M/s V.E. Commercial Vehicles Limited (GSTIN 29AABCE9378F1Z8)

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 95/2019, Dated: 27th September, 2019 Dated **27.09.2019**

Q Questions Before the Authority

- Whether Notification No. 45/2017 – Central Tax (Rate) dated 14th November 2017 is applicable on supply of trucks and its spare parts to Public Funded Research Institutions?

F Facts

The applicant is a joint venture between the Volvo Group and Eicher Motors Limited that manufactures and sells commercial vehicles. It has received orders from Satish Dhawan Space Centre (SHAR), SDSC SHAR, for trucks and from Electronics & Radar Development Establishment (LRDE) for truck spare parts, and proposes to charge the concessional rate under Notification No. 45/2017 on the basis of certificates issued by those institutions. The applicant understands the trucks will be used to transport R&D equipment across test sites, not for commercial use. It also contemplates similar supplies to several other bodies, including VRDE, BEL, DRDO, BrahMos, BHEL and HAL.

H Ruling

Whether Notification No. 45/2017-CT (Rate) dated 14.11.2017 applies to supply of trucks and spare parts to Public Funded Research Institutions	****Yes.** Trucks (to SDSC SHAR) and spare parts (to LRDE) are covered and eligible for the reduced rate of tax under the CGST Act and KGST Act, and similarly under the IGST Act.**	Limited to the supplies to SDSC SHAR and LRDE as specified in the application. Conditions relied on were the Deputy Secretary-rank certificate from the institution and the head-of-institution certificate that goods are required for research purposes only. Para 5.11 leaves the status of the other recipients (e.g., BEL, BHEL, HAL) to be verified. The order does not state an HSN code.

The Authority holds that the supply of trucks and spare parts to SDSC SHAR and LRDE falls within the description of goods in Notification No. 45/2017 and is therefore eligible for the reduced rate of tax under the CGST Act, the KGST Act and the IGST Act. The Authority accepts that both institutions are public funded research institutions and that the certificates furnished satisfy the conditions in the notification. The ruling does not extend to the other prospective recipients, whose status the applicant must verify.

R Reasoning

The Authority first found that both institutions are public funded research institutions, relying on exemption certificates issued by competent officers. It declined to treat trucks as scientific instruments but held that they qualify as apparatus or equipment on the general-parlance definitions. On the condition that goods be required for

research purposes only, it read the condition expansively: equipment serving any part of the total research activity qualifies, and moving heavy instruments between sites is integral to research. It followed Tribunal decisions under the erstwhile Central Excise Notification No. 10/97, including PL Haulwel Trailers (2002), holding that a clear certificate from the designated officer cannot be overridden. It rejected the Pr. Commissioner's contrary view.

P Provisions Relied On

Notification No. 45/2017 – Central Tax (Rate) dated 14.11.2017

Section 9 of the CGST Act (as referred to in para 5.2 of the order)

Section 97 and Section 98(4) of the CGST Act, 2017

Section 97 and Section 98(4) of the KGST Act, 2017

Central Excise Notification No. 10/97 dated 01.03.1997 (erstwhile, referred to by analogy)

PL Haulwel Trailers v. Commissioner of Central Excise, Chennai, 2002 (142) ELT 204 (Tri.-Chennai)

! For the Practitioner

This ruling is useful for suppliers of vehicles or parts to publicly funded research bodies such as SDSC SHAR and LRDE, where the institution issues the required certificates and the vehicles are used for moving research equipment. It supports a broad reading of the phrase required for research purposes only. It does not decide whether the other named bodies qualify, since the order expressly leaves that to verification, and it is confined to the applicant and the supplies described.

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 -> kar_aar_95_2019_27.09.2019_vecvl.pdf

Prepared 11-11-2026.

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

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

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

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

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

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