

AUTHORITY FOR ADVANCE RULING – CHHATTISGARH
3rd & 4th Floor, VanijyikKar GST Bhawan, North Block Sector-19,
Atal Nagar, District-Raipur (C.G.) 492002

Email ID – gst.aar-cg@gov.in

PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING
U/s. 98 OF THE CHHATTISGARH GOODS AND SERVICES TAX ACT, 2017

Members Present are

Smt. Yachana Tambrey
Joint Commissioner
O/o Commissioner, State Tax
(CGGST), Raipur, Chhattisgarh.

Dr. Bura Naga Sandeep
Joint Commissioner,
O/o Principal Commissioner,
CGST & Central Excise, Raipur (C.G)

Subject :- Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 sought by **M/s Vision Plus Security Control Limited** having its registered office at Building No. C-60, First Floor, Rajan Babu Road, Adarsh Nagar, North West Delhi, New Delhi-110033 (hereinafter referred to as “The Applicant”) is registered under GSTIN/UIN/Temporary Id as 222500000278ARY, seeking advance ruling as to Whether the invoice for diesel and petrol charges, invoiced separately on a per kilometer basis, would be considered a supply of goods and liable to VAT, or liable to GST? Whether the fuel component, when not bundled with the service and invoiced distinctly, is to be treated independently for tax purposes? What is the appropriate classification and rate of tax, if GST is applicable? If GST is applicable on fuel charges then further whether Vat is also applicable? If on above Fuel charges Vat is applicable, then Can we avail Vat input on purchase of petrol/diesel?

Read :- ARA-01 application 11.07.2025 (complete application with challan submitted on 05.08.2025) from **M/s Vision Plus Security Control Limited** having its registered office at Building No. C-60, First Floor, Rajan Babu Road, Adarsh Nagar, North West Delhi, New Delhi-110033

PROCEEDINGS

[U/s 98 of the Chhattisgarh Goods & Services Tax Act, 2017 (herein- after referred to as CGGST Act, 2017)]

NO/STC/AAR/5/2025

Raipur Dated 31/10/2025

M/s Vision Plus Security Control Limited having its registered office at Building No. C-60, First Floor, Rajan Babu Road, Adarsh Nagar, North West Delhi, New Delhi-110033 is registered under GST having GSTIN 22AAECJ8819P1Z1 has filed the instant application seeking advance ruling as to

1. whether the invoice for diesel and petrol charges, invoiced separately on a per kilometer basis, would be considered a supply of goods and liable to VAT, or liable to GST?
2. Whether the fuel component, when not bundled with the service and invoiced distinctly, is to be treated independently for tax purposes?

Ycela What is the appropriate classification and rate of tax, if GST is applicable?



If GST is applicable on fuel charges then further whether Vat is also applicable?

5. If on above Fuel charges Vat is applicable, then Can we avail Vat input on purchase of petrol/diesel?

2. Facts of the case: -

The applicant would be getting to engage in handling of fleet operation for an organization for repair and maintenance for vehicles, insurance, drivers and fuel charges that is based on kilometer basis for commercial vehicles and equipment. It has been informed by the applicant that in the course of such contracts, the applicant will raise invoice separately for all services and charges taxes as applicable. Further, they will also charge petrol and diesel to customers for fuel expenses on kilometer basis. That, the applicant will be going to take fleet operation contract to provides repair and maintenance services, Driver Services, insurance and Charges for Fuel to clients. As part of the other service arrangement, Charges for petrol and diesel to client vehicles charged on per km basis. It has been informed that they will charge separate invoice for other services other than fuel charges, one for repair and maintenance service, and one for fuel consumption (per km basis). Also, that fuel charges will not be included in service charges- it is shown separately and distinctly. The petrol and diesel is purchased and owned by the applicant, and is dispensed or billed based on client's usage.

3. APPLICANT'S INTERPRETATION OF LAW AND/OR FACTS: -

Petroleum Crude is excluded from GST under Section 9(2) of CGST Act and is subject to VAT. However, when diesel is used as part of a bundled service (like fleet management or transport service billed per kilometer), the transaction may be considered a composite supply of service. Therefore, if fuel is not sold directly but used in delivering a service, GST may apply under SAC9966 (Renting of vehicles with operator) or 9987 (Other support services), at 18% or 5% depending on ITC claim status. Further that, the applicant seeks ruling to avoid dual taxation or misclassification.

