerce Operators (ECOs) by whom local delivery services are provided; and

b. Electronic Commerce Operators (ECOs) through whom local delivery services are provided.

(iii) The exclusions introduced in the definition of “goods transport agency” are explicitly person-specific. In other words, these exclusions apply only to ECOs, by whom or through whom the services of local delivery are provided, and not to any other person. The term “electronic commerce operator” is defined under section 2(45) of the CGST Act. The essential requirement for an entity to qualify as an ECO is that the said person must own, operate or manage a digital or electronic facility or platform through which electronic commerce is carried out. On the facts at hand, the Respondent-Applicant neither owns nor operates or manages any such

facility or platform. Accordingly, the Respondent Applicant itself cannot be considered an ECO. The Respondent-Applicant may render its services to customers who buy goods using the e-commerce portal operated by an ECO. In such a case, the legal characterization as an ECO attaches only to the entity that actually operates or manages the electronic platform, and not to other service providers who independently carry out supply transactions pursuant to orders placed using such platforms. Therefore, while the Respondent-Applicant provides GTA services, it is not, in itself, an ECO. Hence, the exclusion clauses would not be applicable to the Respondent-Applicant as it is not an ECO.

(iv) Such exclusions are also applicable only in respect of local delivery services and not in respect of large-scale PAN India transportation services provided by the Respondent Applicant. Hence, even on this ground, the exclusion clauses would not be applicable to the Respondent-Applicant as it is not providing local delivery services.

15. The Respondent eventually contended that the Appeal filed by the Appellant is without validity and is based on an inaccurate understanding of both the law and the facts. The Appellant has failed to establish any infirmity in the findings or reasoning of the Impugned Order, which was passed by the AAR. The Impugned Order is well-reasoned and in accordance with the GST law and the applicable Notifications. Consequently, it requested that the Impugned Order be upheld and the present Appeal be dismissed.

16. The respondent also submitted a number of documents, including copy of the "Buyer Terms of Use," copy of the "Seller Terms of Use," and copies of the sample transaction documents, along with tabular summary.

17. Additionally, they submitted an extract of applicable statutory provisions, notifications, and board circulars. Also, they submitted case laws addressing the following topics: (i) The issuance of a Consignment Note is a sine qua non for a Goods Transport Agency (GTA). (ii) The interpretation of Exemption Notifications. (iii) The recipient is the person liable to pay the consideration for the services. (iv) The Court must adhere to the plain and strict meaning of the statute's language. (v) The exclusion clause in an Exemption Notification must be strictly interpreted. (vi) The Department is prohibited from reading or imposing additional conditions that are

extraneous to the statute. (vii) The Tax Department is prohibited from acting in the capacity of a businessman. (viii) Other Advance Rulings on the matter.

Personal Hearing

18. The personal hearing of the instant appeal was held on 30.04.2026.

19. In course of the hearing, the authorized representatives of the Respondent, in addition to reiterating their written submission made before the Appellate Authority, also provided the Appellate Authority with an explanation of their business model, way of functioning, responsibilities, and terms of arrangement with the Customer/Buyer, as they had previously submitted to the WBAAR authority and as mentioned in the preceding paragraphs. They further drew attention of the Authority to the "Buyer Terms of Use," highlighting the conditions the buyer has to adhere to in respect of the transporter, which is reproduced below:

"By agreeing to the Terms of Use, you agree to engage the services of a transport service provider ("Transporter") (facilitated by Flipkart) for transportation of products from the location of the seller, where it is handed over to the Transporter and it is delivered to your location. Such movement of products is on your account and the Transporter is only responsible for transportation of products. In lieu of these services, you will be liable to pay "GT Charges" for delivery of your products. You agree that Flipkart is authorized to collect the "GT charges" from you on behalf of the Transporter. The GT Charges may vary from order to order, which will be determined on multiple factors, which shall include but not be limited to order value, distance and time of the day. Flipkart will inform you of the GT Charges that may apply to you, at the time of placing the order, and you shall be liable to pay GT Charges incurred for your order.

In case the products are ultimately returned by you, the GT Charges (if already collected) will be refunded within the same timelines from the day the refund amount is processed and the amount will be credited to your selected mode of payment.

You acknowledge that all purchases of the products are direct transactions between you and the Seller. The Transporter is not a party to the sale and assumes no title, interest, or rights in the products. Ownership transfers to you when the products are handed over to the Transporter by the Seller. Once the Seller hands over the products to the Transporter for delivery, the ownership of, products is immediately

transferred to you. The Transporter's role is strictly limited to providing logistics and delivery services, and the Transporter shall not be considered a buyer or seller of the products. The contract of sale exists solely between you and the Seller.

You agree that once you accept delivery of the products at the delivery location, it shall be deemed that the Transporter has completed all its contractual obligations as a Logistics service provider. Your acceptance of delivery of products shall constitute deemed approval of the fact that the consignment has been received in full and intact condition.

The Transporter is a " Goods Transport Agency" under the GST laws, GT Charges will be charged along with applicable taxes (wherever applicable).

