

**AUTHORITY FOR ADVANCE RULING – CHHATTISGARH**  
**3<sup>rd</sup> & 4<sup>th</sup> Floor, Vanijvikar 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  
Additional 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 Jai Ambey Roadlines Private Limited having its registered office at I-37, Lalita Kunj, Shanker Nagar Road, Ward No. 29, Anupam Nagar, Raipur, Chhattisgarh (hereinafter referred to as “The Applicant”) is registered under GST, having GSTIN as 22AAECJ8819P1Z1, seeking advance ruling as to Whether the tax charged by the supplier on Hydrotreated Vegetable Oil (HVO)/ Renewable diesel / Renewable diesel will be available to the applicant as Input Tax Credit, whereby such Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will be used by the applicant in providing transportation services taxable under Forward Charge Mechanism?

Read :- ARA-01 application 23.05.2025 (complete application with challan submitted on 14.07.2025) from **M/s Jai Ambey Roadlines Private Limited** having its registered office at I-37, Lalita Kunj, Shanker Nagar Road, Ward No. 29, Anupam Nagar, Raipur, Chhattisgarh.

**PROCEEDINGS**

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

NO/STC/AAR/4/2025

Raipur Dated 30/09/25

M/s Jai Ambey Roadlines Private Limited having its registered office at I-37, Lalita Kunj, Shanker Nagar Road, Ward No. 29, Anupam Nagar, Raipur, Chhattisgarh is registered under GST having GSTIN 22AAECJ8819P1Z1 has filed the instant application seeking advance ruling as to Whether the tax charged by the supplier on Hydrotreated Vegetable Oil (HVO)/ Renewable diesel / Renewable diesel will be available to the applicant as Input Tax Credit, whereby such Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will be used by the applicant in providing transportation services taxable under Forward Charge Mechanism?





2. Facts of the case: -

2.1. The applicant has in their instant application informed: that they **M/s Jai Ambey Roadlines Private Limited** having GSTIN 22AAECJ8819P1Z1 is a proprietorship firm primarily engaged in the business of Land transport services of goods

2.2. That, the applicant is an individual and is willing to use Hydrotreated Vegetable Oil (HVO)/Renewable diesel in the business of supplying taxable services under Forward Charge Mechanism of transportation of goods.

2.3. That, as per Notification No. 11/2017-Central Tax (Rate) dt. 28.06.2017 as amended from time to time, the applicable rate on services provided by the applicant is 12% (under entry No.9(iii)(b) i.e. GTA (Goods Transport Agency) having HSN code 9965 under the forward charge mechanism.

2.4. For providing the services of transportation of goods, the applicant would need to procure Hydrotreated Vegetable Oil (HVO)/Renewable diesel which in turn will be used for the running of vehicles for the transportation of goods which is under Forward Charge Mechanism.

2.5. The applicant has enquired from the vendors of "Hydrotreated Vegetable Oil (HVO)/ Renewable diesel about application of relevant HSN and rate of tax of the fuel they provide. The vendors have informed that they supply said goods i.e. biodiesel under HSN code 27101990 and charge tax @ 18%. **GST Rates & HSN Codes on Fossil Fuels-Coal, Petroleum & Natural Gas - Chapter 27.**

2.6. To understand the availability of Input tax credit on procurement of **Hydrotreated Vegetable Oil (HVO) / Renewable diesel** for providing transportation services under Forward Charge Mechanism, the applicant prefers an application of Advance ruling in terms of section 97 of CGST/SGST Act.

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

3.1 That the, government has formulated National Policy on Biofuels-2018 which sets the new agendas consistent with the redefined role of emerging developments in the Renewable Sector.

3.2 That the use of biofuels in the energy and transportation sectors of the country is increasing during the coming decade. And the aim of the policy to utilize, develop and promote domestic feedstock and its utilization for production of biofuels thereby increasingly substitute fossil fuels.

