

**GUJARAT AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX  
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,  
AHMEDABAD – 380 009.**



**ADVANCE RULING NO. GUJ/GAAR/R/2025/55**  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/17)  
**Date: 24 /11/2025**

Name and address of the applicant	:	Amitkumar Maheshbhai Gulwani. [Trade Name: M/s Godavari Logistics] Office No. 1, Ajay Chamber, Kalanala, Bhavnagar, Gujarat-364001
GSTIN of the applicant	:	24ANLPG8779L1Z8
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-75, Range-19, Division-9, Bhavnagar.
Date of application	:	08.05.2025
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(d)
Date of Personal Hearing	:	16.10.2025
Present for the applicant	:	Shri S.R.Dixit, Adv and Shri D.M.Prithiani, Adv

**Brief facts:**

M/s. Amitkumar Maheshbhai Gulwani, Office No. 1, Ajay Chamber, Kalanala, Bhavnagar, Gujarat-364001 [for short – ‘applicant’] is registered under GST and their GSTIN is 24ANLPG8779L1Z8.

2. The applicant has stated that they are undertaking the activity of transportation of goods by road as a Goods Transport Agency (GTA), issuing LRs for transport purpose. They are already discharging GST at the rate of 12% under forward charge mechanism in respect of GTA services and accordingly avails input tax credit (ITC) on eligible inputs and input services. They want to purchase renewable hydrocarbon bio-diesel (Mileage Diesel) falling under CTH 27101990 and on which GST is charged at 18% by registered suppliers. The input fuel is directly used for providing outward taxable GTA service, by way of use as fuel and without which it is not possible to provide taxable output service supply.

3. The applicant has sought a ruling on the following question:



*“Whether the applicant can pay GST @ 12% under forward charge on GTA services under Notification No. 20/2017-Central Tax (R) dated 22.08.2017 read with Notification No. 13/2017-Central tax (R) dtd. 28.06.2017 and claim full ITC including on bio-diesel fuel.”*

4. The applicant has submitted their interpretation of law as under:

(i) The applicant is undoubtedly a valid GTA and filing periodical GST returns. They also issue necessary LR for the purpose of undertaking transportation of goods by road and in terms of definition of the term ‘GTA’ as defined at Section 2(zc), which states that ‘goods transport agency’ means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

(ii) As per Notification No. 11/2017-CT (R), read with Notification No. 20/2017-CT(R), a GTA can opt to pay GST @ 12% with full ITC benefit. Further, Notification No. 13/2017-CT(R) mandates reverse charge only when GTA does not exercise this option. The applicant is already discharging GST @ 12% with ITC benefit, as permitted under law.

(iii) There is no bar in law preventing the GTA from availing ITC of GST paid on inputs, such as bio-diesel, used for transportation. Section 16(1) permits ITC of inputs used in business. Bio-diesel is used directly in providing GTA services and hence, used in the course and furtherance of transport business.

(iv) There is also no restriction under Section 17(5) on ITC of fuel used in trucks used for taxable transportation services. Only ITC on motor vehicles for transport of persons is blocked. Hence, credit on bio-diesel used in goods carriage vehicles is fully admissible.

5. Personal hearing was granted on 16.10.2025 wherein Shri S.R.Dixit, Adv and Shri D.M.Prithiani, Adv appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application. They also submitted written submissions wherein while reiterating the submissions already made in their application also submitted that w.e.f 22.09.2025, the GST to be paid by them is 18% and their question is whether they can avail ITC on bio-diesel under forward charge mechanism under Notification No. 11/2017-CT(R) dtd. 22.08.2017 read with Notification No. 13/2017-CT(R) dtd. 28.06.2017. They have also submitted a sample copy of the invoice raised by the applicant, a sample copy of LR and the copy of Annexure-V filed in terms of Notification No. 11/2017-CT(R) dtd.





28.06.2017. In their written submissions, they further stated that it is trite law that fiscal statute must be strictly read and construed and there is no scope for intendment; that the very fact that the entry, while offering 18% GST rate with ITC does not exclude fuel related ITC, essentially meaning that ITC on fuel is not prohibited under the said Notification Scheme; that fuel is the most important input for providing GTA service and since it is admittedly used in the course and furtherance of business, ITC thereon is eligible under Section 16 of CGST Act; that Section 17(5) does not prohibit ITC on fuel inputs at all; that once the fuel inputs are essential for rendering output taxable supply and once there is no prohibition in law to claim ITC on fuel inputs whatsoever, the ITC of GST chartered on fuel inputs must be allowed to the applicant in toto; that Section 17(5) has a prohibition qua passenger vehicle or goods/services relating to such passenger vehicles alone (subject to certain relaxation) and goods carriage related ITC never had any prohibition at all. They have also relied upon the following judgement, which hold that fuel used to generate power, when used in production activity, has been allowed as Cenvat Credit and /or VAT ITC: -