The Transporter shall, for booking of the consignment to be transported, issue a Consignment Note, which will also include the terms and conditions governing the carriage, in addition to the applicable Terms of Use mentioned herein. You are encouraged to refer to the additional terms and conditions set out in the Consignment Note, which shall be made available to you in your order page.

The Transporter shall not be liable for any delay in pickup, mis-delivery, non-delivery or loss or damage to shipment caused on account of an act of God, force majeure productor any other cause reasonably beyond the control of the Transporter.

Any time of arrival/delivery provided at booking by Flipkart is an estimate only and the Transporter has no role in providing such estimate. The Transporter shall not be bound by any time-commitments made by Flipkart to the customer."

20. The Joint Commissioner, State Tax, Large Taxpayer Unit, Govt. of West Bengal, who attended the hearing on behalf of the appellant, reiterated his submission as stated in the appeal.

Discussions and Findings

21. At the outset we would like to address the prayer for condonation of delay made by the appellant. Having considered the submissions made by the Appellant in this regard, we find that the delay in filing the appeal has been attributed to the belated receipt of the certified hard copy of the impugned Order of WBAAR on 21.01.2026. It has been submitted that, upon receipt of the certified copy, the Appellant was

required to undertake detailed examination of the findings recorded in the impugned order, scrutiny of relevant documents, analysis of the applicable statutory provisions and legal parameters, compilation of supporting records for framing appropriate and sustainable grounds of appeal. We find that in departmental appeals, requirement of a certified copy has practical and legal significance, since the competent authority is required to examine the record of the proceedings and satisfy itself as to the legality or propriety of the decision or order before directing filing of appeal. We also find that preparation and filing of an appeal, particularly in a matter involving examination of records and interpretation of tax provisions, is not a mere mechanical exercise and reasonable time is practically required for such activities. Therefore, the delay appears to have occurred due to circumstances which were bona fide and not due to any deliberate inaction or negligence on the part of the Appellant. We are, accordingly, satisfied that the Appellant was prevented by sufficient cause from filing the appeal within the prescribed period. Hence, in exercise of the powers conferred under sub-section (2) of Section 100 of the CGST/WBGST Act, 2017, and subject to the delay being within the statutorily condonable period, the delay in filing the appeal is hereby condoned and the appeal is admitted for consideration on merits.

22. We find that the submission of the respondent before the Advance Ruling Authority, in brief, were primally based on the following points:

i. The respondent is registered under the CGST Act, 2017/WBGST Act, 2017 and is engaged in B2B trading of goods.

xxii. During the time of filing of the Application for Advance Ruling before the WBAAR, the respondent proposed to implement a new model of business under which it intended to provide transportation services for goods exclusively by road to customers purchasing such goods from various Electronic Commerce Operator (ECO) portals.

ii. Under the Proposed Model, the seller's responsibility is limited to delivering the goods to the Source Mother Hub, after which the respondent assumes responsibility for collecting the goods and delivering them to the Delivery Address specified by the buyer/end-customer on the ECO portal.

iii. The respondent claims to have a separate arrangement with the buyer/end-customer through the Customer's/Buyer's Terms of Use accepted at the time of placing the order. On that basis, the respondent submits that it is appointed by the buyer/end-customer as a Goods Transport Agency (GTA) for

transporting the goods from the Source Mother Hub to the buyer's Delivery Address.

iv. The transportation charges are stated to be payable by the buyer/end-customer, either through the ECO at the time of online purchase or directly to the respondent at the time of cash-on-delivery. The respondent also states that such transportation charges would be separately disclosed in the tax invoice or bill of supply issued to the buyer/end-customer.

v. The respondent proposes to issue a single consignment note to the buyer/end-customer for the entire movement from the Source Mother Hub to the Delivery Address, notwithstanding multiple transit points, breaks in journey, or use of different vehicles at different stages.

vi. Upon issuance of such consignment note, the respondent claims that a lien over the goods would be created in its favour and that it would assume responsibility towards the buyer/end-customer for any loss or damage to the goods during transportation until delivery.

vii. The respondent may undertake the transportation itself or through third-party transporters. The buyer/end-customer may reject or return the goods at the time of delivery or even after acceptance, and in such cases, refund of transportation charges may be claimed by the buyer, with the loss being borne by the respondent, with or without recovery from the ECO.

viii. Thus, the respondent's entire claim is structured on the premise that the buyer/end-customer is the recipient of the alleged GTA service, that the respondent is engaged by the buyer through the TOUs, and that the respondent's obligation is to deliver the goods purchased on the ECO portal from the Source Mother Hub to the buyer's specified address.

ix. The respondent submitted that it would obtain transit insurance for goods transported from the Source Mother Hub to the Delivery Address.

x. The respondent contended that the proposed services are classifiable as Goods Transport Agency (GTA) services and not as courier services.

xi. The respondent relied upon statutory provisions, relevant rules, departmental circulars, explanatory notes, CBIC flyers and judicial precedents under the GST regime as well as the erstwhile Service Tax regime.

xii. The respondent further submitted that, where such services are provided to unregistered customers ordering goods through the ECO portal, the same would be exempt under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended.

