

## **ARR- Hiring of Goods Carriage to GTA Attracts Nil Rate of GST**

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**REFER THE DECISION OF THE HON'BLE Authority for Advance Ruling (AAR), Tamil Nadu IN THE CASE OF**

**Dharmaraju Ragul Citation: (2025) 31 Centax 310 (A.A.R. - GST - T.N.)**

### **Facts of the Case:**

The applicant, Dharmaraju Ragul, was engaged in the activity of supplying goods carriages (vehicles) on hire or lease.

These vehicles were supplied exclusively to a Goods Transport Agency (GTA) for use in transportation of goods.

The applicant sought an advance ruling on whether such activity would attract GST or qualify for any exemption.

### **Legal Framework Referred:**

Sl. No. 22 of Notification No. 12/2017 – Central Tax (Rate) dated 28-06-2017 provides Nil rate of tax for services by way of:

"Giving on hire to a goods transport agency, a means of transportation of goods."

### **Ruling of AAR:**

The AAR ruled that supply of goods carriages on rent or lease to a Goods Transport Agency (GTA) exclusively for transportation of goods constitutes a taxable supply, but it is chargeable at Nil rate of tax.

This is by virtue of the specific exemption provided under Entry 22 of Notification No. 12/2017-CT(R).

**Therefore, though the transaction qualifies as a supply under GST, it is effectively non-taxable due to the applicable Nil rate.**