

Access Healthcare Services Private Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 14/ARA/2023, Dated: 15.06.2023

Q Questions Before the Authority

- Whether tax paid on input services in respect of leasing/renting/hiring of motor vehicles to provide transportation facility to women employees, is eligible to be availed as Input tax credit (ITC)?
- If eligible, can ITC be availed for services received from the date of introduction of proviso to section 17(5)(b)(iii) of CGST Act, 2017 with effect from 1st February 2019.

F Facts

The applicant is a private limited company providing IT-enabled support services in the healthcare sector. Due to the nature of their business and international time zones, they operate in shifts and are mandated by the Tamil Nadu Shops and Establishment Act to provide transportation for women employees working between 8:00 PM and 6:00 AM. The applicant procures motor vehicle leasing services to fulfill this statutory obligation for their female staff.

H Ruling

Eligibility of ITC on motor vehicle leasing for women employees

Eligible

Limited to transport for women employees arriving or leaving between 8:00 PM and 6:00 AM

Applicability date for ITC

From 28.05.2019

Subject to provisions of Section 16 of the CGST/TNGST Act, 2017

The Authority ruled that the applicant is entitled to avail Input Tax Credit on tax paid for leasing motor vehicles used specifically for transporting women employees during the specified night hours. This eligibility is granted because the provision of such transport is a statutory obligation under the Tamil Nadu Shops and Establishment Act. The benefit is restricted to the period starting from the date the relevant state notification was issued.

R Reasoning

The Authority relied on the proviso to Section 17(5)(b) of the CGST Act, which allows ITC for goods or services where it is **obligatory for an employer** to provide them under any law for the time being in force. They determined that the Tamil Nadu Shops and Establishment Act mandates this transport for women employees. Since the specific notification mandating this was issued on 28.05.2019, the eligibility for ITC commences from that date rather than the earlier date of the general amendment to the CGST Act. The ruling also references Circular No. 172/04/2022 to confirm the applicability of the proviso.

P Provisions Relied On

Section 17(5)(b) of the CGST Act, 2017

Section 16 of the CGST/TNGST Act, 2017

Tamil Nadu Shops and Establishment Act, 1947

Circular No. 172/04/2022

! For the Practitioner

This ruling provides a **favorable precedent** for employers who are legally required by state-specific labor laws to provide transport for female employees. It clarifies that the 'obligatory' exception in Section 17(5)(b) can override the general blockage of ITC on motor vehicle leasing. Practitioners should note that the eligibility is strictly tied to the date of the specific state notification imposing the mandate.

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 -> 14 aar 2023 access health.pdf

Prepared 20-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com