MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri. Rajiv Magoo, Additional Commissioner of Central Tax, (Member)

(2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)

ARN No.		**AD270120015018S**
GSTIN Number, if any/ User-id		**27AAACI3916N1ZC**
Legal Name of Applicant		**M/s. Oerlikon Balzers India Pvt. Ltd.**
Registered Address/Address provided while obtaining user id		EL-22, J Block, MIDC Bhosari, Pune -411026
Details of application		GST-ARA, Application No. 102 Dated 03.02.2020
Concerned officer		**Division III, Commissionerate PUNE-I**
Nature of activity(s) (proposed/present) in respect of which advance ruling sought		
A	Category	**Service Provision**
B	Description (in brief)(as per applicant)	Contract Coating services on original as well as old and worn out goods such as tools, inserts, capital goods
Issue/s on which advance ruling required		➢ Classification of any goods or services or both ➢ Applicability of a notification issued under the provisions of this Act
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.

NO.GST-ARA-102/2019-20/B- 107 **Mumbai, dt.** 09/12/2021

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. Oerlikon Balzers India Pvt. Ltd.,** the applicant, seeking an advance ruling in respect of the following questions.

1. ***Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on original/new goods received from Customer is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or at 18% in terms of entry no. 26(iv) of Notification no. 11/2017.***

2. ***Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on old, worn out or used goods received from Customers is classifiable under service***

accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or under Service accounting code 9987 more specifically under code 998729 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification no. 11/2017.

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.

2. FACTS AND CONTENTION – AS PER THE APPLICANT

2.1 *Oerlikon Balzers Coating India Pvt. Ltd., the applicant, an Indian subsidiary of Oerlikon Balzers AG, provides surface coating services to its customers with respect to various goods such as tools, inserts, semi-finished goods, capital goods etc. The goods are coated with material such as titanium, chromium, aluminum etc., to enhance their life, efficiency, strength and performance.*

2.2 *Applicant undertakes surface coating on semi-finished/ original as well as old and worn out goods received from customers. The manufacture process of semi-finished/original tools involves Gear cutting, drilling, sharpening, coating, cleaning, inspection etc. The process of 'coating' is outsourced by such tool manufacturers to the Applicant. Coating is therefore one of the process involved during manufacture of semi-finished or original tools.*

2.3 *The process of coating old, used or worn out goods remains the same, but the said goods are not sent by Customers for carrying out any part of the process of manufacturing but instead to restore the functionality of the said tools and make them reusable for such Customers. One additional process required for such old and worn out tool is re-sharpening which is done by the applicant themselves or is outsourced to third parties.*

2.4 *Activities undertaken by the Applicant are in the nature of 'job work' as defined under Section 2(68) of the Central Goods and Services Tax Act, 2017 ('the CGST Act').*

2.5 *Further, both, the service accounting codes (SAC) and the explanatory notes for supply of services do not specifically mention job work as description of service in respect of any of the tariff items. Headings 9987 and 9988 of the explanatory notes is relevant to determine the classification of services supplied by the Applicant. Heading 9987 covers Maintenance, repair and installation (except construction) services and Heading 9988 covers Manufacturing services on physical inputs owned by others. However, the explanatory notes as well as the SAC do not exactly cover the set of services supplied by the Applicant at six-digit level under heading 9987.*

Whereas, the six digit level description of services at 998873 falling under Heading 9988 is akin to the services supplied by the Applicants.

2.6 *Applicable rate of GST is prescribed under Notification No. 11/2017-C.T.(R), dated 28.06.2017 as amended ('the Notification'). The term job work is mentioned at S. No. 24 and S. No. 26 of the said Notification. S. No. 24 covers Heading 9986, and is not relevant to the impugned services. Sr. No. 26 covers Heading 9988. Further, the Headings from 9981 to 9989 are covered under Section 8 i.e. Business and Production Services. Sr. No. 25 of the Section 8 in the Notification covers Maintenance, repair and installation (except construction) services and Sr. No. 27 covers other manufacturing services; publishing, printing and reproduction services; materials recovery services. The applicable GST rate on the services covered under the said Headings was generally 18 percent with few explicit exceptions by way of full exemption or partial exemption to services in relation to agricultural produce, printing and stationery etc.*

