

MAHARASHTRA AUTHORITY FOR ADVANCE RULING
GST Bhavan, Old Building, 1st floor, B-Wing, Room No.107, Mazgaon, Mumbai - 400010.
(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)
BEFORE THE BENCH OF

- (1) Shri. D. P. Gojamgunde, Joint Commissioner of State Tax, (Member)
(2) Ms. Priya Jadhav, Joint Commissioner of Central Tax, (Member)

ARN No.	AD270220014882G	
GSTIN Number, if any/ User-id	27AWSPLS0676E1Z0	
Legal Name of Applicant	M/s. Amruta Fettlers (SAYAJI BABURAO SOLASE)	
Registered Address/Address provided while obtaining user id	Babasaheb Colony, Maner Mala, Uchgaon, Tal.Karveer, Dist. Kolhapur - 416 005	
Details of application	GST-ARA, Application No. 114 Dated 24.02.2020	
Concerned officer	Division-III, Range-I, Commissionerate Kolhapur	
Nature of activity(s) (proposed/present) in respect of which advance ruling sought		
A	Category	Service Provision
B	Description (in brief) (As per applicant)	i) The Applicant is doing shot blasting process on the castings of their customer M/s. Ghatge Patil Industries Ltd.
Issue/s on which advance ruling required		(i) Classification of goods and/or services or both (ii) Applicability of a notification issued under the provisions of the Act.
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.	

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by **M/s. Amruta Fettlers (SAYAJI BABURAO SOLASE)**, the applicant, seeking an advance ruling in respect of the following questions.

1. Whether the shot blasting activity carried out by the Applicant on the castings of his customer M/s. GPI within the premises of M/s. GPI by using his own shot

blasting machine/steel shots as well as labourers is classifiable as job work service falling under SAC 9988 or not?

2. Whether the said activity will attract 12% GST in terms of clause (id) of Sr. No.26 of Notification No.11/2017-CT(R), dt.28.06.2017 or not?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

1. FACTS AND CONTENTION - AS PER THE APPLICANT

1.1 Under Service Tax regime, the Hon'ble CESTAT in catena of cases has held such activity of carrying out intermediate processes on the goods supplied by the customer (even though in the customer's premises) against lump-sum charges as job work activity. Some of the said decisions are, Om Enterprises V/s. CCE, 2018(17) GSTL 260; Bhagyashree Enterprises V/s. CCE, 2017(3) GSTL-515; Dhanshree Enterprises V/s. CCE, 2017(5) GSTL-212 and Manish Enterprises V/s. CCE, 2016(42) STR 352.

1.2 The Applicant has installed his own shot blasting machine in the premises of M/s. GPI and M/s. GPI is recovering from him some charges on account of the space/electricity etc. made available to him for the said machine in their premises.

1.3 The Applicant is using his own steel shots as well as labourers for doing the above said activity.

1.4 The charges of the Applicant for the above said activity are on per-piece basis.

1.5 The said castings after processing are handed over to M/s. GPI, who are further processing the said castings and are clearing the same on payment of appropriate GST.

1.6 Appropriate record of castings provided to the Applicant and returned by him after processing is kept by the Applicant as well as M/s. GPI.

- 1.7 The applicant has regularly charged 18 % GST on his charges for the above said activity after introduction of GST regime.
- 1.8 However, after insertion of clauses (id) in Sr. No. 26 of notification No. 11/2017-CT(R), dt.28.06.2017 declaring 12% GST for services by way of job work, the applicant's customer has expressed a view that the applicant's activity is treatable as job work service covered under said newly inserted clause(id) of Sr. No. 26 of Notification No.11/2017 – CT(R) dt.28.06.2017 (even if the same is carried out within the customers factory premises) and hence the Applicant should start charging 12% GST.

2. STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW

- 2.1 As per Sec. 2(68) of the CGST Act, 2017, "job work" means, any treatment or process undertaken by a person on goods belonging to another registered person.