3.3 That, the applicant provides the services of transportation of goods taxable under Forward Charge Mechanism for that the applicant **procures Hydrotreated Vegetable Oil (HVO) /Renewable diesel for the vehicle to provide transportation services of goods by road in agreement to the National policy on Bio-fuels 2018.**

3.4 That, the applicant would supply service of transportation of goods under **forward charge mechanism and charge tax of 12% as provided in Notification 11/2017 under entry 9(iii)(b) i.e. GTA (goods Transport Agency) having HSN code 9965 and is eligible to ITC for the goods used for providing transportation services.**





3.5 That, as per the understanding of the applicant as well as the goods are taxable at the rate of 18% the relevant HSN code for the procurement of **Hydrotreated Vegetable Oil (HVO) / Renewable diesel** is under **Chapter-27** having HSN code **2710** and the tax rate is of 18% under entry 33(heading 2710) of schedule III in Notification No.1/2017 central tax dt. 28/06/2017.

Schedule	S. No.	Chapter/Heading/Sub-heading/Tariff item	Description of Goods	CGST Rate (%)	SGST Rate (%)
III	33	2710	Petroleum oils and oils obtained from bituminous minerals, other than petroleum crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils; [other than Avgas and Kerosene PDS and other than petrol ,Diesel and ATF,not in GST]	9%	9%

3.6 That, for a transporter, the purchase of fuel is an input cost incurred in the course or furtherance of their business of providing transportation services. Under Section16(1) of the Central Goods and Services Tax Act, 2017, every registered person is entitled to take credit of 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 or furtherance of his business, subject to prescribed conditions and restrictions.





*Section 16 Eligibility and conditions for taking input tax credit.-*

- (I) Every registered person, shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charge on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

That, Section 16(2) specifies the four conditions for availing the input tax credit namely:

- i) Recipient is in the possession of tax invoice or debit note issued by the supplier.
- ii) Recipient has received the goods or services.
- iii) The tax charged in respect of such supply has been actually paid to government.
- iv) The recipient has filled return under section 39.

That, the Applicant will be availing the Input Tax Credit with all the requisite documents required.

3.7 That, the restrictions on claiming ITC are primarily outlined in Section 17(5) of the CGST Act. This section lists goods and services on which ITC is not available, commonly known as blocked credits.

(17)(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-

<sup>2</sup>[(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:-

- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;

(aa) vessels and aircraft except when they are used-

- (i) for making the following taxable supplies, namely:-

(A) further supply of such vessels or aircraft; or





*(B) transportation of passengers;or*

*(C) imparting training on navigating such vessels;or*

*(D) imparting training on flying such aircraft;*

*(ii) for transportation of goods;*

*(ab)services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):*

While Section 17(5) restricts ITC on motor vehicles with a seating capacity of not more than thirteen persons (including the driver) except for certain specified purposes (like transportation of goods), it does not contain a blanket restriction on claiming ITC on fuel itself, provided the fuel is a taxable good under GST. Therefore, as per the understanding of the applicant, there is no provision which restricts input tax credit on inputs, input services or capital goods used for supply such services.

3.8 That, the applicant with reference to the above submission is entitled to get Input Tax Credit Since, biodiesel is a taxable good under GST, a transporter purchasing biodiesel for running the vehicles for transportation of goods would generally be eligible to claim ITC on the GST paid on such purchase. This is because the biodiesel is an input used directly in providing taxable outward supply of transportation services which is also taxable under Forward Charge Mechanism.

3.9 That, an Advance ruling In Re Yougesh Charan No. RAJ/ AAR/2023-24/07 has been filed on the similar facts but later withdrawn by the applicant.

#### **4. Personal Hearing: -**

Shri Vivek Saraswat (Advocate), Shri Abhay Tiwari (Advocate) and Ms. Princee Dhawna(Advocate)and authorized representatives of the applicant **M/s Jai Ambey Roadlines Private Limited** Raipur, attended the personal hearing in the matter before us on 16-07-2025. It was informed by the authorized representative that the the applicant M/s Jai Ambey Roadlines Private Limited having GSTIN 22AAECJ8819P1Z1 is a proprietorship firm primarily engaged in the business of Land transport services of goods and are seeking advance ruling on the question, details of which are given below:

- Whether the tax charged by the supplier on Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will be available to the applicant as Input Tax Credit, whereby such Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will be used by the applicant in providing transportation services taxable under Forward Charge Mechanism?