4. Personal Hearing: -

Shri Mukesh Kumar Singla authorized person of the applicant **M/s Vision Plus Security Control Limited** New Delhi, attended the virtual hearing in the matter on 25-08-2025. It was informed by the authorized representative that the applicant **M/s Vision Plus Security Control Limited** GSTIN/UIN/Temporary Id as 222500000278ARY is an unregistered unit. The applicant would be going to get engage in handling of fleet operation for an organization for repair and maintenance for vehicles, insurance, drivers and fuel charges that is based on kilometer basis for commercial vehicles and equipment. In the course of such contracts, the applicant will raise invoice separately for all services and charges taxes as applicable and that they will also charge petrol and diesel to customers for fuel expenses on kilometer basis. Thus, the unregistered entity is seeking advance ruling on the following question:

*Whether the invoice for diesel and petrol charges, invoiced separately on a per kilometer basis, would be considered a supply of goods and liable to VAT, or liable to GST?
Whether the fuel component, when not bundled with the service and invoiced distinctly, is to be treated independently for tax purposes?*

What is the appropriate classification and rate of tax, if GST is applicable?

If GST is applicable on fuel charges, then further whether Vat is also applicable?



If on above Fuel charges Vat is applicable, then can we avail Vat input on purchase of petrol/diesel?

The authorized representative of the applicant reiterated the point of view in the matter as made in their ARA01 dated 25-07-2025 and thus requested for a ruling in the matter at the earliest.

5. The legal position, analysis, and discussion: -

At the very outset, we would like to make it clear that the provisions for implementing the CGST Act and the Chhattisgarh GST Act, 2017 [hereinafter referred to as "the CGST Act and the CGGST Act"] are similar and thus, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the CGGST Act, 2017. Now we sequentially proceed to discuss the issues involved in the ruling so sought by the applicant and the law as applicable in the present case.

5.1 Section 96 of CGST Act, 2017, Authority for advance ruling, stipulates as under: -

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

Section 97(2) of CGST Act, 2017 stipulates that: -

The question, on which the advance ruling is sought under this Act, shall be in respect of—

- (a) classification of any goods or services or both;
- (b) applicability of a notification issued under the provisions of this Act;
- (c) determination of time and value of supply of goods or services or both;
- (d) admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) determination of the liability to pay tax on any goods or services or both;
- (f) whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

Further 103 of CGST Act, 2017 stipulates about the ruling pronounced as under: –
The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only –

- a. On the applicant who had sought it in respect of any matter referred to in sub-section (2) of section 97 for advance ruling;
- b. On the concerned officer or the jurisdictional officer in respect of the applicant.

Thus, in view of the above section 103 of CGST Act, 2017, the ruling so sought by the Applicant would be binding only on the Applicant and on the concerned officer or the jurisdictional officer as stipulated above.

Yadu 5.2
We have gone through the submissions made by the applicant and have examined the views expressed by them in this regard. At the outset, we find that the issue raised under Question no.1 in the ARA-01 application filed by the applicant gets squarely covered under Section 97(2)



(a), 97(2) (d) and 97(2) (e) of the CGST Act 2017 being a matter relating to classification, admissibly to ITC and determination of the liability to pay tax on any goods or services or both. We, therefore, admit the questions raised by the applicant for consideration on merits.

5.3 In the context of the questions raised by the applicant, we would first like to discuss the relevant provisions of GST law which have a direct bearing on the matter.

5.3.1 The taxable event under GST is supply of goods or services or both. In this context, Section 7 of the Central Goods and Services Tax Act, 2017 (hereinafter the "CGST Act") defines the scope of supply. GST is payable on every supply of goods or services or both unless otherwise exempted at such rates which are separately notified.

5.3.2 In reference to the questions raised, the applicant are of the opinion that Petroleum Crude is excluded from GST under Section 9(2) of CGST Act and is subject to VAT, however, when diesel is used as part of a bundled service (like fleet management or transport service billed per kilometer), the transaction may be considered a composite supply of service. Therefore, if fuel is not sold directly but used in delivering a service, GST may apply under SAC9966 (Renting of vehicles with operator) or 9987 (Other support services), at 18% or 5% depending on ITC claim status.

5.3.3 In the above context, we find that Article 279A (5) of the Constitution provides that Goods and Services Tax Council shall recommend the date on which goods and services tax shall be levied on petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel. Thus while, petroleum products are constitutionally included under GST, the date on which GST shall be levied on such goods, shall be as per the decision of the GST Council. As per the section 9(2) of the CGST Act, inclusion of all excluded petroleum products, including petrol and diesel in GST will require recommendation of the GST Council.

We also find that Section 9 of the CGST Act, 2017 stipulates that GST on petrol crude and diesel, GST on motor spirit, natural gas and aviation turbine fuel shall apply from a date that government will notify. The dates for levying GST on petroleum products has not been notified, and as mentioned above Article 279A of the Constitution mentions that the GST Council shall have the authority to decide the date of implementing GST on petrol in India.