2.7 *The Applicant for both the set of services considering, the following facts, discharged the GST at the rate of 18% for the period from 01.07.2017 to 30.09.2019. Applicant, accordingly for both the set of services supplied, considered 9988 as HSN code during the said period.*

2.8 *Central Government amended Sr. No. 26 of the Notification 11/2017 vide Notification 20/2019 C.T.(R) dated 30.9.2019 (effective from 1.10.2019) ('the Notification 20') so as to reduce the applicable rate of tax on the activity of Job work (except job work pertaining to certain specified goods) from 18% to 12%. Accordingly, vide Sr. No. 26(id) of the amended notification the activity of 'job work' (except job work pertaining to certain specified goods) is chargeable to tax at 12% with effect from 1.10.2019. Applicable rate of GST on activity of 'Maintenance & Repair' services, however, continues to remain at 18% in terms of sr. no. 25(ii) of Notification 11/2017.*

2.9 *Further, as per CBIC Circular No. 126/45/2019 dated 22.11.2019, it can be said that the services of job work as defined under Section 2(68) are subject to GST rate of 12% except in cases where the job work is respect of specified goods or in respect of goods supplied by the unregistered person However, there is no clarity regarding the scope and meaning of the term 'repairs' under the GST Act. The activity of 'Repair' is most akin to description provided under SAC 9987 namely, 'Maintenance, repair and installation (except construction) services' However impugned activity is also not clearly defined under the said SAC and the explanatory notes to Chapter 99.*

2.10 *The gist of the coating process undertaken is as under:-*

a. *Applicant carries out surface coating by the process of Physical Vapor Deposition (PVD). Such coating improves the productivity, wear resistance, strength and efficiency of such goods and in effect brings down the production cost for the user. Tools received from customers are of various*

types like • New/Used tools from OEMs (Original Equipment Manufacturers); • New/Used tools from End Users; • Automotive/Precision/Decorative Components from OEMs.

b. *The goods received are pre-cleaned depending upon whether such goods are used goods and cannot be visually inspected. If the tools are in good condition and can be coated, accordingly, depending upon the type of tools the various processes like, De-coating, Re-sharpening (Regrinding), Nitriding, USI Cleaning, Degassing, Polishing, Fixturing, Coating, Post treatment, and Quality Inspection, etc. is carried out.*

2.11 *The process of coating undertaken on original goods received in pristine condition is in the nature of 'Job work under GST, whereas the process of coating undertaken on old, used or worn out goods can be categorized as job work as well as 'repairs' under GST.*

Applicants Argument in connection with coating services undertaken on original/new goods:

2.12 *Considering the definition of the term job work is defined under Section 2(68) of the CGST Act, 2017, CBIC Circular No. 38/12/2018 - GST dated 26.3.2018 and basis the erstwhile service tax law, the activity of processing or working upon raw material or semi-finished goods supplied to the job worker so as to complete a part or whole of the process resulting in manufacture or finishing of an article is covered within the ambit of job work. The only other mandatory requirement in terms of the definition is that the job worker needs to carry out the said activity on raw material or semi-finished goods supplied by the principal.*

2.13 *Hon'ble Supreme court in the case of Maruti Suzuki Limited Vs. CCE, New Delhi, 2015 (318) E.L.T 353 (S.C) has also held that there is a distinction between processing and manufacture and that Electro Deposition (ED) Coating of anti-rust treatment to increase shell life of various component is merely a processing activity and not a complete manufacturing activity.*

2.14 *The activity undertaken by the Applicant fits the definition of Job work under the erstwhile as well as present law. Further in terms of the Apex court's ruling also, activity of coating is only a process undertaken on goods.*

2.15 *The Applicant further submits that as far using own Coating material is concerned, in addition to goods received from the principal, job worker can use his own goods also for providing the service of job work. In this regard, reliance is place on the decision of the Hon'ble Supreme Court in the case of Prestige Engineering (India) Ltd. Vs. Collector Of C.Ex., Meerut 1994 (73) E.L.T 497 (S.C).*

2.16 *As regards classification of the activity of Job work, in terms of the Scheme of Classification of Services provided under Notification 11/2017 C.T.(R) dated 28.6.2017, activity of job work is covered under SAC 9988 - Manufacturing services on physical inputs (goods) owned by others more specifically under Service Accounting Code 998873*