*Fuels*





4.2. He stated that, M/s Jai Ambey Roadlines Private Limited having GSTIN 22AAECJ8819P1Z1 is a proprietorship firm primarily engaged in the business of Land transport services of goods.

4.3. He further stated that the applicant is an individual and is willing to use Hydrotreated Vegetable Oil (HVO)/Renewable diesel in the business of supplying taxable services under Forward Charge Mechanism of transportation of goods.

4.4. He stated that, as per the Notification No. 11/2017-Central Tax (Rate) dt. 28.06.2017 as amended time to time, the applicable rate on services provided by the applicant is 12% (under entry No. 9(iii) (b) i.e. GTA (goods Transport Agency) having HSN code 9965 under the forward charge mechanism.

4.5. He stated that, for providing the services of transportation of goods, the applicant would need to procure Hydrotreated Vegetable Oil (HVO) / Renewable diesel which in turn will be used for the running of vehicles for the transportation of goods which is under Forward Charge Mechanism.

4.6. He stated that, the applicant has enquired from the vendors of "Hydrotreated Vegetable Oil (HVO) / Renewable diesel about application of relevant HSN and rate of tax of the fuel they provide. The vendors have informed that they supply said goods i.e. biodiesel under HSN code 27101990 and charge tax @ 18%. GST Rates & HSN Codes on Fossil Fuels - Coal, Petroleum & Natural Gas - Chapter 27.

4.7. He stated that, to understand the availability of Input tax credit on procurement of Hydrotreated Vegetable Oil (HVO) / Renewable diesel for providing transportation services under Forward Charge Mechanism, the applicant prefers an application of Advance ruling in terms of section 97 of CGST/SGST Act.

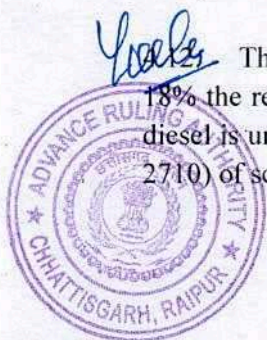
4.8. That the, government has formulated National Policy on Biofuels - 2018 which sets the new agendas consistent with the redefined role of emerging developments in the Renewable Sector. (Copy of National Policy on Biofuels - 2018 is appended as Annexure S-1).

4.9. That the, use of biofuels in the energy and transportation sectors of the country is increasing during the coming decade. And the aim of the policy to utilize, develop and promote domestic feedstock and its utilization for production of biofuels thereby increasingly substitute fossil fuels.

4.10. That, the applicant provides the services of transportation of goods taxable under Forward Charge Mechanism for that the applicant procure Hydrotreated Vegetable Oil (HVO) / Renewable diesel for the vehicle to provide transportation services of goods by road in agreement to the National policy on Bio-fuels 2018.

4.11. That, the applicant would supply service of transportation of goods under forward charge mechanism and charge tax of 12% as provided in Notification 11/2017 under entry 9(iii)(b) i.e. GTA (goods Transport Agency) having HSN code 9965 and is eligible to ITC for the goods used for providing transportation services.

That, as per the understanding of the applicant as well as the goods are taxable at the rate of 18% the relevant HSN code for the procurement of Hydrotreated Vegetable Oil (HVO) / Renewable diesel is under Chapter-27 having HSN code 2710 and the tax rate is of 18% under entry 33 (heading 2710) of schedule III in Notification No. 1/2017 central tax dt. 28/06/2017.





4.13. The authorized representative of the applicant has stated that, for a transporter, the purchase of fuel is an input cost incurred in the course or furtherance of their business of providing transportation services. Under Section 16(1) of the Central Goods and Services Tax Act, 2017, every registered person is entitled to take credit of 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 or furtherance of his business, subject to prescribed conditions and restrictions.

*Section 16. Eligibility and conditions for taking input tax credit.-*

*(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of 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 or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.*

4.14. That, Section 16(2) specifies the four conditions for availing the input tax credit namely:

- i) Recipient is in the possession of tax invoice or debit note issued by the supplier.*
- ii) Recipient has received the goods or services.*
- iii) The tax charged in respect of such supply has been actually paid to government.*
- iv) The recipient has filled return under section 39.*

He further deposed that, the Applicant will be availing the Input Tax Credit with all the requisite documents required.

