

Procedure relating to Sale of Cars to Physically Handicapped persons consequent to Introduction of GST.

Consequent to the introduction of GST with effect from 1st July 2017 sale of car can be effected to the physically handicapped person under **concessional rate of duty @ 18%** and the sale are to be effected from the Dealer end.

The following is the procedure to be adhered by the dealers while sale of cars to the Physically Handicapped persons consequent to introduction of GST.

As per new guidelines released by Ministry of Heavy Industries and Public Enterprises (enclosed Notification No.12(42)/2015-AEI(12455) dated 08th May 2018), Customer need to approach the Heavy Industries for obtaining the certificate for availing concession of GST based on the below three/four documents in original:

- a. An application in prescribed format placed at Annexure A.
- b. A medical certificate from the medical officer of the government Hospital in prescribed format placed at Annexure B.
- c. Self-certification by the individual applicant stating that he has not availed this concession in the last five years and he will not dispose of the vehicle after availing the GST concession for a period of 5 years from the date of purchase in prescribed format placed at Annexure C.
- d. An applicant, who wishes to retrofit the vehicle to enable him/her to drive the vehicle shall submit an additional certificate, from the District Road Transport officer to the effect that a proposed car for which GST concession is sought is meant for these of the applicant can drive the car with necessary retrofitment to suit applicant's Physical disability in prescribed format placed at Annexure D.

The application form by the physically handicapped persons along with all three/Four documents may be **sent to the following Address:**

The Under Secretary(AEI section)
Department of Heavy Industry
Room No-428, UdyogBhavan,
New Delhi 110011
Telephone – 011-23061140

- e. After processing of the application, Department of Heavy Industry is expected to issue certificate in the prescribed format place at Annexure E.

PH refund Calculation:

1. Basic Price : Transaction Value
2. Rate of Duty : 18% (CGST 9% SGST 9%) on Transaction value
3. Dealer is requested to indicate the below mentioned on the face of Invoice raised on PH Customer.

Rate of Tax of 18% levied vide S.No.400 of Schedule III of Notification No.1/2017 Central Tax (Rate) dated 28.06.2017 & vide S. No. dated----- (To be found out from respective state SGST Notification).

“Compensation cess exempted vide S No.46 of the Notification No.1/2017- CompensationCess(Rate) dated.28.06.2017”

The documents relating to sale of cars to physically handicapped person under concessional rate of tax are to be maintained and would be subject to Audit and must be submitted for verification by the Government Authorities on demand.

The Dealer in their own interest may consequent to the sale submit the following documents with their Jurisdictional GST Authority to avoid any dispute at a later date.

- a. Invoice raised by Dealer levying 18% GST
- b. Medical Certificate (Notarized Copy)
- c. Certificate from Ministry of Heavy Industries (Copy)
- d. Self-certification by the individual applicant declaring that the vehicle will not be disposed off for a period 5 years after the purchase of car.
- e. RTO Certificate (Form 23)

The Dealers are required to follow the enclosed guidelines of the Ministry of Heavy Industries and also reference is also invited to notification.

South RO 3 Team / 11274112
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