

M/s Paras Motor Industries

Authority for Advance Ruling — Haryana

ADVANCE RULING NO. HAR/HAAR/R/2018-19/8

Dated 26.04.2018

Q Questions Before the Authority

- Whether the activity of fabrication & fitting and mounting of bus bodies on the chassis supplied by the other party is a job work (SAC 9988 or contract of sale of bus body HSN CODE 8707)
- If it is held to be a job work, what rate of tax is required to be charged and paid.

F Facts

The applicant fabricates, fits, and mounts bus bodies onto chassis supplied by customers, primarily state roadways corporations. While the customer provides the chassis, all raw materials and inputs required for the bus body construction are provided by the applicant from its own account. The applicant sought an advance ruling on whether this activity constitutes job work or a supply of goods.

H Ruling

Classification of bus body fabrication and mounting on customer-supplied chassis	Composite supply with principal supply being goods (bus bodies under HSN 8707)	Held not to be a job work or supply of service
Rate of tax applicable if classified as job work	Not applicable	Rendered redundant as the transaction was ruled to be a supply of goods

The Authority held that the activity of fabrication, fitting, and mounting of bus bodies on customer-supplied chassis is a **composite supply** where the supply of goods (bus bodies under HSN 8707) is the **principal supply**. Since the activity was determined to be a supply of goods rather than a service, the question regarding tax rates for job work was declared redundant.

R Reasoning

The Authority relied on CBEC Circular No. 34/8/2018-GST dated 03.03.2018, which explains that bus body building involves both goods and services and must be classified based on its principal supply. Applying Section 2(30) and Section 2(90) of the CGST/HGST Act, 2017, the Authority observed that because the applicant uses its own raw materials and inputs to build the bus body, the supply of the body constitutes the predominant element. Mounting the body onto the customer's chassis is merely an ancillary service to the main supply of goods.

P Provisions Relied On

Section 2(30) of the CGST/HGST Act, 2017

Section 2(90) of the CGST/HGST Act, 2017

CBEC Circular No. 34/8/2018-GST dated 03.03.2018

! For the Practitioner

This ruling establishes that bus body fabrication using the fabricator's own materials on a customer-provided chassis is a **composite supply of goods** under HSN 8707, not a job work service under SAC 9988. Practitioners can use this precedent to resist job work reclassification where substantial material content is provided by the manufacturer rather than the customer.

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 -> haryana-ar_08_2018-19_dt.26.04.18_pmi.pdf

Prepared 17-10-2026.

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