- (a) Sri Kannapiran Mills Ltd.- (2023) 5 Centax 55 Mad
- (b) Jaypee Rewa Cement Vs Commissioner-2001 (133) ELT 3 (SC)
- (c) J.K. Udaipur Udyog Ltd Vs Commissioner-2003(156) ELT A157(SC)
- (d) Vikram Cement-2006 (197) ELT 145 (SC)
- (e) Solaris Chemtech Ltd.- 2007(214) ELT 481 (SC)

### **Discussion and findings**

6. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, 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 GGST Act.

7. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

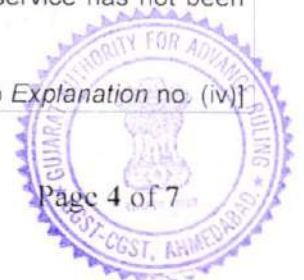


8. We find that the short issue on which the applicant has sought a ruling is whether they can pay GST @ 12 % under forward charge on GTA services and avail ITC including on bio-diesel used as a fuel by them for providing their GTA services, when they have opted for payment of GST under forward charge mechanism in terms of Notification No. 11/2017- CT(R) dtd. 22.06.2017, as amended, read with Notification No. 13/2017- CT(R) dtd. 28.06.2017. The applicant in their question has quoted Notification No. 20/2017- CT(R) dtd. 22.08.2017. However, we find that the correct basic notification is 11/2017- CT(R) dtd. 22.06.2017 (which has also been mentioned by the applicant in their submissions dtd. 16.10.2025 submitted during the course of hearing), which has been amended vide Notification No. 20/2017- CT(R) dtd. 22.08.2017 and further amended from time to time. Therefore, we reframe the question as under:-

*“Whether the applicant can pay GST @ 12% under forward charge on GTA services under Notification No. 11/2017-Central Tax (R) dated 22.06.2017, as amended, read with Notification No. 13/2017-Central tax (R) dtd. 28.06.2017, as amended, and claim full ITC including on bio-diesel fuel.”*

9. Before proceeding, we may quote the relevant provision of Notification No. 11/2017- CT(R) dtd. 22.08.2017, as amended-

Sl. No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
9	Heading 9965 (Goods transport services)	(i) Transport of goods by rail (other than services specified at item no. (iv)).	2.5	Provided that credit of input tax charged in respect of goods in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service
		(ii) Transport of goods in a vessel.	2.5	Provided that credit of input tax charged on goods (other than on ships, vessels including bulk carriers and tankers) used in supplying the service has not been taken [Please refer to Explanation no. (iv)]
		(iii) Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used house hold goods for personal use) supplied by a GTA where,-		
		(a) GTA does not exercise the option to itself pay GST on the services supplied by it;	2.5	The credit of input tax charged on goods and services used in supplying the service has not been taken.
				[Please refer to Explanation no. (iv)]





		(b) GTA exercises the option to itself pay GST on services supplied by it.	2.5	<p>(1) In respect of supplies on which GTA pays tax at the rate of 2.5%, GTA shall not take credit of input tax charged on goods and services used in supplying the service. [Please refer to <i>Explanation</i> no. (iv)]</p> <p>(2) The option by GTA to itself pay GST on the services supplied by it during a Financial Year shall be exercised by making a declaration in Annexure V on or after the 1st January of the preceding Financial Year but not later than 31st March of the preceding Financial Year:</p> <p>Provided that the option for the Financial Year 2022-2023 shall be exercised on or before the 16th August, 2022:</p> <p>Provided further that invoice for supply of the service charging Central tax at the rates as applicable to clause (b) may be issued during the period from the 18th July, 2022 to 16th August, 2022 before exercising the option for the financial year 2022-2023 but in such a case the supplier shall exercise the option to pay GST on its supplies on or before the 16th August, 2022.</p> <p>Provided also that the option for the Financial Year 2023-2024 shall be exercised on or before the 31st May, 2023:</p> <p>Provided also that a GTA who commences new business or crosses threshold for registration during any Financial Year, may exercise the option to itself pay GST on the services supplied by it during that Financial Year by making a declaration in Annexure V before the expiry of forty-five days from the date of applying for GST registration or one month from the date of obtaining registration whichever is later.</p> <p>Provided also that the option exercised by GTA to itself pay GST on the services supplied by it during a Financial Year shall be deemed to have been exercised for the next and future financial years unless the GTA files a declaration in Annexure VI to revert under reverse charge mechanism on or after the 1st January of the preceding Financial Year but not later than 31st March of the preceding Financial Year.</p>
			or	
			9	

