M/s. Inland Financial Services Pvt Ltd

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 82/2022-23/B- 148 Mumbai, dt. 28.09.2026 Dated **28.09.2026**

Q Questions Before the Authority

- Whether leasing of Electric Vehicles (E-Bikes/EVs) without operator can be classified under the Heading 9973 – Leasing or rental services without operator vide Sl. No. 17(viia) or (viii) of Notification No. 11/2017-CT(R) dated 28th June 2017 as amended vide Notification No. 20/2019-CT(R) dated 30th September 2019?

F Facts

The applicant is in the business of renting and leasing e-bikes and EVs without operator, both interstate and intra-state. Under a Vehicle Lease Agreement dated 19.08.2022 with M/s. Techsofin Private Limited, the applicant leases EVs to the lessee for 48 months at a fixed monthly rent per EV. The lessee maintains and insures the vehicles, bears running costs and statutory renewals, and has an option to purchase at the end of the term, while the applicant retains ownership.

H Ruling

Whether leasing of e-bikes/EVs without operator falls under Heading 9973 (Sl. No. 17(viia) or (viii), Notification 11/2017-CT(R) as amended by 20/2019-CT(R))	**Classifiable under SAC 9971 – Financial and related services, Sl. No. 15(ii) of Notification 11/2017-CT(R) as amended by 20/2019-CT(R); rate same as applicable on supply of like goods involving transfer of title in goods**	Turns on the lease agreement being, in substance, a finance lease with transfer of the right to use goods. Answer is specific to the applicant's agreement with Techsofin; the order states that a Heading 9973 treatment of the Yulu Bikes kind was distinguished on its facts.

The Authority held that leasing of e-bikes/EVs without operator by the applicant is not classifiable under Heading 9973 under Sl. No. 17(viia) or (viii). It classified the supply under SAC 9971 (Financial and related services) and Sl. No. 15(ii) of Notification 11/2017-CT(R), as amended, with the rate being the same as applicable on supply of like goods involving transfer of title in goods.

R Reasoning

The Authority held that Heading 9966 is confined to rental with operators after the 1 October 2019 amendment, so only 9971 or 9973 remained. It examined the 48-month term, the lessee's maintenance, insurance and statutory obligations, the lease rentals structured to recover cost, and the purchase option, and treated the arrangement as a finance lease in substance. Applying the Supreme Court's tests in Bharat Sanchar Nigam Ltd. on transfer of the right to use goods, and the deemed-sale concept in Article 366(29A)(d), it found a transfer of the right to use

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

goods under Sl. No. 15(ii). It distinguished the Karnataka AAAR ruling in Yulu Bikes because there the lessee sub-leased on a time-usage basis, and it relied on the Odisha AAAR ruling in True Solar.

P Provisions Relied On

Notification No. 11/2017-CT(Rate) dated 28.06.2017, Sl. No. 10 (Heading 9966), Sl. No. 15(ii) (Heading 9971), Sl. No. 17(viia…

Notification No. 20/2019-CT(Rate) dated 30.09.2019

Article 366(29A)(d) of the Constitution of India

Bharat Sanchar Nigam Ltd. v. Union of India (Supreme Court), on transfer of right to use goods

Sections 97 and 98 of the CGST Act, 2017 and MGST Act, 2017

Karnataka AAAR order in Yulu Bikes Pvt. Ltd., KAR/AAAR/03/2021 dated 02.02.2021 (distinguished)

Odisha AAAR ruling in True Solar Pvt. Ltd. (relied on)

! For the Practitioner

The ruling is useful for lessors of EVs under multi-year agreements with a lessee that maintains and insures the vehicles and holds a purchase option, since it places such arrangements in 9971 at the 9% goods-rate route rather than 9973. It does not settle the question for short-term or usage-based rentals of e-bikes, which the order treats as falling under the Yulu Bikes line. Practitioners should compare the lease terms with those in this order before relying on it, and note that it is binding only on the applicant.

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 -> 11_inland_financial_services_pvt_ltd_ara_order.pdf

Prepared 20-11-2026.

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