

# INDIRECT TAXES UPDATE – 139

## SERVICE TAX

### [CBEC Clarifies: GTA service includes ancillary services such as loading/ packing etc.](#)

CBEC vide *Circular No. 186/5/2015-ST, Dated: October 05, 2015* has provided a clarification regarding treatment given to various ancillary services provided by GTA's in the course of transportation of goods by road.

Goods Transport Agency (GTA) has been defined to mean any person who provides service to a person in relation to transport of goods by road and issues consignment note/ invoice/ challan etc. The service provided is a composite service which may include various ancillary services like loading/ unloading, packing/unpacking, transshipment, temporary storage etc., provided in the course of transportation of goods by road. These ancillary services may be provided of self or be sub-contracted, as the case may be. In either case, a consignment note/ invoice/ challan etc. issued by GTA for providing the said service includes the value of ancillary services provided. These services are not provided as independent activities but are the means for successful provision of the principal service, namely, the transportation of goods by road.

Thus, it has been clarified that a single composite service is not required to be fragmented to its components as separate services, if it is provided as such in the ordinary course of business. Thus, a composite service consisting of more than one service would be treated as a single service based on the nature of main or principal service which gives a transaction its essential feature. **Thus, if ancillary services are provided in the course of transportation of goods by road and the charges for such services are included in the invoice issued by the GTA, such services would form part of GTA service and, therefore, the abatement of 70%, presently applicable to GTA service, would be available on it.**

Further, wherein GTA undertakes to deliver the goods at destination within a stipulated time, such service would also be considered as ancillary to GTA service and abatement benefit would be available for the same.

[Circular No. 186/5/2015-ST, Dated: October 05, 2015]

Source: [www.cbec.gov.in](http://www.cbec.gov.in)

### Disclaimer

*Information published in the newsletter are taken from publicly available sources and believed to be accurate. The Indirect Taxes Committee of ICAI takes no responsibility of accuracy and reliability of information published in the newsletter. No part of this newsletter may be reproduced, stored in a retrieval system, or transmitted in any form or by any means – electronic, mechanical, photocopying, recording, or otherwise without the permission of*

**ICAI Feedback**

*The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents. Please email at [itdc@icai.in](mailto:itdc@icai.in) for feedback.*

*You can also write to:*

*Secretary*

*Indirect Taxes Committee*

*The Institute of Chartered Accountants of India*

*ICAI Bhawan A-29, Sector -62, NOIDA (U.P.) India*

*Website: [www.itdc.icai.org](http://www.itdc.icai.org)*