4.15. He stated that, the restrictions on claiming ITC are primarily outlined in Section 17(5) of the CGST Act. This section lists goods and services on which ITC is not available, commonly known as blocked credits.

*(17)(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-*

*(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:-*

- (A) further supply of such motor vehicles; or*
- (B) transportation of passengers; or*
- (C) imparting training on driving such motor vehicles;*
- (aa) vessels and aircraft except when they are used-*
  - (i) for making the following taxable supplies, namely:-*

- (A) further supply of such vessels or aircraft; or*
- (B) transportation of passengers; or*
- (C) imparting training on navigating such vessels; or*
- (D) imparting training on flying such aircraft;*

*(ii) for transportation of goods:*





*(ab) services of general insurance, servicing, repair and maintenance in so*

*far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):*

4.16. The authorized representative of the applicant has stated that while Section 17(5) restricts ITC on motor vehicles with a seating capacity of not more than thirteen persons (including the driver) except for certain specified purposes (like transportation of goods), it does not contain a blanket restriction on claiming ITC on fuel itself, provided the fuel is a taxable good under GST. Therefore, as per the understanding of the applicant, there is no provision which restricts input tax credit on inputs, input services or capital goods used for supply such services.

4.17. The authorized representative of the applicant has stated that, the applicant with reference to the above submission is entitled to get Input Tax Credit Since, biodiesel is a taxable good under GST, a transporter purchasing biodiesel for running the vehicles for transportation of goods would generally be eligible to claim ITC on the GST paid on such purchase. This is because the biodiesel is an input used directly in providing taxable outward supply of transportation services which is also taxable under Forward Charge Mechanism.

4.18. He further deposed that, an Advance ruling In Re Yougesh Charan No. RAJ/ AAR/2023-24/07 has been filed on the similar facts but later withdrawn by the applicant.

The authorized representative of the applicant reiterated the point of view in the matter as made in their ARA01 dated 23-05-2025 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.

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) (d) of the CGST Act 2017 being a matter relating to admissibility of input tax credit of tax paid or deemed to have been paid. We, therefore, admit Question no. 1 for consideration on merits.

5.3 The comments on the issues raised by the Applicant in their ARA-01 application for Advance Ruling was sought for from the jurisdictional Central and State formations vide letter of even number dated 14.7.2025. No reply from the field formations in this respect has been received.

5.4 In the context of the question raised by the applicant, regarding eligibility of Input Tax Credit on Hydrotreated Vegetable Oil (HVO), we would first like to go through the provisions of Section 16 and Section 17 of CGST Act, 2017 which reads as under –

**16. Eligibility and conditions for taking input tax credit.-**

*(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of 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 or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.*

*(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-*

*(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;*

*(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;*

*(b) he has received the goods or services or both.*

**Explanation.-** For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services-





(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person;

(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;]

(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39:

**Provided** that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:

**Provided** further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be paid by him along with interest payable under section 50, in such manner as may be prescribed:

**Provided** also that the recipient shall be entitled to avail of the credit of input tax on payment made by him to the supplier of the amount towards the value of supply of goods or services or both along with tax payable thereon.

(3) Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income tax Act, 1961 (43 of 1961), the input tax credit on the said tax component shall not be allowed.

(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

**Provided** that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.

(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax





credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,-

(i) filed up to ~~thirtieth~~ day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later.

**Section 17. Apportionment of credit and blocked credits.-**

(1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.

(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

**Explanation.-** For the purposes of this sub-section, the expression "value of exempt supply" shall not include the value of activities or transactions specified in Schedule III, except,—

(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.];]

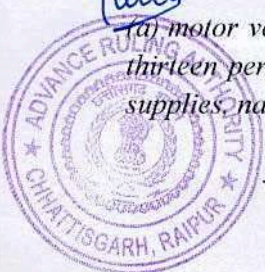
(4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of subsection (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:

**Provided** that the option once exercised shall not be withdrawn during the remaining part of the financial year:

**Provided** further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.

(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-

(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:-





- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;