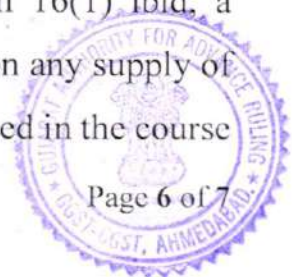
The applicant can, therefore, avail the option provided at Entry No. 9 (iii)(b) of the above notification, which allows a GTA to itself pay GST on services supplied by it, provided the option is exercised by making a declaration in Annexure V on or after the 1st January of the preceding Financial Year but not later than 31st March

of the preceding Financial Year. This declaration is valid for the subsequent financial years as well till they decide to revert back to the reverse charge mechanism by filing a declaration under Annexure VI.

The said option in turn has further two options i.e. where the credit on input tax charged on goods and services used in supplying the services is not availed, in which case the GTA is liable to pay GST only @ 5%. Otherwise, the GTA would have to pay GST @ 18%. The applicant has submitted that they are paying GST @ 12% (prior to 22.09.2025). The applicant has also submitted a copy of the Goods consignment note as well a copy of the Annexure-V declaration dtd. 09.03.2023 exercising the option to pay GST on the GTA services in relation to transportation of goods supplied by them from the financial year 2023-24 under forward charge. Thus, the applicant being a GTA is eligible to avail ITC as they have opted to pay GST @ 12 % (@18% w.e.f. 22. 09.2025) under the forward charge mechanism.

10. The applicant now wants to purchase bio-diesel, which would be used for the operation of trucks and wants to know as to whether they can avail the credit of the input tax charged on bio-diesel. We find that Section 16 of the CGST Act, 2017 lays down the eligibility and conditions for taking input tax credit. As per Section 16(1), every registered person shall, subject to such conditions and restrictions as prescribed, shall be entitled to take credit of the input tax charged on any supply of goods or services or both to him, which are used or intended to be used in the course of furtherance of his business. Section 16(2), (3) and (4) lays down the conditions for availing the Input tax credit, such as the possession of tax invoice, receipt of the goods or services, tax charged in respect of such supply has been actually paid to the Government, furnishing of returns under Section 39, non claiming of depreciation on the tax component under the Income Tax Act and the time limit within which such credit can be availed. We also find that Section 17 of the Act, ibid deals with blocked credit, wherein certain input tax credit is blocked depending upon the service provided by the tax payer or depending upon the nature of input tax credit.

11. We find that the applicant is a Goods Transport Agency (GTA) and input in question is a fuel namely bio-diesel, which the applicant wished to utilise in its trucks for its operations for supply of outward service. As per Section 16(1) ibid, a registered person is eligible to avail credit of the input tax charged on any supply of goods or services or both to him, which are used or intended to be used in the course





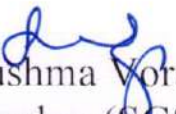
of furtherance of his business. In this case, the applicant intends to use the bio-diesel as fuel for his operations and therefore is used in the furtherance of business. This brings us to the next step as to whether the said input is blocked under Section 17(5) *ibid*, as even if the input in question is used for furtherance of business but if it is barred under the provisions of Section 17 (5), then the same would not be eligible for ITC. We find that the bar provided in Section 17(5) is only in case of passenger vehicles and not to goods carriage. Therefore, the applicant is eligible for availing the Input tax credit paid in respect of Bio-diesel used in their operations when they pay GST under forward charge, subject to the condition that they fulfil the other conditions which are prescribed in Section 16 of the CGST Act, 2017 as well as the conditions of Notification No. 11/2017- CT(R) dtd. 22.08.2017, as amended

12. In view of the foregoing, we rule as under: -

### RULING


*Q.1 "Whether the applicant can pay GST @ 12% under forward charge on GTA services under Notification No. 11/2017-Central Tax (R) dated 22.06.2017, as amended, read with Notification No. 13/2017-Central tax (R) dtd. 28.06.2017 and claim full ITC including on bio-diesel fuel."*

*Ans: - Yes, the applicant can pay GST @ 12% (18% w.e.f. 22.09.2025) under forward charge on GTA services under Notification No. 11/2017-Central Tax (R) dated 22.06.2017, as amended, read with Notification No. 13/2017-Central tax (R) dtd. 28.06.2017 and claim full ITC including on bio-diesel fuel. This is subject to the condition that they fulfil the other conditions which are prescribed in Section 16 and Section 17 of the CGST Act, 2017 as well as the conditions of Notification No. 11/2017- CT(R) dtd. 22.08.2017, as amended.*

  
(Sushma Vora)  
Member (SGST)

Place: Ahmedabad  
Date: 24.11.2025



  
(Vishal Malani)  
Member (CGST)