

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU  
No.207, 2<sup>nd</sup> FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,  
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND  
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

**Members present:**

<b>Shri C. Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.</b>	<b>Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.</b>
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**Advance Ruling No. 43/ARA/2025, dated 27.10.2025**

1. *Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*

2. *In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*

(a) *On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*

(b) *On the concerned officer or the Jurisdictional Officer in respect of the applicant.*

3. *In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*

4. *Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*

5. *The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

GSTIN Number, if any/User id	33AAXFG4771H1ZY
Legal Name of Applicant	M/s. GALCONS INDIA
Trade Name of Applicant	M/s. GALCONS INDIA
Registered Address/ Address provided while obtaining User id	B-11/B1, RNS PARK, SIPCOT Industrial Park, Pillaipakkam, Vengadu Village, Tamil Nadu, Kancheepuram - 602 105.
Details of Application	ARA No.18/2025/ARA & dated 15.04.2025
Jurisdictional Officer	Centre – Chennai Outer Commissionerate, Poonamallee Division, Range II  State – Avadi Assessment Circle, Avadi Zone, Tiruvallur Division.
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for  A. Category  B. Description (in brief)	A) Service Provision  B) They are engaged in coating activities, specifically applying Hot Dip Galvanising services on goods owned by customers. Services involve correction protection and decorative coatings.
Issues on which advance ruling required	1. Classification of goods and / or services or both; 2. Applicability of a notification issued under the provisions of the Act; 3. Determination of the liability to pay tax on any goods or services or both;
Question(s) on which advance ruling is required	1) Whether the activities carried out by the applicant qualifies for job work in view of section 2(68) of the CGST Act, 2017? 2) If YES, whether GST rate of 12% or 18% would be applicable in view of Sr. No.26 (id) and (iv) of the Notification No. 11/2017 CT- Rate dated 28 <sup>th</sup> June 2017 as amended vide Notification No. 20/2019 CT- Rate dated 30 <sup>th</sup> September 2019? 3) If No, what would be classification of services and rate of tax thereof?

M/s. Galcons India, having principal place of business at B-11/B1 RNS PARK, SIPCOT Industrial Park, Pillaipakkam, Vengadu Village, Kancheepuram-602 105 (hereinafter called as the "Applicant") are registered with GSTIN 33AAXFG4771H1ZY under the goods and services tax Act. They have filed this application for advance ruling under Section 97 of the CGST Act, 2017, and corresponding provisions under the Section 97 of TNGST Act, 2017. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

2. The applicant is primarily engaged in coating activities, specifically applying Hot Dip Galvanizing Service on goods owned by customers. These services involve corrosion protection and decorative coatings. The applicant specializes in delivering high-quality zinc coating solutions for a wide range of materials, including metal components, tower parts, machinery parts, and more. Typically, such coating are applied to both new and used tower parts, machinery components, and other metal items, which are received by the applicant under delivery challans. The applicant processes these materials by employing chemical treatments to remove rust and other contaminants, followed by a hot-dip galvanizing process to apply a high-quality zinc coating. Upon completion, the processed materials are returned to the customers, along with an invoice for the job work charges.

### **3. Applicant's interpretation of law:**

3.1 The applicant refers to 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'. Furthermore, the term "Job worker" shall be construed accordingly.

3.2 Since the applicant is providing coating on goods belonging to customer, the process would come within ambit of job work.

3.3 S.No.26 of Notification No. 11/2017 CT-Rate dated 28<sup>th</sup> June 2017, Notification No. 20/2019-Central tax (Rate) dated 30<sup>th</sup> September 2019, tries to bifurcate the activities in two parts, namely services in relation to manufacture and services in relation to job work and this fact is evident from the below entries:

	Description of service	GST Rate (IGST) %
(i)	Services by way of job work in relation to printing of newspapers, Textile yarns, printing of books, manufacture of leather goods, all food and food products, manufacture of handicraft goods etc.	5
(ia)	Services by way of job work in relation to (a) manufacture of umbrella, (b) printing of all goods falling under specified chapters	12
(ib)	Services by way of job work in relation to diamonds.	1.5
(ic)	Services by way of job work in relation to bus body building	18