In the present transaction also the Applicant is carrying out process of shot blasting on the castings supplied by his customer who is registered under GST. The said activity is carried out by him with the help of his own shot blasting machine/steel shots and labourers. Further, the charges are fixed on per-piece basis. Thus, the above said activity is correctly treatable as job work activity.

- 2.2 Further, the Hon'ble Tribunal in the various cases (cited supra) has held that, the processes carried out on the principal manufacturers goods in his premises against lump-sum charges is treatable as job work activity and hence the same is required to be classifiable as job work service covered under SAC 9988 under GST regime also.

- 2.3 As the activity is classifiable as job work service and as the same is provided to the registered person, the said job work activity will attract 12% GST as per clause (id) of Sr. No.26 of Notification No.11/2017-CT(R), dt.28.06.2017 as clarified by the Board vide Circular No. 126/45/2019-GST, dt.22.11.2019.

3. CONTENTION - AS PER THE CONCERNED OFFICER:

- 3.1 M/s. Amruta Fettlers, Babasaheb Colony, Maner Mala, Uchgaon, Tal. Karveer, Dist: Kolhapur [herein after refereed as 'the service provider] filed application for

Advance Ruling under Form GST ARA -01 and sought clarification on questions mentioned in Para 14 of the said application.

The Question(s) on which advance Ruling is required are as under: -

1. Whether the short Blasting activity carried out by the applicant on the casting of his customer M/s. Ghatage Patil Industries with in the premises of M/s. Ghatage Patil Industries by using his own shot blasting machine / steel shots as well as labourers is classifiable as job work service falling under SAC 9988 or not?

Comments: -

Yes. SAC 9988 covers under it's ambit "manufacturing services on physical inputs owned by others and the term manufacturer has been defined under section 2(72) of CGST, 2017. The said Section reads as follows: "manufacture" means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term 'manufacturer' shall be construed accordingly; In the instant case there is no processing of raw material nor is there an emergence of new product, it is just a process undertaken by the applicant on goods belonging to a principal not amounting to manufacture what comes is casting and what goes out is the casting only. Further job worker may or may not use some portion of material and job work has been defined under section 2(68) of CGST, Act, 2017 to mean "any treatment or process undertaken by a person on goods belonging to another registered person and the expression 'Job worker" shall be construed accordingly." In the present case impugned goods are received by the applicant from the principal / registered person and treatments /process viz; - Shot blasting is undertaken by the applicant not resulting in to emergence of a new product. Therefore, it appears that the activity of shot blasting carried out by the applicant on the goods amounts to job work as per entry at item (id) falling under 9988.

2. Whether the said activity will attracts 12% GST in terms of Clause (id) of Sr. No. 26 of Notification No. 11/2017 - CT (R) dated 28.06.2017 or not?

Comments: -

Entry at item (id) under heading 9988 of Notification No. 11/2017 Central Tax rate dated 28.06.2017 inserted w.e. from 1.10.2019 prescribes 12% GST rate for all services of job works which earlier attracted 18%.

In view of the above, the application filed by the service provider is liable for acceptance.

4. HEARING

Preliminary e-hearing in the matter held on 07.09.2021. Shri. V. B. Gaikwad, Advocate appeared and requested for admission of the application. Jurisdictional Officer Shri. Chavan, Superintendent, Range-I, Kolhapur Officer of the CGST is available.

The application was admitted and called for final e-hearing on 03.04.2025. Mr. Somaya, Advocate appeared made oral and written submissions. Jurisdictional Officer Ms. Uha Somkuvar, Superintendent of CGST appeared. We heard both the sides.