23. The respondent approached the Advance Ruling Authority seeking an advance ruling in respect of following questions:

(a) Whether the services provided by the Applicant to customers would qualify as "Goods Transport Agency"(GTA) services?

(b) Whether the services provided by the Applicant to unregistered customers through the electronic commerce operator's portal would be eligible for exemption in terms of SL No. 21A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (as amended)?

24. The findings and observations of the WBAAR may be briefly summarized as under:

i. The WBAAR restricted its examination to the proposed activity of transportation of goods by road, as the respondent's application was confined to that issue.

ii. The WBAAR noted that issuance of a consignment note is an essential requirement for classification as Goods Transport Agency (GTA) and that such issuance indicates transfer of lien/responsibility to the transporter till safe delivery.

iii. The WBAAR observed that the respondent, being a company, qualifies as a "person" under Section 2(84) of the CGST Act, 2017.

iv. The WBAAR recorded that, under the Buyer's Terms of Use, the buyer engages the transport service provider facilitated by the ECO, while the sale contract remains between seller and buyer only.

v. The WBAAR noted that the respondent would provide transportation from the Source Mother Hub to the Delivery Address, and reverse transportation in case of return of goods.

vi. The WBAAR observed that the transportation would be exclusively by road and that the respondent would issue a single serially numbered consignment note

containing relevant particulars such as consignor, consignee, vehicle details, goods details, origin, destination and person liable to pay tax.

vii. The WBAAR held that the proposed activity satisfies the essential features of GTA service.

viii. The WBAAR further held that the activity is not comparable to courier agency service, mainly on the ground that courier service generally involves multimodal/person-to-person transportation, whereas the respondent's proposed service is entirely by road and supported by issuance of consignment note.

ix. The WBAAR relied upon Circular No. 104/07/2008-ST dated 06.08.2008 and Circular No. 186/5/2015-ST dated 05.10.2015 to observe that time-sensitive transportation may still qualify as GTA service where transportation is entirely by road and consignment note is issued.

x. The WBAAR held that where the end customer is liable to pay consideration for the transportation service, such end customer would be the "recipient" under Section 2(93) of the CGST Act, 2017.

xi. Accordingly, the WBAAR concluded that GTA services provided by the respondent to unregistered end customers would be covered by exemption under Entry No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, and that incidental/ancillary services strictly in relation to such transportation would also be covered in view of CBIC Circular No. 234/28/2024-GST dated 11.10.2024.

25. In its Order No. 15/WBAAR/2025-26 dated 09.12.2025, the WBAAR answered both questions raised by the respondent in the affirmative and held that:

i. the proposed transportation activity qualifies as Goods Transport Agency (GTA) service under GST; and

ii. such GTA services, when provided to unregistered end-customers, are exempt from GST under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate).

26. We find that on being aggrieved by the above ruling, the appellant has preferred its appeal, primarily on the following grounds:

i. The proposed transportation model involves multiple transit points, namely **Source Mother Hub, Destination Mother Hub, Delivery Hub and the end**

customer, including last-mile delivery through independent delivery partners using two-wheelers, bicycles or electric-operated vehicles.

ii. The respondent's responsibility commences only from the **Source Mother Hub**, whereas the seller remains responsible for delivery up to that point. Therefore, the Source Mother Hub cannot be treated as the actual place of origin of the goods.

iii. No agreement with the seller/consignor has been placed on record. The respondent relies only on an arrangement with the end customer through the Customer's/Buyer's Terms of Use.

iv. The respondent contends that a consignment note is issued by a GTA upon receipt of goods from the consignor/supplier, whereby lien and responsibility over the goods are transferred to the transporter. Therefore, issuance of a document to the end customer cannot, by itself, qualify as a valid consignment note.

v. The purported single consignment note does not capture essential details such as the registration number of all goods carriages used, including vehicles used for last-mile delivery, and therefore fails to satisfy the requirements applicable to a consignment note.

vi. The use of bicycles, two-wheelers or electric-operated vehicles in last-mile delivery may not qualify as use of "goods carriage" within the meaning of the Motor Vehicles Act, 1988.

vii. The end customer cannot be treated as the recipient of GTA service merely because transportation/delivery charges are recovered from him, since the e-marketplace model inherently involves delivery of goods purchased by the customer.

viii. The option of rejection/return of goods and refund/loss of transportation charges indicates a composite delivery arrangement in the e-commerce ecosystem, and not an independent GTA service.

ix. The activity of the respondent has the essential features of **courier service/local delivery service**, namely door-to-door delivery, time-sensitive delivery and use of persons directly or indirectly to carry or accompany goods, especially in the last-mile delivery segment.

