

M/s TATA MARCOPOLLO MOTORS LTD.

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 12 / 2019 dated 25-06-2019

Q Questions Before the Authority

- Whether the activity of building and mounting of the body on the chassis by the Applicant will result in supply of goods under HSN 8707 or supply of services under HSN 9988?

F Facts

The applicant is engaged in building and mounting bus bodies on chassis provided by customers on a free-of-cost basis. They use their own inputs, manpower, and facilities to perform the fabrication. The applicant sought clarification on whether this activity constitutes a supply of goods or a supply of services for GST classification purposes.

H Ruling

Ready-built body mounting	Supply of goods under HSN 8707, attracting 28% GST	Applies when the body is built without the physical presence of the chassis
Step-by-step body building on chassis	Supply of service under SAC 9988, attracting 18% GST	Applies when the body is built on the chassis provided by the owner

The authority distinguished between two scenarios based on the process involved. It held that ready-built body mounting is a supply of goods, while step-by-step body building on a customer-provided chassis is a supply of services.

R Reasoning

The authority relied on Circular No. 52/26/2018-GST to differentiate the tax treatment. It determined that if the body is built on a chassis provided by the principal, it qualifies as a **job work service** under SAC 9988. Conversely, if the body is fabricated independently and then mounted, it constitutes a **composite supply** of goods under HSN 8707. The decision turned on whether the applicant required the customer's goods to perform the manufacturing process.

P Provisions Relied On

Section 2(68) of the CGST Act 2017

Section 2(30) of the CGST Act 2017

Section 97(2)(a) of the CGST Act 2017

Schedule II of the CGST Act 2017

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

Circular No. 52/26/2018-GST dated 09-08-2018

! For the Practitioner

This ruling provides a clear **bifurcation of tax liability** for bus body builders based on their operational workflow. It confirms that the timing and method of body fabrication relative to chassis availability determine the GST classification. Practitioners should note that this order does not provide a blanket classification for all body-building activities, as it depends on the specific contractual and physical execution of the work.

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 -> [krntk_aar-12-2019-tata_marcopolo_motors_limited.pdf](#)

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