

M/S KANHAIYA BIKANER SWEETS

Authority for Advance Ruling — Chhattisgarh

NO/STC/AAR/01/2026

Dated **25.06.2026**

Q Questions Before the Authority

- whether the supply of pure food items such as samosa, kachori, mixture, sweets and other edible items from shop primarily on takeaway basis is a transaction of supply of goods or a supply of service
- what is the nature and rate of tax applicable to the following items supplied from shop and whether the applicant is entitled to claim benefit of input tax credit with respect to the same: (i) Takeaway order of samosa, kachori, mixture, sweets other edible items when such products are not consumed within the premises of the applicant but are takeaway.

F Facts

The applicant is engaged in the business of supplying food items like samosa, kachori, and sweets from their shop. They operate on a takeaway and on-call basis, claiming they do not maintain seating arrangements or service staff for patrons. The applicant contends that their activity constitutes a supply of goods rather than a supply of service.

H Ruling

Classification of supply	Composite supply of service	Classified as restaurant service
Nature and rate of tax	5% GST (2.5% CGST + 2.5% SGST)	Without benefit of input tax credit
Eligibility for Input Tax Credit	Not entitled	Conditioned on the 5% tax rate

The Authority ruled that the supply of food items by the applicant constitutes a composite supply of service, specifically classified as restaurant service. Consequently, the applicant is liable to pay GST at the rate of 5% and is not entitled to claim input tax credit on the goods and services used in their activity.

R Reasoning

The Authority determined that the applicant's activities fall under the definition of restaurant service as per Notification No. 11/2017-Central Tax (Rate). It relied on Schedule II, Entry 6(b) of the CGST Act, 2017, which treats the supply of food by way of or as part of any service as a supply of service. The Authority further cited CBIC Circular No. 164/20/2021-GST, clarifying that services provided by way of cooking and supply of food, even if exclusively for takeaway or door delivery, are covered under restaurant service. Therefore, the applicant is ineligible for input tax credit as they are providing a composite supply of service.

P Provisions Relied On

Section 97(2) of the CGST Act, 2017

Section 103 of the CGST Act, 2017

Schedule II, Entry 6(b) of the CGST Act, 2017

Notification No. 11/2017-Central Tax (Rate)

CBIC Circular No. 164/20/2021-GST

! For the Practitioner

This ruling confirms that **takeaway food sales** by establishments providing similar services are classified as **restaurant service** and taxed at 5% without input tax credit. It settles the debate for similar business models in Chhattisgarh, reinforcing that the nature of the supply is a composite service rather than a pure sale of goods. Practitioners should note that this decision aligns with the **CBIC circulars** regarding cloud kitchens and takeaway services.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [chattisgarh_jun_2026_1_4-17.pdf](#)

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