(aa) vessels and aircraft except when they are used-

(i) for making the following taxable supplies, namely: -

- (A) further supply of such vessels or aircraft; or
- (B) transportation of passengers; or
- (C) imparting training on navigating such vessels; or
- (D) imparting training on flying such aircraft;

(ii) for transportation of goods;

(ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):

**Provided** that the input tax credit in respect of such services shall be available-

(i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;

(ii) where received by a taxable person engaged-

(I) in the manufacture of such motor vehicles, vessels or aircraft; or

(II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;]

(b) the following supply of goods or services or both-

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

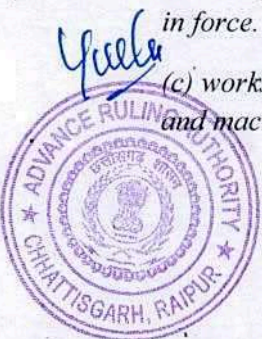
**Provided** that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

(ii) membership of a club, health and fitness centre; and

(iii) travel benefits extended to employees on vacation such as leave or home travel concession:

**Provided** that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

(c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;





(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant and machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.

**[Explanation 1].** - For the purposes of clauses (c) and (d), the expression "construction" includes reconstruction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

**[Explanation 2.]** - For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery."

(e) goods or services or both on which tax has been paid under section 10;

(f) goods or services or both received by a non-resident taxable person except on goods imported by him;

(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;

(g) goods or services or both used for personal consumption;

(h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and

(i) any tax paid in accordance with the provisions of section 74 in respect of any period up to Financial Year 2023-24

(6) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.

**Explanation.** - For the purposes of this Chapter and Chapter VI, the expression "plant and machinery" means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes-

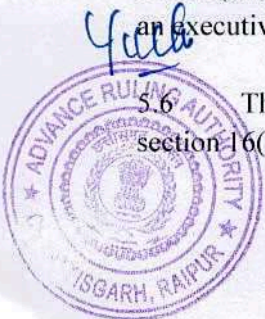
(i) land, building or any other civil structures;

(ii) telecommunication towers; and

(iii) pipelines laid outside the factory premises.

5.5 From the above statutory provisions, it gets amply clear that subject to the conditions and restrictions as stipulated under Section 16 of CGST Act, 2017 read with Section 17 supra, a taxpayer is eligible to Input Tax credit. Imposing reasonable restrictions on availing Input Tax Credit equally to all tax payers is within the legislative power of the Government. It can thus be seen that the conditions stipulated are equally applicable to all taxpayers and, therefore, ensures fairness and equality to all the taxpayers. In the context of GST, the power to levy tax or prescribe conditions for availing Input Tax Credit (as stipulated under section 16 of CGST Act, 2017) are based on statutory provisions and not by an executive order.

5.6 The legislative intent flows from the sovereign power given in the CGST Act, 2017 vide section 16(1), which inter-alia states that "every registered person shall **subject to such conditions and**





**restrictions** as may be prescribed .....be entitled to take credit of input tax charged on any supply of goods or services or both.....". Clearly, the law provides for placing conditions and restrictions on entitlement of Input Tax Credit. Thus, any registered person is eligible for taking input tax credit only if he is not restricted by conditions laid down in the law in this respect. It is noteworthy that the right to avail Input Tax Credit is subject to such conditions and restrictions that may be imposed as provided under section 16 of the CGST Act. Thus, availing Input Tax Credit is not an absolute right as contended by the petitioner. It is pertinent to mention here that section 164 of the CGST Act empowers the Government to make rules for carrying out the provisions of the Act. A conjoint reading of section 16 and section 164 of the CGST Act, 2017 clearly indicates that the Government is also empowered to make rules to regulate availing and utilization of Input tax credit. Further, it is a well settled law that when the statute prescribes certain things to be done in a particular manner, the same shall be done in that manner alone and not in any other manner. The conditions that are, necessarily required to be satisfied by a registered taxable person for availing Input Tax credit as per section 16(2) of CGST Act, 2017 as is in vogue, includes

*(a) he should be in possession of tax invoice or debit note or such other documents as may be prescribed;*

*(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;*

*(b) he has received the goods or services or both.*

*(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;*

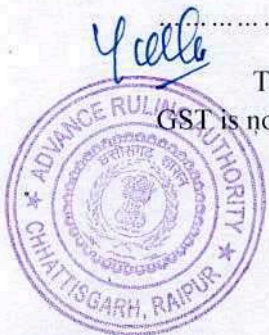
*(c) subject to the provisions of section 4, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and*

*(d) he has furnished the return under section 39;*

Thus, unless the details of the invoice referred to in clause (a) above has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice in the manner specified under section 37 and further unless the supplier has paid the tax in respect of the said supply, the Input tax credit cannot be claimed by the recipient on the said supply.