27. Accordingly, the appellant submitted that the WBAAR erred in classifying the proposed activity as **GTA service** and extending exemption from GST for services supplied to unregistered recipients. The appellant contended that the activity is classifiable as taxable **courier service** under Sl. No. 12, Heading 9968 of Notification No. 11/2017-Central Tax (Rate), dated 28.06.2017, attracting tax at 9% each under CGST and WBGST. The appellant had prayed for setting aside or modification of the impugned ruling.

28. We find that the submission of the Respondent basically rests on the following points:

i. The respondent denied the appellant's allegation that the consignment note issued to the end-customer cannot qualify as a valid consignment note. It submitted that the end-customer engages the respondent for transportation and is liable to pay the consideration; hence, the consignment note is rightly issued to the end-customer as recipient of service.

ii. The respondent submitted that law does not require a consignment note to be issued only to the supplier/seller of goods, and reliance on Rule 4B of the Service Tax Rules, 1994 for such proposition is misplaced.

iii. The respondent submitted that it maintains complete transportation records, including vehicle details, origin and destination details. It further submitted that the first vehicle number is recorded at commencement of movement and subsequent vehicle details are updated in its system during the course of business.

iv. The respondent contended that use of multiple vehicles in different legs of transportation does not alter the nature of the service, as the consignment note is issued for the consignment and not for a single vehicle.

v. The respondent denied use of bicycles under the proposed model and submitted that neither the definition of GTA nor Entry 21A of the exemption notification mandates transportation specifically through a "goods carriage".

vi. The respondent submitted that no agreement exists between the seller and the respondent. According to it, the end-customer independently engages the respondent for transportation under the Buyer's Terms of Use.

vii. The respondent submitted that the end-customer is the recipient of transportation service, as the end-customer is liable to pay the transportation charges and a separate tax invoice/bill of supply is issued to him.

viii. The respondent clarified that the Source Mother Hub is only the nearest pick-up point to the seller's location, and the seller is responsible for transporting goods up to that point at his own cost.

ix. The respondent contended that its activity cannot be treated as a composite contract for supply of goods and delivery, as supply of goods by the seller and transportation service by the respondent are two independent supplies.

x. The respondent submitted that bearing risk in cases of rejection or return of goods is only a commercial arrangement and does not determine the classification of the service.

xi. The respondent denied that its service is classifiable as courier service and relied upon Board Circulars dated 06.08.2008 and 05.10.2015 to submit that where transportation is entirely by road and a consignment note is issued, the service remains classifiable as GTA service even if time-sensitive.

xii. The respondent submitted that the amended definition of GTA effective from 22.09.2025 excludes only ECOs providing or facilitating local delivery services. Since the respondent neither owns nor operates an electronic commerce platform, it is not an ECO and the exclusion does not apply to it.

29. Accordingly, the respondent prayed that the appeal be dismissed and the impugned ruling of the WBAAR be upheld as legal, reasoned and consistent with GST law and applicable notifications.

30. We observe that the submissions made by both the appellant and the respondent during the personal hearing were, in substance, reiterations of their respective earlier written submissions except the respondent's specific reference to the **Buyer Terms of Use** in regard to the transportation of the goods, which may briefly be construed as under:

i. The "Buyer Terms of Use" indicate that the end customer agrees to engage a transport service provider, facilitated by the ECO, for transportation of products from the seller's location to the end customer's delivery location.

ii. The movement of goods is stated to be on account of the end customer, and the transporter's role is limited to transportation/logistics and delivery services.

iii. The end customer is liable to pay "GT Charges" for such transportation, and the ECO is authorized to collect such charges from the end customer on behalf of the transporter.

iv. In case of return of products by the end customer, the GT Charges, if already collected, are refundable.

v. The purchase of goods is stated to be a direct transaction between the seller and the end customer, and the transporter does not acquire any title, interest or rights in the goods.

vi. Ownership of the goods is stated to transfer to the end customer once the seller hands over the goods to the transporter.

vii. Acceptance of delivery by the end customer is deemed to be confirmation that the transporter has completed its contractual obligations and that the consignment has been received in full and intact condition.

viii. The transporter is described as a "Goods Transport Agency" under GST law and is stated to issue a "consignment note" for booking of the consignment.

ix. The transporter is not liable for delay, mis-delivery, non-delivery, loss or damage caused by force majeure or reasons beyond its control.

x. Any estimated delivery time given by the ECO is not binding on the transporter.

31. We have carefully considered the rival submissions made by the appellant and the respondent, both in their written submissions as well as during the course of personal hearing. We have also perused the impugned ruling passed by the WBAAR, the application filed before the WBAAR, the grounds of appeal, the reply filed by the respondent, the Buyer Terms of Use relied upon by the respondent, the sample consignment note, and the relevant statutory provisions, notifications, circulars and explanatory notes referred to by both sides.

32. We find that the following issues arise for consideration in the present appeal:

i. Whether the impugned activity of the respondent constitutes an independent GTA service supplied to end customers;

ii. Whether issuance of a consignment note by the respondent alone is determinative of classification, assuming that the proposed service is entirely by road;

iii. Whether the transaction is, in substance, an integrated e-commerce fulfillment or courier service or logistics service; and

iv. Whether the services claimed to have been provided by the respondent to unregistered end-customers would be eligible for exemption under Entry No. 21A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.