5.3.4 We would also like to discuss the provisions as regards "composite supply", as provided under CGST, 2017. Section 2(30) of the CGST Act, 2017 defines composite supply as "*a supply...consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply*". Illustration. - Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

Hence, five essential elements for a supply to be considered as a composite supply can be drawn out from the above definition. First, a composite supply must consist of two or more supplies whereby such supplies must be taxable. A taxable supply, as per section 2(108) of the CGST Act, is the one which is "*leviable to tax under the Act*". Thus, petroleum products, including petrol and diesel are not leviable to tax under CGST / CGGST Act, 2017



Second, the supplies can be of either goods, services or any combination thereof. The terms "goods" and "services" are defined under clauses (52) and (102) of section 2 of the CGST Act respectively. Third, the supplies must be "naturally bundled" together. Further, "bundling" has been defined as "*a practice of providing more than one product or service at once at an inclusive price*". Fourth, the supplies must be "supplied in conjunction with each other" in the "ordinary course of business". Fifth, one of the supplies under the composite supply shall be a "principal supply". The term "principal supply" has been defined as "*the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary*" under section 2(90) of the CGST Act.

5.3.5 The applicant has in the instant ARA-01 submitted that they are to engage in Fleet operations. Fleet operations in trade parlance refer to the day-to-day activities involved in managing and coordinating a fleet of vehicles to ensure they run efficiently and cost-effectively. This applies to any organization that uses commercial vehicles, such as cars, trucks, vans, ships, or aircraft, to conduct business fleet operation. Further that they are getting in to contract to provides repair and maintenance services, driver services, insurance and charges for fuel to clients and as a part of the other service arrangement, charges for petrol and diesel to client vehicles are to be charged on per km basis and that they will charge separate invoice for other services other than fuel charges, one for repair and maintenance service, and one for fuel consumption (per km basis). It has also been informed by the applicant that fuel charges will not be included in service charges and that it is to be shown separately and distinctly. Furthermore, the petrol and diesel is purchased and owned by the applicant, and is dispensed or billed based on client's usage.

5.3.6 From the analysis of statute as discussed in preceding paras, it gets pretty clear that since petroleum products, including petrol and diesel are not leviable to tax under CGST / CGGST Act, 2017, they are not taxable supply per se. Thus the concept of "composite supply", in the transaction as brought about by the applicant in the instant ARA-01 is not applicable in instant transaction involving petroleum products, and accordingly we hold that the opinion of the applicant that when diesel is used as part of a bundled service (like fleet management or transport service billed per kilometer), the transaction may be considered a composite supply of service, is out of place meriting rejection, being not sustainable under law.

5.3.7 This authority would like to mention here that every transaction in itself is subject to the conditions and stipulations as mentioned in the contract / agreement and the facts governing the said transaction. Here the applicant has not furnished any contract or agreement relating to the transaction in question. What is forthcoming from the records produced before us is that the applicant is to get in to the fleet operation business, however there is no agreement / contract in this regard yet on the proposed transactions with their clients. For a definite and proper analysis, it is of utmost importance to go through the fine prints of the contracts in place for that specific transaction. Lack of such details makes it all the more difficult for this authority to arrive at a definite conclusion in this regard. Further, the legality and technicality as regard the purchase and sale of petrol and diesel in the instant transaction and to be dispensed or billed based on client's usage, not being a subject matter under CGST / CGGST Act, 2017 this authority is not authorized to pass any conclusive remarks in the matter.



6. Having regard to the facts and circumstances of the case and discussions as above, we pass the following order: -

ORDER
(Under section 98 of the Chhattisgarh Goods and Services Tax Act, 2017)

No.STC/AAR/05/2025

Raipur Dated 31/10/2025

On the basis of limited details furnished by the applicant and available on record, the ruling so sought by **M/s Vision Plus Security Control Limited** having its registered office at Building No. C-60, First Floor, Rajan Babu Road, Adarsh Nagar, North West Delhi, New Delhi-110033 registered under GSTIN/UIN/Temporary Id as 222500000278ARY, the Applicant is accordingly answered as under:

RULING

- i. GST is not leviable on diesel and petrol charges, being out of the purview of GST as of now, in terms of the provisions as contained in section 9(2) of the CGST Act, 2017. Further, as of now petroleum products continue to be taxed, as during the pre-GST regime, which includes levy of Central Excise Duty levied by the Central government and Value Added Tax (VAT), levied by individual State Governments.
- ii. For the reasons as discussed above, and from the details as emerging from the information furnished by the applicant, the transaction in question cannot be treated as composite supply, as defined under Section 2(30) of the CGST Act, 2017. Thus, the concept of bundled services is not relevant to the transaction in question.
- iii. As discussed above, GST is presently not applicable on fuel charges (fuel component) viz. petroleum products for the reasons as elaborately discussed above.
- iv. As of now petroleum products continue to be taxed, as during the pre-GST regime, which includes levy of Central Excise Duty levied by the Central government and Value Added Tax (VAT) levied by individual State Governments.
- v. Section 16 of CGST read with Section 17 of CGST Act, 2017, governs the provisions relating to conditions and restriction for availment of Input Tax Credit. Input Tax Credit is not eligible on VAT paid, in terms of the said provisions.

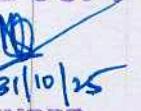

Smt. Yachana Tambrey
(Member)


Dr. Bura Naga Sandeep
(Member)



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