2.17 *Basis of rival entries appearing at Sr. No. 26(id) and 26(iv), appropriate rate applicable to the activity of coating services undertaken on such semi-finished/original goods will depend upon whether such coating activity is in the nature of 'Job work as appearing under entry 26(id) or 'manufacturing services' on physical inputs (goods) owned by others as appearing under residual entry no. 26(iv).*

2.18 *The Applicant submits that from a reading of Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)' as the broad level heading pertaining to all items under Sr.No. 26, it may appear that the said entry overs only the services which are in the nature of manufacturing, however, taking into consideration the description of various services covered in column (3) of the said entry and the fact that the activity of job work is not specified elsewhere in the said Notification the Applicant believes that the activity of 'Job work' is covered under the category of the broad level entry of "Manufacturing services on physical inputs (goods) owned by others'. Accordingly, Job work activity undertaken by them is covered under Sr. No. 26(id) of the Notification 11/2017.*

2.19 *The impugned activity does not amount to manufacture as defined under Section 2(72) of the CGST Act, 2017 since no new product having distinct name, character and use emerges on account of above mentioned Coating activity. The residual entry at Sr. No. 26(iv) may not be applicable in the case of the Company.*

2.20 *Further CBIC circular no. 126/45/2019 - GST dated 22.11.2019 has clarified that Sr. No. (id) will apply if services by way of treatment or processing is 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. Applicant undertakes process of coating on goods received from a registered person and as such entry no. 26(id) of Notification 11/2017 Central Tax (Rate) is applicable in their case.*

Argument in connection with coating services undertaken on old/worn out or used goods

2.21 *Coating services undertaken on old/worn out or used goods restores or improves the functionality already created and possessed by the article or thing. Such activity restores the old or damaged goods into good condition and also improves the functionality of the said article. Thus, activity of impugned coating services on old and worn out tools/inserts/capital goods can be categorized as 'Job work in the nature of 'repairs'.*

2.22 *Applicant submits that classification of a service is not determined on the basis of the end result but on the basis of the nature of activity carried out. The nature of goods i.e. whether received in*

original condition or received in old/worn out condition, does not make any difference in the Coating process undertaken on such goods. In this regard, Applicant relies upon decision of the CESTAT West Zonal Bench, Mumbai in the case of Radiowani Vs. Commr. of Service Tax, Mumbai - 1 - 2019 (21) G.S.T.L 157(Tri. Mumbai).

2.23 *Basis above, Applicant submits that classification of impugned activity on old/used/worn out goods also falls under service accounting code 998873 as metal treatment and coating services and not under 998729 as Maintenance and Repair services of other goods nowhere else classified and is therefore, w.e.f. 1.10.2019, chargeable to tax at 12% under entry 26(id) of Notification 11/2017 as amended and not at 18% under entry no. 25(ii) of the said is coating Notification.*

APPLICANT SUBMISSION DATED 05.10.2021:-

2.24 *The Applicant till 30.9.2019 was paying tax at 18% on all kind of Coating services undertaken by them. The Central Government amended Sr. No. 26 of the Notification 11/2017 vide Notification 20/2019 C.T.(R) dtd 30.9.2019 (effective from 1.10.2019) ('the Notification 20') so as to reduce the applicable rate of tax on the activity of Job work (except job work pertaining to certain specified goods) from 18% to 12%. The applicable rate of GST on the activity of 'Maintenance and Repair' services, however, continues to remain at 18% in terms of sr. no. 25(ii) of Notification 11/2017.*

2.25 *The Department has opined that for coating services to be covered under the scope of the term 'Job work' it needs to be understood from the perspective of how the service is provided and not from the perspective of what kind of service it is. The Department is of the view that:-*

1. *Coating services on New/original Goods received from OEMs are covered under SAC 998873 chargeable to Tax at 12% under entry 26(id) of Notification 11/2017*
2. *Coating services on New / Original Goods received from end Users is covered under SAC 998717 i.e maintenance and repair services of commercial and industrial machinery chargeable to tax at 18% under entry No. 25(ii) of Notification 11/2017*
3. *Coating services on Old Worn Out tools received is covered under SAC 998717 i.e maintenance and repair services of commercial and industrial machinery chargeable to tax at 18% under entry No. 25(ii) of Notification 11/2017*

