



कार्यालय नियंत्रक रक्षा लेखा :

OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS

नं. 1 स्टाफ रोड, सिकंदराबाद -500 009

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IMPORTANT CIRCULAR

A/II/13029/GST Corrs

Dt 02.08.2021

To



All Sections in Main Office
IT Section, Local
PAOs (ORs) EME and AOC
All AOs GE Secunderabad/Visakhapatnam
Area Accounts Office, Visakhapatnam
AAO AGE Suryalanka
AAO AGE (Fys) Eddumailaram

Sub: Representation from Society of Indian Automobile Manufactures (SIAM) dated 20.08.2020 regarding withholding of GST on transportation charges of chasis/vehicles supplied to customers under Ministry of Defence (MoD)—reg.

HQrs Office letter No A/III/11101/GST/e-3816 dated 29.7.2021 enclosing MOF, Department of Revenue, Tax Research Unit OM CBIC-190354/47/2021-TO (TRU-II)-CBIC dated 17.6.2021 and DAD-Coord ID No 10(3)DAD/C/2021 dated 29.6.2021 on the above subject is circulated herewith for information and necessary action.

Encls: as above

f.k. dedle
Sr. Accounts Officer (A/Cs)

 सत्यमेव जयते	<p>कार्यालय, रक्षा लेखा महानियंत्रक, उलन बटार मार्ग, पालम दिल्ली छावनी 110010- O/o THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS, ULAN BATAR ROAD, PALAM, DELHI CANTT.-110010 दूरभाष : 011-25665548, 25665583/84, 25665736/37 ईमेल : hgaccounts.cgda@gov.in</p>	
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No. A/III/11101/GST/e-3816

Dated: 29.07.2021

To,

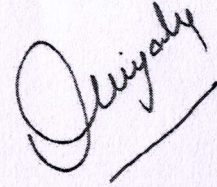
ALL PCsDA/CsDA

Sub: Representation from Society of Indian Automobile Manufactures (SIAM) dated 20.08.2020 regarding withholding of GST on transportation charges of chasis/vehicles supplied to customers under Ministry of Defence (MoD)-reg.

A copy of Ministry of Finance, Department of Revenue, Tax Research Unit OM CBIC-190354/47/2021-TO(TRU-II)-CBIC, dated 17.06.2021 received through MoD(Fin), DAD-Coord ID No. 10(3)DAD/C/2021, dated 29.06.2021 is forwarded herewith for your information and necessary action.

This issues with the approval of Jt. CGDA (A&B).

Encl : As above.



(PRIYANKA CHANDRA)
Sr. Dy. CGDA (A&B)

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2.8.2021

340/2021 A&B
17/6
A. L. UFA (RK) & JS

Office of Addl. FA (RK) & JS
Dy. No. 1561
Date: 18/6/2021

CBIC-190354/47/2021-TO (TRU-II)-CBIC

Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

Room No. 146G, North Block, New Delhi
17th June, 2021

Office Memorandum

Subject: Representation from Society of Indian Automobile Manufacturers (SIAM) dated 20.08.2020 regarding withholding of GST on transportation charges of chassis/vehicles supplied to customers under Ministry of Defence (MoD)- Reg.

878 JAWA/C121
17/6/2021

The undersigned is directed to refer to the representation of Society of Indian Automobile Manufacturers (SIAM) wherein they have stated that SIAM members /OEMs (like Tata Motors) supply chassis/motor vehicles to Defence Customers (Indian Army, Border Roads Organizations, and Military Engineering Services etc.) and as per supply orders deliver the same at the consignee locations. They raise bills charging GST on transportation charges based on the view that supply of vehicles along with transportation charges is a "composite supply" and GST rate applicable on the principal supply i.e. supply of vehicles, is applicable on transportation charges also. However, their claims for GST on transportation are being disallowed on the ground that transport of defence or military equipment by a Goods Transport Agency (GTA) is exempt from GST (copy of reference enclosed).

21/06/2021

2. In this regard, it is stated that according to provisions of GST law, if the contract between the supplier and Defence customers is for the supply of equipment on CIF basis, the same shall constitute a composite supply and transportation charges, which is part of the composite supply would be liable to GST at the same rate as applicable to the principal supply, i.e. motor vehicles. The exemption in notification No. 12/2017-CTR Sr. No. 21 which exempts transportation of defence equipment by GTA may not be relevant in such a case. Action as appropriate may be taken at your end.

17/6/2021

Encl: As above

Pramod Kumar
(Pramod Kumar)
Director (TRU-II)

To:
Ms Mala Dutt
Additional Secretary and Financial Advisor (Acquisition)
134-A Ministry of Defence, South Block
New Delhi-110001