5.7 In this context Hon'ble High Court of Chhattisgarh in its judgement dated 11.12.2023 in the case of M/s Jain Brothers, Jagdalpur, Chhattisgarh - Petitioner Versus Union of India and others in the Writ Petition (T) No.191 of 2022, has observed as under: - "23. A careful perusal of Section 16(1) of the CGST Act would show that it provides for input tax credit to every registered person on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person subject to two conditions; (a) such conditions and restrictions as may be prescribed and (b) in the manner specified in Section 49. Sub-section (2) of Section 16 is a non obstante clause and states that no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless the conditions mentioned in clauses (a) to (d) are fulfilled"

Thus, from the above it gets established that claim of Input tax credit under the provisions of GST is not absolute, and that the same is subject to reasonable restrictions as mandated under law.





5.8 In this context, we would also like to mention here that the provisions of Section 155 of CGST Act, 2017 are specifically relevant and hold much significance as the said provision in very unambiguous terms puts the onus upon the Tax payer who has availed the Input Tax Credit to prove the legitimacy of the Input Tax credit so taken. For sake of reference the provision of Section 155 ibid is reproduced here under: -

*"Section 155. Burden of proof – Where any person claims he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person."*

5.9 Thus, the burden of proving eligibility for Input tax credit under the CGST Act, 2017 lies squarely upon the Tax payer themselves. Hon'ble Supreme Court, in its judgement, in the case of State of Karnataka v. M/s. Ecom Gill Coffee Trading Pvt. Ltd. [Civil Appeal No. 230 of 2023 dated March 13, 2023] held that the burden to prove the admissibility of credit would lie on the taxpayer claiming the ITC. The Hon'ble court held that tax invoices and payment details alone would not be sufficient proof and provided a list of documents/records that would need to be furnished in such cases to prove the admissibility of credit. It was further observed that merely producing tax invoices and payment proofs is not sufficient to discharge this burden; satisfying such burden would require the production of additional records like: (i) names and addresses of the sellers, (ii) details of the vehicles which were used to deliver the goods to the taxpayers, (iii) proof of payment of freight charges, and (iv) acknowledgements of taking delivery of good. This decision, while in the context of Section 70 of the erstwhile Karnataka Value Added Tax (KVAT) Act, 2003, is having a significant impact on the Input Tax Credit being availed by the taxpayers under the Goods and Services Tax (GST) regime, owing to its similarity to Section 155 of the Central Goods and Services Tax Act, 2017 (CGST Act).

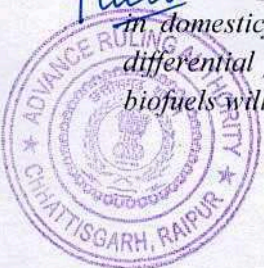
5.10 It would not be out of place to mention that, this authority is not authorized to pass any decision as regards the legality, technicality, viability and feasibility of blending / storage and the claimed usage of the said HVO by the applicant. In this context, we find that in the National Policy on Biofuels 2018 by the MINISTRY OF PETROLEUM AND NATURAL GAS, Para G and Para H of the same reads as under:

#### *G. Distribution & Marketing of Biofuels*

5.28 Oil Marketing Companies will continue to store, distribute and market biofuels. They will be primarily responsible for maintaining and improving the storage, distribution and marketing infrastructure to meet the requirements of biofuels. Government may also consider to allow other players to distribute and market biofuels depending upon factors like ensuring quality standards, consumer awareness about blending percentages, warranty requirements etc.