2.26 *Applicant does not differ on the classification or rate of duty proposed by the Department on services provided under Category 1 above. Applicant differs from the classification under SAC 998717 and rate of duty at 18% under entry No. 25(ii) of Notification 11/2017 as proposed by the Department on services provided under category 2 above. With respect to the department's conclusion that Coating activity undertaken on New / Original Goods received from end Users is in the nature of Alteration services, applicant submits that the Coating activity undertaken by the*

Applicant is in the nature of treatment or process undertaken on goods belonging to another registered person and as such cannot be taken outside the scope of SAC 9988 and sr. No. (id) of entry 26 of Notification 11/2017.

2.27 *Further the inference drawn by the Department that Notification 11/2017-C. T (Rate), under entry No. 26, entails that the goods (on which* ***manufacturing services are provided the physical inputs owned by others*** *is also misleading and totally out of context. Entry 26 at the broad level under Column 2 covers* ***Manufacturing services on physical inputs (goods) owned by others****. By including the term (goods) before the term physical inputs the legislature has clearly aligned the broad description of the said services to the definition of the term job work under Section 2(68). Accordingly Sr. No. (id) of entry 26 clearly covers job work services i.e treatment or process on goods owned by others. CBIC has also clarified the same vide para 4 of Circular No. 126/45/2019 dated 22. 11.2019.*

2.28 *That in cases where the new goods are supplied to the applicant for the process of coating by the end users of such goods, these "new goods" cannot be categorized as physical inputs upon which any process of manufacture is being performed. The Department has also quoted Circular No. 38/12/2018 dated 26.6.2018 to infer that job worker is expected to work on goods sent by the principal i.e manufacturer and not the end user. Applicant submits that CBIC Circular No. 126/45/2019 has also clarified that Sr. No. (id) of Entry 26 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. Further, for the purpose of 'job work' the term principal as per Section 19 & Section 143 of the CGST Act means the registered person who sends the goods for Job work. Hence, inference drawn by the Department that any treatment or process can be held as amounting to job work only if the goods are sent by the manufacturer and not the end user is also not proper and correct and goes against the definition of job work under Section 2(68) itself.*

2.29 *The department has submitted that, new goods supplied by the end users are subjected to the process of alteration intended for enhancing their life, efficiency, strength and performance but, not as a part of manufacture. Applicant submits that such inference is not proper and correct. Applicant's services are in the nature of treatment or process undertaken on goods belonging to another registered person and as such fits the definition of job work under Section 2(68). Hence, covered by the scope of sr. no. (id) of entry 26 of Notification 11/2017.*

2.30 *Department has submitted that the coating services provided by the applicant on new goods supplied by end users are rightly classifiable under SAC 998717 as Maintenance and repair services of commercial and industrial machinery. Applicant submits that SAC under heading*

998717 does not cover alteration services and as such the coating activity cannot be placed under the said heading. Further inferences from other headings cannot be the basis for classification of services under another heading.

2.31 *SAC under heading 998873 clearly covers 'Coating services' and as such needs to be taken as the reference point for classifying the activity undertaken by the Applicant. Basis above submissions, Applicant pleads that coating activity undertaken on new goods received from end users are also covered under the scope of 'job work 'activity classifiable under SAC 9988 and as such chargeable to tax at 12% under sr. No. (id) of entry 26 of the Notification 11/2017. Applicant differs from the classification under SAC 998717 and rate of duty at 18% under entry No. 25(ii) of Notification 11/2017 as proposed by the Department on services provided under Category 3 above. Section 2(68) of the CGST Act, 2017 does not make any distinction between new goods or old / worn out goods for the purpose of categorizing any activity as job work activity. Further circular 126/45/2019 clarifies on similar lines and as such the coating activity undertaken by the Applicant on old / worn out tools are also covered under the scope of sr. no. (id) of entry 26 of Notification 11/2017.*

2.32 *We also rely on the following decision of the Advance Ruling authority in support of the above submissions namely*

