

M/s ADITHYA AUTOMOTIVE APPLICATIONS PVT LTD

Appellate Authority for Advance Ruling — Uttar Pradesh

Appeal Order No. 19/AAAR/25/11/2021 dated 25.11.2021

Q Questions Before the Authority

- Whether the body building activity on the chassis provided by the principal would amount to manufacturing services attracting 18% of GST.
- Whether clarification of CBIC vide para no. 12.3 of Circular No. 52/26/2018-GST date 09.08.2018 clarifying 18% rate of GST in respect of building of body of buses would also apply in the case of applicant.

F Facts

The Appellant is engaged in the business of body building and mounting of bodies on chassis provided by principals like TATA Motors. The chassis are received on a returnable challan basis, and the Appellant performs fabrication and mounting services using their own additional materials. The Appellant sought a ruling on whether this activity constitutes a job work service taxable at 18% GST.

H Ruling

Classification of body building activity	Taxable as job work services at 18% GST	Subject to fulfillment of conditions under Section 141 and 143 of the CGST Act
Applicability of Circular No. 52/26/2018-GST	Applicable	The circular is squarely applicable to the Appellant's case

The Appellate Authority held that the activity of body building and mounting on chassis supplied by the principal constitutes a job work service. Consequently, the activity is taxable at the rate of 18% GST, consistent with the clarification provided in the relevant CBIC circular.

R Reasoning

The Authority determined that the Appellant acts as a job worker because the chassis remains the property of the principal and is received on a delivery challan. Relying on Section 2(68) of the CGST Act, it concluded that the use of the Appellant's own materials for fabrication does not disqualify the activity from being classified as job work. The Authority further relied on Circular No. 52/26/2018-GST, which distinguishes between bus body building and other body building services, confirming that the 18% rate applies to the latter when performed on chassis provided by a principal.

P Provisions Relied On

Section 2(68) of the CGST Act, 2017

Section 2(72) of the CGST Act, 2017

Section 141 of the CGST Act, 2017

Section 143 of the CGST Act, 2017

Circular No. 52/26/2018-GST dated 09.08.2018

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

! For the Practitioner

This ruling provides **favorable clarity** for body builders who receive chassis from principals, confirming that such activities qualify as **job work services taxable at 18%**. It settles the dispute regarding the impact of using the job worker's own materials on the classification of the service. Practitioners should note that this ruling is strictly contingent upon the **fulfillment of conditions** prescribed under Sections 141 and 143 of the CGST Act.

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 -> up_aaar_19_2021-22_25.11.2021_aaapl.pdf

Prepared 13-10-2026.

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