

M/s. Rohan Coach Builders

Authority for Advance Ruling — Madhya Pradesh

Order Number 03/2019 dated 10.04.19

Q Questions Before the Authority

- Whether the activity of building and mounting of the body on the chassis provided by the principal will result in supply of goods under HSN 8707 or supply of services under HSN 9988 taxable at 18%.

F Facts

The applicant is engaged in the fabrication of bus bodies on chassis supplied by OEMs or other principals. The ownership of the chassis remains with the principal at all times, and the applicant performs the fabrication work using their own inputs and services. The applicant seeks to clarify the taxability of this activity, specifically whether it constitutes a supply of goods or a supply of services.

H Ruling

Fabrication of bus body on principal's chassis

Supply of services

Taxable at 18% under SAC 998881

The Authority ruled that the activity of fabricating a bus body on a chassis supplied by the principal constitutes a supply of services. It is classified under SAC 998881 as manufacturing services on physical inputs owned by others. The activity is taxable at 18% GST.

R Reasoning

The ruling relies on the definition of job work under Section 2(68) of the CGST Act and the clarification provided in CBIC Circular no. 52/26/2018-GST. The Authority determined that since the ownership of the chassis is not transferred to the applicant, the activity qualifies as job work. Consequently, it falls under the category of manufacturing services on physical inputs owned by others, which is distinct from the supply of a complete bus.

P Provisions Relied On

Section 2(68) of the CGST/SGST Act

Section 97(2) of the CGST/SGST Act

Section 98 of the CGST/SGST Act

Section 103(2) of the CGST/SGST Act

Section 104(1) of the CGST/SGST Act

Section 143 of the CGST/SGST Act

Schedule II of the CGST Act

CBIC Circular no. 52/26/2018-GST



For the Practitioner

This ruling confirms that bus body building on a chassis provided by a principal is a **supply of services** taxable at 18% rather than a supply of goods. It provides clarity for job workers in the automotive sector by distinguishing between the supply of a complete vehicle and the provision of fabrication services. Practitioners should note that this classification is strictly contingent on the **non-transfer of ownership** of the chassis.

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 -> [mp-03-2019-rc_builders.pdf](#)

Prepared 20-10-2026.

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

Delhi

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

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

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

Gurugram

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

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