- *ENP TECHNO ENGINEERS - 2021 (47) G.S.T.L. 426 (A.A.R. - GST - Guj.)*
- *ELECTROPLATING AND METAL FINISHERS - 2020 (34) G.S.T.L. 641 (A.A.R - GST - T.N.)*

03. **CONTENTION – AS PER THE CONCERNED OFFICER:**

OFFICER SUBMISSION DATED 21.06.2021:-

3.1 *Comments on Question No.1 is as under:-*

A. *As per section 2(68) of the CGST Act, 2017 and Sr. No. 3 of Schedule-II of the CGST Act, 2017, the activity of job work is a supply of services.*

B. *"Job Work" is not a variety of service but rather a way of providing service; it's not the subject of WHAT kind of service but how the service is provided. This point of view can be corroborated by the kinds or varieties of services enumerated under the SAC Headings, viz. 9954 provides for Construction Services; 0962 provides for Services in Retail Trade, 9965 provides for Goods Transport Services, 9972 provides for Real Estate Services, 9988 provides for Manufacturing Services on physical inputs (goods) owned by others, etc. In the case of semi-finished original tools, this process of coating is outsourced to the applicant. As per the explanatory Note on the SAC Heading 9988 it can readily be inferred that every Job Work is essentially a Manufacturing Service which finds its place in the SACs and the explanatory notes under heading 9988. Further,*

Notification No. 11/2017-C.T-(Rate), under entry no. 26, does entail that the goods (on which manufacturing services are provided) are the physical inputs owned by others.

C. *The original/new goods (physical inputs) are supplied by the OEM to the applicant in order to perform a part of the entire process of manufacture, i.e. to perform Job Work; namely surface coating. Thus, the service provided by the applicant appears to be rightly classifiable under the SAC: 9988, more specifically under 998873, as job work activity chargeable to tax @ 12% in terms of entry no. 26(id) of Notification No. 11/2017-C.T. (Rate), as amended. However, where new goods are supplied to the applicant for the process of coating by the End Users of such goods, this office is of the view that these "new goods" cannot be categorized as physical inputs upon which any process of manufacture is being performed. Here, it is pertinent to quote an excerpt from Circular No.38/12/2018, dated 26/06/2018 which reads as below:*

"the job worker is expected to work on the goods sent by the principal (manufacturer and not the end user) and whether the activity is covered within the scope of job work or not would mean to be determined on the basis of facts and circumstances of each case".*

It appears that, new goods supplied by the End Users are subjected to the process of alteration intended for enhancing their life, efficiency, strength and performance but not as a part of manufacture. Therefore, the coating service provided by the applicant in this case does not appear to qualify for being a Manufacturing Service and in turn not as Job Work either. Hence, in view of this, this service cannot be classified under the SAC: 9988. Further, though there is no specific SAC attributed to alteration service provided by the applicant under section 8 of chapter 99, references can be drawn from other SAC Headings wherein alteration services are invariably clubbed with repair services e.g., Explanatory Note on SAC heading 995429 reads. as Services involving repair, alterations, additions, replacements, renovation, maintenance or remoulding of the constructions covered above; Explanatory Note on SAC heading 995469 reads as Services n.e.c involving repair, alterations, addition, replacements, renovation, maintenance or remodeling of the works covered above; et al. Thus, it appears that the coating services provided by the applicant on new goods supplied by the End Users are rightly classifiable under SAC: 9987 [Maintenance, repair and installation (except construction) Services), more specifically under Heading 998717 [Maintenance and repair services of commercial and industrial, machinery, which specifically provides for repairs of machine tools. Hence, the rate of tax chargeable appears to be @ 18% in terms of entry no. 25(ii) of Notification No. 11/2017-CT.(Rate), as amended.

D. *As regards whether the activity of surface coating on original / new goods received from customer is classifiable under SAC: 998898 [Other manufacturing services 11.e.e.), it is submitted that since the referred activities performed by the applicants are capable of being differentially treated on the*

basis on their descriptions as discussed in above paragraphs, there is no need to classify the same under the general category of other manufacturing services.