(id)	Service by way of job work other than (i),(ia),(ib) and (ic) above.	12
(ii)	Services by way of any treatment or process on goods belonging to another person, in relation to printing of specified books which attract CGST @2.5%	5
(iia)	Services by way of any treatment or process on goods belonging to another person, in relation to-printing of specified books which attract CGST@6%	12
(iii)	Tailoring services	5
(iv)	Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) above.	18

3.4 Section note to SAC 9988-Manufacturing services on physical inputs owned by others: The services included under Heading 9988 are performed on physical inputs owned by units other than the units providing the service. As such, they are characterized as outsourced portions of a manufacturing process or a complete outsourced manufacturing process. Since this Heading covers manufacturing services, the unit providing this service does not own the output. Therefore, the value of the services in this Heading is based on the service fee paid, not the value of the goods manufactured. Hence, SAC Code 9988 also includes part of the process from entire manufacturing process. It is not relevant whether the job worker process amounts to manufacturer or not.

3.5 GST Council in the 37<sup>th</sup> meeting held on 20<sup>th</sup> September, 2019 at Goa has considered to reduce rate on job work services. Further, the Government has issued Notification No. 20/2019 – Central tax (Rate) dated 30<sup>th</sup> September 2019 wherein the following entry has been added:

*“(id): Services by way of job work other than (i), (ia), (ib), and (ic) above”.*

3.6 Pursuant to the same clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017 – central tax Rate dated 28<sup>th</sup> June 2017, Circular No. 126/45//2019-GST dated 22<sup>nd</sup> November 2019 has been issued which states that, the entry at item (id) under heading 9988 of Notification 11/2017–Central tax(Rate) dated 28<sup>th</sup> June 2017 inserted with effect from 01<sup>st</sup> October 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 other” with GST rate of 18%, redundant. The entries at items (id) and (iv) under heading 9988 read as under:

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

3.7 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 i.e. 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.

3.8 In view of the above, services provided by the applicant would qualify as job work services under Section 2(68) of the CGST Act. Further, the subsequent amendment to the Notification No. 11/2017 and circular issued to that effect makes it clear that the services rendered to registered person would attract 12% GST and 18% in case of services rendered to unregistered person.

3.9 The applicant has sought advance ruling on the following questions:

- a) Whether the activities carried out by the applicant qualified for job work in view of section 2(68) of the CGST Act, 2017?
- b) If Yes, whether GST rate of 12% or 18% would be applicable in view of S.No.26 (id) and (iv) of the Notification No. 11/2017 CT- Rate dated 28<sup>th</sup> June 2017 as amended vide Notification No. 20/2019 CT-Rate dated 30<sup>th</sup> September 2019?
- c) No, what would be classification of services and rate of tax thereof?

4. The applicant is under the administrative control of Centre. The concerned authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. Remarks have been received from State Authority that there are no pending proceedings on the questions raised in their application. As no remarks have been received from the Centre Authority, it is assumed that there are no pending proceedings on the questions raised in their Advance Ruling Application.

## **5. Personal Hearing**

5.1 The applicant was given an opportunity to be heard in person on 01.09.2025 vide this office memorandum No.18/2025. Shri. R.V. Gunaseelan, General Manager and Shri. K.Dinesh Kumar, Chartered Accountant appeared for the personal hearing as the authorized representatives (AR) of M/s. Galcons India. The AR reiterated the submissions made in their application for advance ruling.

5.2 The AR stated that they are engaged in doing Hot Dip Galvanizing Services on goods owned by customers. They procure zinc and do powder-coating on Steel Structures, Fabricated structures to remove rust and prevent corrosion. They receive steel structures from Windmill approved Contractors, EB approved Contractors through Delivery Challans and after powder-coating, they return the goods back to their Vendors raising an Invoice for processing /labour charges and

are paying GST at 18% now. They had requested Advance Ruling as to the rate of tax applicable – 12% or 18% for their job work. On being asked by the Member (CGST) as to whether their vendors are registered or unregistered, they stated that they are all registered under GST. They assured that they will furnish written submissions on the same.

5.3 In their additional submissions, the applicant had submitted that the job work services provided are in relation to goods supplied by registered persons only; they raise invoices towards job work charges and charge GST at the rate of 18%; and they do not engage in providing these services to unregistered persons.