33. We find that the present proceedings require examination of the true nature and taxability of the charges collected from end-customers purchasing goods through the e-commerce platform operated by Flipkart Internet Private Limited. From the records placed before us, it is observed that, at the time of placing an order on the electronic platform, the end-customer is shown a consolidated amount payable in respect of the transaction. Such amount comprises, inter alia, the 'value of goods', 'platform charges', and 'delivery/logistics charges'. It is further observed that, upon completion of the transaction, the end-customer receives or is able to download separate documents in respect of different components of the transaction, namely, the tax invoice issued by the seller for supply of goods, the tax invoice issued by Flipkart Internet Private Limited for platform charges, and "Tax Invoice' and "Consignment Note' issued by Flipkart India Private Limited describing the disputed amount as consideration for transportation service, claimed to be exempt as "Goods Transport Agency (GTA) service".

34. The respondent has contended that, under the proposed model, the seller is required to deliver the goods to the designated source hub/warehouse, whereafter the respondent undertakes transportation of such goods by road up to the delivery address of the end customer. It is further contended that, for such movement of goods, the respondent issues a consignment note and, on that basis, claims to provide Goods Transport Agency (GTA) service. The respondent also submits that the end customer, being liable to pay the transportation/delivery charges, qualifies as the recipient of service under Section 2(93) of the CGST Act, 2017. On the strength of the aforesaid arrangement, the respondent claims that the service supplied to unregistered end customers is exempt from GST under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended.

35. The said contention was accepted by the West Bengal Authority for Advance Ruling in In re: Flipkart India Private Limited, Order No. 15/WBAAR/2025-26 dated 09.12.2025, wherein the proposed activity was held to be classifiable as GTA service and eligible for exemption when supplied to unregistered end customers.

36. At the outset, we note that the ruling of the Authority for Advance Ruling relied upon by the respondent was rendered on the basis of the proposed business model as represented before the said Authority. The findings recorded therein proceeded substantially on the contractual assertions made by the respondent, namely that the responsibility of the seller ends at the Source Mother Hub, that the end customer independently engages the respondent for transportation of goods, and that the respondent merely undertakes transportation of goods by road from the Source Mother Hub to the delivery address.

37. On the basis of the aforesaid representation, the Authority for Advance Ruling held that the respondent satisfies the essential conditions for classification as a Goods Transport Agency, particularly in view of the proposed issuance of a consignment note. At this stage of appeal, we proceed to examine the nature of supply not merely on the basis of the nomenclature adopted by the parties or the contractual form in which the transaction is structured, but on the basis of the actual commercial substance, real nature of the activity, conduct of the parties, flow of goods, flow of consideration and the true character of the service supplied.

38. We further find that mere contractual description of the respondent as a transporter or GTA, or the description of the amount recovered from the end customer as transportation charges/GT charges, cannot be treated as conclusive for determining classification under GST. The substance of the transaction must be examined to ascertain whether the end customer is in fact receiving an independent GTA service, or whether the activity forms part of an integrated e-commerce fulfilment, logistics or delivery arrangement.

39. It is also relevant to note that, in terms of Section 103 of the CGST Act, 2017, an advance ruling is binding only on the applicant who sought such ruling and on the concerned officer or jurisdictional officer in respect of that applicant. Therefore, an advance ruling does not operate as a binding precedent of general application and cannot be mechanically applied to other proceedings or even to factual situations which require independent examination.

40. This Authority finds the principal contention of the respondent to be fundamentally unsustainable when examined from the standpoint of GST law and the actual commercial nature of the transaction.

41. We note that in the present case, the Buyer Terms of Use merely state that the end customer agrees to engage the services of a transport service provider, described generically as "Transporter", facilitated by the 'Flipkart'. The proper identity of the transporter is not disclosed to the end customer at the stage of acceptance of such terms. The end customer does not negotiate with the transporter, does not select the transporter, does not know the precise legal entity allegedly undertaking the transportation at the time of agreeing to the terms, and does not exercise any control over the mode, route, vehicle or manner of transportation. In such circumstances, the alleged contract between the end customer and an unidentified transporter lacks certainty as to the identity of one of the contracting parties.

42. It is a settled principle of contract law that a binding agreement arises only when there is consensus ad idem between clearly identifiable parties on essential terms. The Hon'ble Supreme Court in **Rickmers Verwaltung GmbH v. Indian Oil Corporation Ltd.** held that a contract can be said to be concluded only when correspondence demonstrates a clear meeting of minds on material particulars. Similarly, in **Dresser Rand S.A. v. Bindal Agro Chem Ltd.**, the Court reiterated that absence of agreement on essential elements renders the contract non-existent in law. Further, the classical principle laid down in **Cundy v. Lindsay** establishes that mistake as to identity of the contracting party renders the agreement void ab initio.