5. OBSERVATIONS AND FINDINGS:

5.1 The Applicant is doing shot blasting process on the castings of their customer M/s. Ghatge Patil Industries Ltd. (GPI) who is registered under GST Act with GSTIN-27AAACG6595R1ZP The Applicant has installed his own shot blasting machine in the premises of M/s. GPI and M/s. GPI is recovering from him some charges on account of the space/electricity etc. made available to him for the said machine in their premises. The Applicant is using his own steel shots as well as labourers for doing the above said activity. The charges of the Applicant for the above said activity are on per-piece basis. The said castings after processing are handed over to M/s. GPI. Appropriate record of castings provided to the Applicant and returned by him after processing is kept by the Applicant as well as M/s. GPI. The applicant has charged 18 % GST on his charges for the above said activity after introduction of GST regime. However, after insertion of clauses (id) in Sr. No. 26 of notification No. 11/2017-CT(R), dt.28.06.2017 declaring 12% GST for services by way of job work, the applicant is of the view that the applicant's activity is a 'job work service' and covered under said newly inserted clause(id) of Sr. No. 26 of Notification No.11/2017 - CT(R) dt.28.06.2017.

5.2 We have carefully gone through the facts of the case along with the submissions made by the Jurisdictional Officer.

5.3 After verification of the facts, it is noticed that the issue before us is whether the impugned service of the shot blasting process on the castings of applicant's customer M/s. Ghatge Patil Industries Ltd. (GPI) falls under Sl. No. 26 clause (id) of the Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 as amended by the Notification No. 1/2018 dated 25/01/2018 and Notification No. 20/2019 dated 30/09/2019. Amended notification reads as under:

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

No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
26	Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)	(i) Services by way of job work in relation to- (a) Printing of newspapers; (b) Textiles and textiles products falling under Chapter 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (c) all products other than diamonds, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (d) Printing of books (including Braille Books), journals and periodicals; (da) printing of all goods falling Chapter 48 or 49, which attracts CGST @ 2.5 or Nil; (f) all food and food products falling under Chapter 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, (51 of 1975) except dog and cat food put up for retail sale falling under tariff item 23091000 of the said Chapter;	2.5	-
		(ia) Services by way of job work in relation to- (a) manufacture or umbrella; (b) printing of all goods falling under Chapter 48 or 49 which attracts CGST @ 6 per cent.	6	-
		(ib) Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)	0.75	-

		(ic) Services by way of job work in relation to bus body building; Explanation- For the purpose of this entry, the term "bus body building" shall include building of body on chassis of any vehicle falling under chapter 87 in the First Schedule to the Customs Tariff Act, 1975.	9	-
		(ica) services by way of job work in relation to manufacture of alcoholic liquor in human consumption.	9	-
		(id) Services by way of job work other than 73 [(i), (ia), (ib), (ic) and (ica)] above;	6	-
		(ii) Services by way of any treatment or process on goods belonging to another person, in relation to (a) printing of newspapers; (b) Printing of books (including Braille books), journals and periodicals; (c) printing of all goods falling under Chapter 48 or 49 which attracts CGST @ 2.5 per cent or Nil.	2.5	-
		(iia) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49 which attracts CGST @ 6 per cent.	6	-
		(iii) Tailoring services	2.5	-
		(iv) Manufacturing services on physical inputs (goods) owned by others, other than 74 [(i), (ia), (ib), (ic) (ica), (id), (ii), (iia) and (iii)] above;	9	-

5.4 We have to determine Whether the applicant's service falls in clause (id), 'Services by way of job work other than (i), (ia), (ib), (ic) and (ica), above' of the aforesaid notification.

5.5 Steel shot blasting is a surface treatment process where small, spherical steel particles are propelled at high speed onto a metal surface to clean or prepare it for further processing. This method is commonly used in various industries for tasks like rust and scale removal, surface preparation for painting or coating, and improving the fatigue life of metal parts through shot peening.

5.6 Section 2(68) of the CGST Act, 2017 defines Job-work as 'any treatment or process undertaken by a person on goods belonging to another registered person'. The one

who does the said job-work would be termed as 'job-worker'. The ownership of the goods does not transfer to the job worker but it rests with the principal. The job-worker is required to carry out the process specified by the principal, on the goods. Steel shot blasting is a surface treatment process which falls under HSN code 998873: Other fabricated metal product manufacturing and metal treatment services. The applicant performs this treatment or process on casting belonging to GPI which is a registered person.