## **6. Discussions and Findings:**

6.1 We have carefully examined the submissions made by the applicant in their advance ruling application and the submissions made during the personal hearing. We have also considered the issue involved, the relevant facts and the applicant's submission / interpretation of law in respect of question on which the advance ruling is sought.

6.2 We find that the query is liable for admission as it gets covered under Section 97 (2) (b) of CGST/TNGST Act, 2017 under "applicability of a notification issued under the provisions of this Act".

6.3 We find that the applicant is engaged in doing Hot Dip Galvanizing Services on goods owned by customers. They procure zinc and do powder-coating on Steel Structures, Fabricated structures to remove rust and prevent corrosion. They receive steel structures from Windmill approved Contractors, EB approved Contractors through Delivery Challans. The applicant processes these materials by employing chemical treatments to remove rust and other contaminants, followed by a hot-dip galvanizing process to apply a high-quality zinc coating and after powder-coating, they return the goods back to their Vendors raising an Invoice for processing /labour charges and are paying GST at 18% now.

6.4 The applicant had requested Advance Ruling as to whether the services done by them would qualify as Job Work as per Section 2(68) of CGST Act, 2017; whether the rate of tax applicable – 12% or 18% for their job work as per S.no.26 (id) and (iv) of Notification no.11/2017 CT-Rate dated 28.06.2017 as amended by Notification no.20/2019 CT-Rate dated 30.09.2019; if not, what would be classification of services and rate of tax thereof?

### **6.5 Whether applicant's activities would qualify as 'Job work'.**

Let us look in to the definition of Job Work. As per Section 2(68) of CGST Act. 2017

*(68) "job work" means any treatment or process undertaken by a person on goods belonging to another registered person and the expression "job worker" shall be construed accordingly;*

The person who is treating or processing the goods belonging to other person is called a 'job worker' and the person to whom the goods belong is called as

'principal'. The main contents of a job-work is that 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.

The activity of the applicant engaged in doing Hot Dip Galvanising Services on Goods owned by customers. The applicant receives the goods, treats them with Hot Dip Galvanising Services and returns the goods back to the Principal raising invoices for the services. The ownership of the goods is not transfer to the applicant and lies with their Customer. The applicant is carrying out the process of Galvanising services specified by their Customer on the goods and returns them back. As such, **the applicant is doing job work on the goods belonging to another person as per Section 2 (68) of CGST Act, 2017 and as such, is a job worker.**

6.6 If yes, whether GST rate of 12% or 18% is applicable

We note that the activity of Galvanising Services on goods owned by customers by way of job work would be covered under Chapter Heading 9988 – Manufacturing services on physical inputs (goods) owned by others.

It may be seen that as per Notification No.11/2017 CT- Rate dated 28<sup>th</sup> June 2017 shown above, the applicant's services would fall under S.no.26 (ii) under Chapter heading 9988 as Manufacturing services on physical goods owned by others, other than job work services mentioned in S.no.26 (i) and attracting GST rate of 18% (i.e. CGST- 9% and SGST-9%).

26	<b>Heading 9988</b> <i>(Manufacturing services on physical inputs (goods) owned by others)</i>	<i>(i) Services by way of job work in relation to-</i> <i>(a) Printing of newspapers;</i> <i>(b) Textile yarns (other than of man-made fibres) and textile fabrics;</i> <i>(c) Cut and polished diamonds; precious and semi-precious stones; or plain and studded jewellery of gold and other precious metals, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);</i> <i>(d) Printing of books (including Braille books), journals and periodicals;</i> <i>(e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975).</i> <i>Explanation.- "man made fibres" means staple fibres and filaments of organic polymers produced by manufacturing processes either,-</i>	2.5	-
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		<i>(a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by</i>		
		<i>this process [for example, poly(vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate)]; or (b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.</i>		
		<i>(ii) Manufacturing services on physical inputs (goods) owned by others, other than (i) above.</i>	9	-

6.7 The above said entry has been amended by Notification no.20/2019-Central Tax (Rate) dated 30.09.2019 effective from 1<sup>st</sup> October 2019 as follows:

*"(n) against serial number 26, in column (3), after item (ia) and the entries relating thereto in columns (3), (4) and (5), the following shall be inserted, namely: -*