#### *H. Pricing of Biofuels*

5.29 At present, the price of first-generation molasses-based ethanol for EBP Programme is being determined by the Government based on the recommendation of a committee constituted for this purpose. For procurement of biodiesel for blending in diesel, the price is being determined by OMCs. The Government will continue to incentivise first generation biofuels by administered prices or market determined prices depending upon various factors including market conditions, availability of biofuels in domestic market, import substitution requirement, etc. The advanced biofuels will be given a differential pricing to further incentivise them. The mechanism for differential pricing for advanced biofuels will be decided by the National Biofuel Coordination Committee.





5.11 In the aforesaid context, we find that in order to curb the unauthorized sale of spurious products for use as fuel in automobiles whether in the name of Biodiesel or under the guise of Industrial use/sale, through Retail Outlets/Mobile Dispensing Units which are being operated in contravention of the various control orders, for Prevention of Unauthorized Sale of Petroleum Products, various State Governments have issued instructions to their respective designated authorities to take necessary action in the matter.

5.12 It is also seen from the information as is available in public domain, that The Ministry of Petroleum and Natural Gas, Government of India has issued certain control Orders under the Essential Commodities Act, 1955

In the Solvent Raffenates and Slop (Acquisition, Sale, Storage and Prevention of Use in automobiles) Order, 2000, it is stated in sub clause (2) of clause (3) of the Order that no person shall either use or help in any manner the use of Solvents, Raffenates, Slops or their equivalent or other product except Motor Spirit and High-Speed Diesel, in any automobile. Similarly in the Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005, it has been provided that as per the sub clause 5 of clause 3 of the said order, no person shall sell or agree to sell any petroleum product or its mixture other than Motor Spirit or High Speed Diesel or any other fuel authorized by the Central Government in any form, under any name, brand or nomenclature, which can be and is meant to be used as fuel in any type of automobile vehicles fitted with spark ignition engines or compression ignition engines.

5.13 We also find that vide Notification No.15/2025-Central Tax (Rate) New Delhi, the 17th September, 2025, the applicable rate of GST on GTA services under Forward charge mechanism has been revised as 18%[ CGST 9% + CGGST 9%], effective from 22.9.2025.

5.14 Thus in view of the discussions above, we come to the considered conclusion that the tax charged by the supplier on the claimed usage of Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will only be available to the applicant as Input Tax Credit, subject to the adherence of the provisions of Section 16 of CGST Act, 2017 read with Section 17 ibid, to be verified on a case-to-case basis, read with Notification no. 11/2017 CT(Rate) dated 28.6.2017 as amended as amended from time to time, lastly amended vide Notification no. 15/2025 CT(Rate) dated 17.9.2025. Further, the legality and technicality as regard the usage of claimed usage of HVO as fuel, 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/04/2025

Raipur Dated 30.9.2025

The ruling so sought by **M/s Jai Ambey Roadlines Private Limited** having its registered office at Anupam Nagar, Raipur, registered unit in Chhattisgarh having GSTIN as 22AAECJ8819P1Z1, the Applicant is accordingly answered as under:





## RULING

The tax charged by the supplier on the claimed usage of Hydrotreated Vegetable Oil (HVO)/ Renewable diesel will only be available to the applicant as Input Tax Credit, subject to the adherence of the provisions of Section 16 of CGST Act, 2017 read with Section 17 ibid to be verified on a case-to-case basis, read with Notification no. 11/2017 CT(Rate) dated 28.6.2017 as amended from time to time, lastly amended vide Notification no. 15/2025 CT(Rate) dated 17.9.2025. The legality and technicality as regard the claimed usage of HVO as fuel, not being a subject matter under CGST / CCGST Act, 2017 this authority is not authorized to pass any conclusive remarks in the matter.

*sd -*  
Smt. Yachana Tambrey  
(Member)

*sd -*  
Dr. Bura Naga Sandeep  
(Member)

Place: - Raipur  
Date:-  
Seal: -

**TRUE COPY**  
*Yachana Tambrey*  
**MEMBER**  
**ADVANCE RULING AUTHORITY**  
**CHHATTISGARH, RAIPUR**

**TRUE COPY**  
*20/09/25*  
**MEMBER**  
**ADVANCE RULING AUTHORITY**  
**CHHATTISGARH, RAIPUR**