43. Applying the above principles, it is evident that where the so-called "end customer" is merely informed that services will be provided by an unspecified "Transporter", without disclosure of the transporter's identity, there is no privity of contract between the customer and any determinable transporter. The identity of the service provider being an essential element, its absence strikes at the root of contractual formation. Consequently, no legally enforceable contract of carriage can be said to exist between the customer and the transporter.

44. The respondent's claim is that, by accepting the Buyer Terms of Use, the end customer independently appoints the respondent as GTA. However, such contention cannot be accepted merely on the basis of a generic clause referring to a "transport service provider" or "Transporter", without clear disclosure of the respondent's identity and without any evidence of conscious acceptance by the end customer of the respondent as the contracting transporter. A contract with an unknown or unascertained party cannot ordinarily be treated as a concluded independent contract in law, particularly where such alleged contract is relied upon to alter the GST character of the transaction.

45. From the GST perspective also, the issue is material. The respondent's case for exemption under Entry No. 21A of Notification No. 12/2017-Central Tax (Rate) proceeds on the footing that the end customer is the recipient of an independent GTA service under Section 2(93) of the CGST Act, 2017. However, for treating the end customer as the recipient of such independent GTA service, it must first be shown that there exists a legally sustainable supply of transportation service by the respondent to such end customer. If the alleged contract of transportation between the end customer and the respondent is uncertain or not legally established, the foundation for treating the end customer as recipient of GTA service becomes invalid.

46. We further find that the alleged creation of lien in favour of the respondent also depends upon a valid and legally operative consignment arrangement. A consignment note is not a mere self-serving document; it evidences receipt of goods for transportation and assumption of responsibility by the transporter in relation to such goods. If the alleged contract between the end customer and the respondent is not legally established for want of certainty as to the identity of the transporter, then the assertion that a lien over the goods is created in favour of the respondent by virtue of a consignment note issued under such arrangement also loses its legal foundation.

47. Therefore, in view of the above legal principles, we find that ~~the~~ mere acceptance of standard Buyer Terms of Use containing a generic reference to an unidentified "Transporter" does not establish a concluded independent contract of transportation between the end customer and the respondent. Consequently, the respondent's claim that the end customer independently engages it as GTA, that the end customer is the recipient of GTA service, and that a valid lien is created in favour of the respondent by virtue of the alleged consignment note, cannot be accepted without further substantive evidence establishing certainty of parties, real consent and actual commercial arrangement.

48. In such circumstances, the mere recovery of an amount described as "GT Charges" or "transportation charges" from the end customer cannot, by itself, establish that the end customer has received an independent Goods Transport Agency service. Under Section 2(93) of the CGST Act, 2017, the recipient of service is the person liable to pay consideration for such service. However, the said provision cannot be read in isolation from the actual nature of the transaction. If, in substance, the alleged contract between the end customer and the respondent is not legally established for want of certainty as to the identity of the transporter, the amount

cannot be treated as consideration for an independent GTA service merely because it is separately described as transportation charges.

49. The AAR appears to have placed substantial reliance on the respondent's assertion that a consignment note would be issued for the proposed movement of goods. However, this Authority is unable to agree that mere issuance of a document styled as a **"consignment note"** is, by itself, conclusive for classification of the service as **Goods Transport Agency (GTA) service**.

50. In this regard, we find that the appellant has submitted that the last-mile delivery to end customers is undertaken through onboarded delivery partners using two-wheelers, bicycles, or electric-operated two- or three-wheelers, depending upon availability at the last-mile delivery hub. It has further been submitted that, in many cases, such modes of transportation may not qualify either as "motor vehicles" or as "goods carriage" within the meaning of Sections 2(28) and 2(14) of the Motor Vehicles Act, 1988. While refuting the said contention, the respondent has only clarified that bicycles are not used in the present model, but has not specifically denied the use of two-wheelers or electric-operated two- or three-wheelers.

51. We find that Section 2(zd) of the CGST Act, 2017 adopts the meaning of "goods carriage" as assigned under Section 2(14) of the Motor Vehicles Act, 1988. Therefore, where any leg of transportation, particularly last-mile delivery, is undertaken through modes which do not qualify as goods carriage under the Motor Vehicles Act, 1988, the same becomes a relevant factor for determining whether the activity can be treated as conventional GTA service.

52. We further find that issuance of a valid consignment note is an essential requirement for classification as Goods Transport Agency (GTA) service. Such consignment note must contain material particulars, including the names of consignor and consignee, description of goods, place of origin and destination, person liable to pay tax, and registration number of the goods carriage/vehicle used for transportation.

53. The requirement of vehicle details is also relevant from the perspective of e-way bill compliance, since vehicle number is required to be updated before commencement of movement or during transit in case of change of vehicle. Therefore, where the document claimed to be a consignment note does not contain relevant vehicle details, or where such details are not properly reflected/updated in the

corresponding movement documents, the document may suffer from material defect. Such defect is relevant for determining whether the service satisfies the essential conditions of GTA service.