<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>(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):</i>	0.75	-
<i>(ic) Services by way of job work in relation to bus body building;</i>	9	-
<i>(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;</i>	6	-

By virtue of the above said insertion of entry at item (id) under Chapter Heading 9988 of Notification no.11/2017-CT (Rate) dated 28.06.2017 vide Notification No.20/2019 CT-Rate dated 30<sup>th</sup> September 2019, the rate of GST on all job work services other than those covered under S.no.26 (i), (ia), (ib) and (ic) has been reduced to 12% (ie. CGST- 6% and SGST-6%) with effect from 01.10.2019. In view of the above, it appears that the activity of the applicant would necessarily fall under S.no.26 (id) and would attract GST rate of 12% with effect from 01.10.2019.



6.8 Meanwhile, the CBIC circular No. 126/45//2019-GST dated 22<sup>nd</sup> November 2019 has been issued clarifying that the entry at item (id) under heading 9988 of Notification 11/2017 – Central tax Rate dated 28<sup>th</sup> June 2017 inserted with effect from 1<sup>st</sup> October, 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 other” with GST rate of 18%, redundant. The entries at items (id) and (iv) under heading 9988 read as under:

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

The above said Circular has stated that there is 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 i.e. services by way of treatment or processing undertaken by a person on goods belonging to another registered person.

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.

6.9 In view of the above,

- a) the job work of processing/ treatment on goods belonging to other Registered person would attract GST rate of 12% (i.e. CGST-6% and SGST-6%)
- b) the service of processing/ treatment on goods which are owned by other Unregistered person would attract GST rate of 18% (i.e. CGST-9% and SGST-9%)

6.10 The applicant is performing Hot Dip Galvanising Services on the goods owned by other Persons. In their Additional submissions, the applicant had submitted that the job work services provided are in relation to goods supplied by registered persons only and that they do not engage in providing these services to unregistered persons.

We find that since the applicant is performing Galvanising services on the goods owned by other Registered persons, the applicant’s job work services would attract GST rate of 12% (i.e. CGST-6% + SGST-6%) from 01.10.2019.

6.11 However, it is also pointed out that the recent notification no.15/2025-Central Tax (Rate) dated 17.09.2025 has made amendments to Notification no.11/2017-CT (Rate) wherein S.no.26 has been amended as follows:

(3)	(4)
(iv) Services by way of job work other than (i), (ii), and (iii) above	9

The rate of GST for job work services on goods belonging to other Registered person has been increased to 18% (i.e. CGST-9% + SGST-9%) with effect from 22.09.2025.


6.12 If No, What would be classification of services and rate of tax?

As the answer to the earlier question is yes, this question is not answerable.

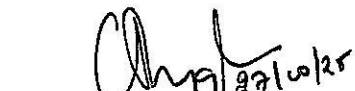
7. In view of the above, we rule as under:

**Ruling**

1. The Galvanising services performed by the applicant would qualify as 'Job work' as per Section 2(68) of CGST Act, 2017.
2. Job work services performed by the applicant on the goods owned by other Registered persons would attract 12% rate of GST as per S.No.26 of Notification No.11/2017-CT (Rate) dated 28.06.2017 as amended by Notification No.20/2019 CT-Rate dated 30<sup>th</sup> September 2019. However, with effect from 22.09.2025, Job work services on goods belonging to other Registered person attract 18% rate of GST as per notification No.15/2025-Central Tax (Rate) dated 17.09.2025.
3. As the answer to the earlier Question No.2 is yes, this question is not answerable.

  
(B. SUSEEL KUMAR)  
Member (SGST)



  
(C. THIYAGARAJAN)  
Member (CGST)

To

M/s. Galcons India,  
GSTIN: 33AAXFG4771H1ZY  
B-11/B1 RNS PARK, SIPCOT Industrial Park,  
Pillaiakkam, Vengadu Village,  
Tamil Nadu, Kancheepuram-602105

(By RPAD)

**Copy submitted to**

1. The Principal Chief Commissioner of GST and Central Excise,  
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Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,  
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3. The Commissioner of GST and Central Excise,  
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**Copy to**

1. The Assistant Commissioner (ST),  
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**(RPAD)**
2. Stock File – A1