E. *As regards, whether the activity of surface coating on original / new goods received from customer is chargeable to tax @ 18% in terms of entry no, 26(iv) of Notification No. 11/2017-C.T. (Rate), as amended, it is relevant to refer to the excerpt from Circular No. 126/45/2019-GST, dated 22/11/2019 which reads as under:*

"3. job work is 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 (ii) covers only job work services is defined in section 2 (68) of CGST Act, 2017, that is, services by any of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, the entry of item (iv) specifically excludes the Services covered by entry at item (id), and therefore, counts only such services which are carried out on physical inputs (goods) which are owned try persons other than those registered der tie CGST Act."

Upon going the excerpt from the cited circular, there should not be any trace of doubt that entry no. 26(iv) of Notification No. 11/2017-C.T.(Rate) is applicable to manufacturing services provided only to the unregistered persons under the CGST Act, 2017.

3.2 *Comments on Question No. 2 are as under:-*

A. *In respect of question no. (2), the applicant themselves submit that the old, used or worn-out goods are not sent by their customers for carrying out any part of the process of manufacturing, but to restore their functionality and thus rendering them reusable for customers. Thus, the inherent contradiction in the stance of applicant is evident. Further, every Job Work is essentially a Manufacturing Service which in turn is the services 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. As is evident, there is no element of any manufacturing process involved in the repair services provided by the applicant, and therefore the services so provided by the applicant cannot fall under SAC Heading 9988 as manufacturing services. Consequently, the applicant's contention that their 'Job Work in the nature of 'Repairs' is covered under the category of broad level entry of "Manufacturing Services on physical inputs (goods) owned by others" does not appear to hold ground. Hence, the rate of tax @ 12%, under SAC: 998873, in terms of entry no. 26(id) of the*

Notification No. 11/2017-C.T.(Rate), as amended, does not seen to apply for the said output services of the applicant.

B. *As regards the aspect of classification of their repair services under SAC: 9987, more specifically under 998729, chargeable to lax @ 18% in terms of entry 25(ii) of Notification No. 11/2017-C.T.(Rate), it is submitted that the Explanatory Note describes SAC Heading 998729 as Maintenance and repair services of other goods n.e.c: This service code includes repair services for household articles and equipment, no elsewhere classified, e.g., articles for igniting and other Personal and household goods, repair services for articles for sport and camping, "While-you-wit" services such as cutting of keys, fitting of heels, plastic coting of identity cards etc. Whereas, the repair services provided by the applicant seem rightly classifiable under SAC: 9987 [Maintenance, repair and installation (except construction) services], more specifically under Heading 998717 (Maintenance and repair services of commercial and industrial machinery) which specifically provides for repairs of machine tools. Hence, the rate of tax chargeable appears to be @ 18% in terms of entry no. 25(ii) of Notification No. 11/2017-C.T.(Rate), as amended.*

As regards the applicants contention that the classification of service is not determined on the basis of the end result but on the basis of the nature of activity carried out and that they carry out the activity of coating services on both the category of goods (new and old) and as such the coating services is in the nature of Job Work under GST, it is submitted that in the present case it is the "process" of coating which is same/similar in both the instances (i.e. coating process on old as well as new goods as submitted by the applicant) which does not mean that the "nature" of activity is also the same, since the process on the new goods supplied by the OEMs is in the nature of "Manufacturing Services (Job Work)" whereas the process on the old goods is in the nature of "Repair Services" as discussed in the paragraphs above.

04. HEARING

4.1 Preliminary e-hearing in the matter was held on 10.12.2020. Shri. Raveendra Pethe, CA, Shri. Ashok Gohel, DGM, Finance and Shri. Vivek Pandit, CFO appeared, and requested for admission of the application. Jurisdictional Officer was absent.

4.2 The application was admitted and called for final e-hearing on 05.10.2021. The Authorized representatives of the applicant, Shri. Ashok Gohel, DGM, Finance, Shri. Raveendra Pethe, CA and Shri. Sunil Kumar, CA were present. The learned Jurisdictional officers Shri. Parthi, Asst. Commissioner, Div-III, Bhosari and Shri. Madhukar Gajdhane, Superintendent, Div-III, Bhosari were also present.

4.3 Heard both the sides.

05. OBSERVATIONS AND FINDINGS:

5.1 We have perused the documents on record, facts of the matter and submissions made by both, the applicant as well as the jurisdictional officer.