54. We also find that CBEC, while issuing clarification on ancillary services and classification vide Circular No. 104/7/2008-S.T. dated 06.08.2008, specifically stated that a GTA service provider has to issue a consignment note for transportation of goods by road in a goods carriage. Thus, a conjoint reading of the GTA framework, the said circular, and Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, does not support the respondent's contention that transportation through a goods carriage is not required for claiming exemption under the said entry. On the contrary, the legal framework indicates that, for the purpose of GTA classification and consequent exemption under Sl. No. 21A, the goods must be transported by road in a goods carriage.

55. We further find that issuance of a consignment note is undoubtedly an important condition for classification as GTA service. However, such condition cannot be read in isolation or treated as a mere matter of nomenclature. Classification under GST cannot depend solely upon the description adopted by the supplier in its documents. The nomenclature used in invoices, bills of supply, terms of use or consignment documents may be relevant, but it is not decisive. The true character of the service has to be determined from the substance of the transaction and the actual legal and commercial relationship between the parties.

56. In the present case, therefore, the question is not merely whether a document described as a consignment note is issued. The relevant question is whether the surrounding facts demonstrate a genuine GTA transaction. This includes examination of who entrusts the goods, who controls the movement, who appoints the transporter, whether the end customer has any real role in transportation, whether the document captures the essential particulars of carriage, and whether the service is commercially understood as road transport by GTA or as doorstep delivery/fulfilment in the e-commerce ecosystem. We find that the nature of activities undertaken by the respondent is required to be examined in its entirety and not merely with reference to the movement of goods by road from one point to another.

57. A conventional GTA service is essentially concerned with transportation of goods by road under a consignment note. The dominant element in such service is carriage of goods from the consignor's point to the consignee's destination, with the

transporter assuming responsibility for safe carriage and delivery. However, in the present model, the respondent is not merely carrying goods from one fixed point to another. It is undertaking an organised delivery chain involving hub-based collection, sorting, storage or staging, transshipment, tracking and last-mile doorstep delivery.

58. The inclusion of last-mile delivery and doorstep handover is particularly relevant. In the e-commerce ecosystem, the end customer does not merely seek movement of goods by road; the customer expects delivery of goods purchased online at the specified doorstep location. The operational arrangement is therefore directed towards fulfilment of an e-commerce order and not merely towards transportation of goods as understood in the context of GTA service.

59. Further, tracking, sorting, hub movement and transshipment are features ordinarily associated with organized courier/logistics networks. Such activities are designed to manage large volumes of parcels and packages through multiple nodes and delivery partners, culminating in door delivery to individual customers.

60. We also observe that assumption of responsibility till final delivery, though relied upon by the respondent as an incident of GTA service, cannot be viewed in isolation. In the facts of the present model, such responsibility forms part of an integrated e-commerce delivery/logistics obligation. The respondent's role is therefore not confined to road transportation simpliciter, but extends to organised logistics and fulfilment functions necessary for delivery of products purchased through the electronic platform.

61. Accordingly, we find that the activities undertaken by the respondent, when examined in substance, bear the essential characteristics of organized courier/logistics operations rather than conventional GTA transport. Mere description of the activity as GTA service, or issuance of a document styled as a consignment note, cannot override the actual nature of the service rendered.

62. Here, we also want to note that The principle laid down by the Hon'ble Supreme Court in **McDowell & Co. Ltd. v. Commercial Tax Officer, (1985) 3 SCC 230** is that tax planning may be legitimate if it remains within the framework of law, but colourable devices and dubious methods adopted to avoid tax cannot be accepted.

63. Applying the above principle to the present case, we find that the structure adopted by the respondent is required to be examined not merely on the basis of the form in which it has been documented, but on the basis of its real commercial

substance. The respondent has sought to present the transaction as an independent GTA service supplied to the end customer by separately describing a portion of the amount as GT Charges/transportation charges and by issuing a document styled as a consignment note. However, such description cannot be determinative if the actual transaction, viewed as a whole, indicates an organized courier/logistics operations.

64. We further observe that the end customer visits the e-commerce platform for purchase of goods to be delivered at his/her doorstep. The customer does not independently appoint the transporter, does not negotiate freight, does not select the mode or route of transportation, and does not exercise control over the movement of goods. The alleged transportation contract is embedded in standard platform terms and appears to be created only by contractual structuring, without any real commercial negotiation or independent conduct ordinarily associated with a recipient of GTA service.

65. It is further observed that an end customer accesses an e-commerce platform solely with the intent of purchasing goods for delivery at his/her doorstep. In the ordinary course of such transactions, the customer neither independently appoints any transporter nor undertakes any negotiation in respect of freight charges. The customer is not afforded any choice regarding the mode, route, or manner of transportation, and exercises no control whatsoever over the movement of goods.