5.7 Circular No. 126/45/2019-GST dated 22.11.2019, explains scope of the entry at item (id) and entry at item (iv) of Notification No. 11/2017-Central Tax (Rate), dated 28-6-2017 as amended from time to time. The relevant para of the said circular is produced as below:

I am directed to say that doubts have been raised with regard to scope of the notification entry at item (id) under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017 inserted with effect from 01-10-2019 to implement the recommendation of the GST Council to reduce rate of GST on all job work services, which earlier attracted 18 % rate, to 12%. It has been stated that the entry at item (id) under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017 inserted with effect from 01-10-2019, prescribes 12% GST rate for all services by way of job work. This makes the entry at item (iv) which covers "manufacturing services on physical inputs owned by others" with GST rate of 18%, redundant.

2. The matter has been examined. The entries at items (id) and (iv) under heading 9988 read as under:

(3)	(4)	(5)
(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	6	-
(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) above.	9	-

3. Job work has been defined in CGST Act as under.

"Job work means any treatment or processing undertaken by a person on goods belonging to another registered person and the expression 'job worker' shall be construed accordingly."

4. In view of the above, it may be seen that there is a clear demarcation between scope of the entries at item (id) and item (iv) under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017. Entry at item (id) covers only job work services as defined in section 2 (68) of CGST Act, 2017, that is, services by way of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, the entry at item (iv) specifically excludes the services covered by entry at item (id), and therefore, covers only such services which are carried out on physical inputs (goods) which are owned by persons other than those registered under the CGST Act.

5.8 Hence, entry (id) covers job work services as defined in section 2(68) of CGST Act, 2017, in respect of treatment or processing undertaken by a person on goods belonging to another registered person. Therefore, Sr. No. 26(id) (residual entry) covers job work where inputs are sent by registered person, while Sr. No. 26(iv) covers manufacturing services (processing) wherein inputs (goods) are sent by an unregistered person.

5.9 The applicant is carrying out the processing on the castings provided by M/s. GPI, who is registered under GST Act and that during the course of job work, ownership of the goods does not change and remains with its client.

5.10 On the given facts, we find that the short Blasting activity carried out by the applicant on the casting of his customer M/s. Ghatage Patil Industries within the premises of M/s. Ghatage Patil Industries by using his own shot blasting machine /steel shots as well as labourers is classifiable as job work service falling under SAC 9988. Also, the service in question falls within the ambit of entry Sr. No. 26 (id) of Notification No. 11/2017- CT (Rate) dated 28.06.2017 as amended vide Notification No.-20/2017-CT (Rate) dated 30.09.2019 and is classifiable under SAC 9988 and will attract GST @ 12% (CGST 6% + SGST 6%) w.e.f. 01/10/2019. The jurisdictional Officer has also confirmed the facts as stated above.

6. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 114/2019-20/B- 207 Mumbai, dt. 28.04.2025

For reasons as discussed in the body of the order, the questions are answered thus -

Question 1: - Whether the shot blasting activity carried out by the Applicant on the castings of his customer M/s. GPI within the premises of M/s. GPI by using his own shot blasting machine/steel shots as well as labourers is classifiable as job work service falling under SAC 9988 or not?

Answer: -Answered in the affirmative.

Question 2: - Whether the said activity will attract 12% GST in terms of clause (id) of Sr. No.26 of Notification No.11/2017-CT(R), dt.28.06.2017 or not?

Answer: - Answered in the affirmative.



D.P. GOJAMGUNDE
(MEMBER)

Priya Jadhav
PRIYA JADHAV
(MEMBER)



Copy to:

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint commissioner of State Tax, Mahavikas for Website.

Note: -An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on gst.gov.in for online appeal application against order passed by Advance Ruling Authority.