

M/s M11 Energy Transition Pvt. Ltd.

Authority for Advance Ruling — Karnataka

KAR.ADRG 21/2026

Dated **16.03.2026**

Q Questions Before the Authority

- Determine the appropriate HSN Code under which the supply of the various diesel and biodiesel blends would fall: (a) B20, (b) B30, (c) B40, (d) B50, (e) B60, (f) B70

F Facts

The applicant manufactures biodiesel from used cooking oil and intends to supply blends of this biodiesel with High-Speed Diesel (HSD) in varying proportions to large fleet operators. The applicant sought an advance ruling to classify these specific blends, ranging from B20 to B70, under the GST framework. The manufacturing process involves transesterification of used oils to produce renewable fuel.

H Ruling

B20 (20% biodiesel + 80% HSD)	Sub-heading 271020, tariff item 27102020	Conforming to standards IS 16531
B30 (30% biodiesel + 70% HSD)	Sub-heading 271020, tariff item 27102090	Classified as Other petroleum oil preparations
B40, B50, B60, B70	Chapter 38, tariff item 38260000	Contains less than 70% by weight of petroleum oils

The Authority ruled that the classification depends on the percentage of petroleum oil content by weight. Blends containing 70% or more of petroleum oils fall under Heading 2710, while those containing less than 70% fall under Heading 3826. Specifically, B20 is classified under 27102020, B30 under 27102090, and B40-B70 under 38260000.

R Reasoning

The Authority relied on the **General Rules for the Interpretation** of the Customs Tariff and the HSN Explanatory Notes to distinguish between mineral fuels under Chapter 27 and chemical products under Chapter 38. It determined that the threshold of 70% by weight of petroleum oils is the **decisive factor** for classification. Consequently, blends with 70% or more petroleum content are classified under Heading 2710, while those with less are classified under Heading 3826 as biodiesel and mixtures thereof.

P Provisions Relied On

Section 97(2)(a) of the CGST Act, 2017

Section 97(2)(a) of the KGST Act, 2017

Customs Tariff Act, 1975

GST Rate Notification No. 01/2017-Central Tax (Rate)

! For the Practitioner

This ruling provides a **clear classification framework** for biodiesel-HSD blends based on the 70% petroleum weight threshold. It helps practitioners identify the correct HSN for various blend ratios, distinguishing between fuel-dominant blends (Chapter 27) and biodiesel-dominant blends (Chapter 38). It does not, however, determine the specific tax rates applicable to these HSN codes.

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 -> 8-aar-m11_energy_transition_pvt_ltd-compressed.pdf

Prepared 12-10-2026.

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