66. In such circumstances, the alleged transportation arrangement sought to be attributed to the customer is not the result of any conscious or informed contractual engagement. Rather, it is embedded within pre-drafted, standard-form terms imposed unilaterally by the platform, devoid of any real commercial negotiation. The so-called contract of transportation is therefore a mere legal fiction, created through contractual structuring, and does not reflect the substance of the transaction or the intention of the parties. The essential attributes ordinarily associated with a recipient of GTA services, such as privity, volition, and control, are conspicuously absent.

67. From the perspective of the customer, the transaction is understood as a single, composite supply, namely, the purchase of goods with assured doorstep delivery. The customer proceeds on the legitimate expectation that delivery is an integral and inseparable component of the purchase, and not a distinct or independently contracted service.

68. It is further pertinent to note that certain clauses embedded within the platform's standard terms, such as force majeure provisions, purport to shift the risk of loss

onto the customer by deeming delivery to have been completed upon receipt of goods at the platform's logistics hub, and by characterizing the transporter as a bailee absolved of liability thereafter. Such clauses operate to the clear detriment of the customer and are neither specifically disclosed nor meaningfully consented to. The customer is neither aware of such stipulations nor in a position to negotiate or reject them.

69. Accordingly, the entire arrangement amounts to an artificial and unilateral imposition of contractual terms, creating a facade whereby the customer is portrayed as the recipient of transportation services. In reality, the customer remains under the bona fide belief that he/she is merely purchasing goods from the platform, with delivery being an incidental obligation of the supplier. The purported attribution of GTA service to the customer is thus illusory, lacking both legal substance and commercial reality, and is liable to be disregarded.

70. We also find that if such structuring is accepted at face value, an activity which otherwise bears the characteristics of organized e-commerce delivery, logistics or courier/local delivery service may be converted into exempt GTA service merely by issuing a document called a consignment note and by separately labelling a portion of consideration as transportation charges. Such an interpretation would defeat the classification scheme under GST and would permit avoidance of tax by form rather than substance.

71. Accordingly, while legitimate tax planning cannot be objected to, any artificial bifurcation lacking commercial substance in order to avoid tax merely by adopting the form of an alleged independent GTA contract and for claiming exemption under the notification cannot be sustained.

72. In view of the foregoing discussions, observations and findings, we hold as under:

i. The respondent has not denied use of two-wheelers/electric two- or three-wheelers in last-mile delivery, and since GTA service requires transportation of goods by road in a **goods carriage** with a valid consignment note containing material vehicle particulars, the respondent's claim of GTA classification and exemption under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate) is not sustainable.

ii. The end customer does not independently contract for transportation with the respondent. The end customer merely purchases goods through the e-commerce platform for doorstep delivery and does not appoint the transporter, negotiate freight, choose the route or mode of transportation, or exercise control over the movement of goods.

iii. No actual or commercial delivery of goods takes place at the warehouse/source hub to the end customer. The alleged movement thereafter on account of the end customer is only a contractual fiction and is not supported by the real conduct of the parties.

iv. Consequently, the end customer cannot be treated as having received an independent **Goods Transport Agency service** from the respondent. For treating the end customer as the recipient of such independent GTA service, it must first be shown that there exists a legally sustainable supply of transportation service by the respondent to such end customer. If the alleged contract of transportation between the end customer and the respondent is uncertain or not legally established, the foundation for treating the end customer as recipient of GTA service becomes invalid. Therefore, the end customer cannot be regarded as the **recipient of such GTA service** under Section 2(93) of the CGST Act, 2017 merely because an amount described as transportation/GT charges is recovered from him.

v. The transaction has been artificially split into value of goods, platform charges and alleged transportation charges, whereas the substance of the arrangement indicates an integrated e-commerce delivery/logistics service.

vi. We further hold that mere issuance of a document styled as a **consignment note** is not determinative of classification. The true nature of the service must be gathered from the contractual substance, operational conduct, role of the parties and economic reality.

vii. The activities undertaken by the respondent, including hub-based collection, sorting, transshipment, tracking, last-mile delivery and doorstep handover, substantially resemble organised courier/logistics fulfilment service rather than conventional GTA service.

viii. Accordingly, the respondent's activity cannot be classified as GTA service supplied to unregistered end customers. Consequently, exemption under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended, is not available.

73. Accordingly, we pronounce our ruling as under:

Ruling:

i. The reasoning adopted in Advance Ruling Order No - 15/WBAAR/2025-26 dated 09.12.2025 in respect of M/s Flipkart India Private Limited (GSTIN-19AABCF8078M1ZY) is distinguishable and not applicable to the present factual matrix.

ii. The impugned service is held to be not classifiable as exempt GTA service under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended.

iii. The impugned activity is properly classifiable as taxable courier/logistics/fulfillment service.

iv. GST shall be payable at the applicable rate under law (generally 18%, subject to proper classification).

Send a copy of this order to the Appellant and the Respondent for information.

Sd/-

(**Khalid Aizaz Anwar**)
Member, West Bengal Appellate
Authority for Advance Ruling

Sd/-

(**R. Srinivasa Naik**)
Member, West Bengal Appellate
Authority for Advance Ruling

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