

GIB/RJ/NAWODIT/26.03.2019/AAR-286

Advance Ruling Category : Supply

State : Rajasthan

Order No.: GIB/RJ/NAWODIT/26.03.2019/AAR-286

Name of Entry :
Nawodit Agarwal

Date : 26-03-2019

Breif Issue :

Issue And Fact Of The Case:

Do we need to Charge GST on Freight amount excluding diesel cost or on total amount which is inclusive of diesel?

The Applicant, Shri Nawodit Agrawal is a transporter in few cement companies and is engaged transporting Cement/Clinkers of Shree Raipur cement, Baloda Bazaar.

Pursuant to the oral agreement between the aforesaid parties, Shree Raipur Cement proposed that while transporting their cement/ clinkers, diesel required would be provided by Shree Raipur cement. Applicant seeks clarification as to whether diesel cost in respect of transporting is to be included or excluded while charging GST on freight amount.

With a view of Section 7(1) related to supply “all forms of supply of goods or services or both such as sole, transfer barter, exchange, license, rental, lease or disposal mode or agreed to be mode for o consideration by a person in the course or furtherance of business”

Diesel so provided by the service recipient to the applicant for use in truck/ vehicles of the applicant forms an important and integral component of this business process, without which the process of supply of cement can never get materialized.

Decision of Advance Ruling Authority :

Decision:

In confirmation to the views expressed by the applicant, they (applicant) are required to charge GST upon **M/s Shree Raipur Cement, C.G** on the total amount including the cost of diesel i.e. on the total freight amount inclusive of the cost of diesel so provided by the service recipient i.e. M/s Shree Raipur Cement.