5.2 The applicant undertakes surface coating services on automotive components, semi-finished/ original as well as old and worn out goods such as tools, inserts, semi-finished goods, capital goods etc., received from its clients. The clients of the applicant are of two types, namely, Original Equipment Manufacturers (OEMs) and End Use Customers (EUCs). Further, from the OEMs, only semi-finished/New/Original goods and automotive components are received whereas from its EUCs the applicant receives both, new/original as well as old and worn out goods.

5.3 The applicant has raised the question pertaining to the above transactions entered into by them with the said clients and the questions are (1) Whether the activity of surface coating on automotive components/semifinished, original/new goods received from Customer is classifiable under SAC 9988 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017-CTR as amended or at 18% in terms of entry no. 26(iv) of Notification no. 11/2017-CTR. And (2) Whether the impugned activity on old, worn out or used goods received from Customers is classifiable under SAC 9988 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017-CTR as amended or under SAC 9987 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification No. 11/2017-CTR.

5.4 We now take up the questions pertaining to each of the transactions as under:

5.5 COATING SERVICES ON NEW/ORIGINAL GOODS AND AUTOMOTIVE COMPONENTS RECEIVED FROM OEMs

5.5.1 The issue is whether the impugned activity/process carried out by the applicant on new/original goods and automotive components received from its clients, OEMs in this case, amounts to jobwork and if yes, whether the provisions of Notification 11/2017 C.T. (Rate) are applicable in its case.

5.5.2 The applicant's activity is rendering of coating services (which is outsourced to them by the OEMs), for various products belonging to its clients. The applicant has submitted that the new/original goods received from OEMs, are coated with material such as titanium, chromium, aluminum etc., to enhance their life, efficiency, strength and performance. For conducting the said processes the applicant also uses its own raw materials. Details of the activity are mentioned in the applicant's application.

5.5.3 According to the applicant's oral submissions also, during the course of the online hearing, the coating process undertaken by them only increases the life span, efficiency, strength and performance of the automotive components new/original supplied by their principal manufacturers viz. the OEMs etc. and does not result in any new product. We also observe that no new product emerges after the subject process has been carried out by the applicant. The basic characteristics of the product have not been lost. Thus, in view of the contention of the applicant that they are a job worker, we now discuss the specific issue hereon.

5.5.5 Job work is just a process undertaken by a job worker on goods belonging to a principal. Job work may or may not amount to manufacture. Further, a job worker may or may not use some portion of his material. Job work has been defined under section 2(68) of the **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'.*

5.5.6 *Whereas the term 'manufacture' has been defined under section 2(72) of the CGST Act, 2017 to mean "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"*

5.5.7 The product that comes into emergence after the coating process is undertaken is the same. The process undertaken by applicant only increases the life span, efficiency, strength and performance of the said product and no new products emerges after the subject process been carried out.

5.5.8 From the submissions made by the applicant we find that, after they undertake process on the goods supplied by their GST registered principal i.e OEMs, the new product that emerges does not have a distinct name, character and use and therefore the applicant cannot be considered as a manufacturer of the impugned products.

5.5.9 Section 143 (1) (a) of the CGST Act, 2017 specifies that the material sent out for Job Work should be brought back by the principal, after completion of job work or otherwise, within one year of the goods being sent out. The applicant during online hearing has stated that this condition is also satisfied by them.

5.5.10 From the submissions made by the applicant we find that :-

I. The process of coating is undertaken by a person i.e., the applicant;

II. The process is undertaken on goods belonging to another person who is registered under the GST Act;

III. Only job charges in the form of processing charges, are received by the applicant.

IV. The goods after processing are returned back within one year.

V. No new product emerges after the process is carried out by the applicant on the goods belonging to principal.

VI. The applicant receives only job charges from GPL for the services rendered.

5.5.11 Since no new product comes into existence after the process conducted by the applicant on the goods supplied by its principals, therefore the process undertaken will come under the purview of job work as defined under Section 2 (68) of the CGST Act, 2017. Thus, in view of the above we find that, the applicant is only a job worker to the OEMs and as a job worker, carries out processes on goods supplied by its principals.

5.5.12 The relevant provisions of Notification No.11/2017-Central Tax Rate dated 28.06.2017, as it existed prior to 01.10.2019 is as under:-

Sr No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
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) Textile yarns (other than of man-made fibres) and textile fabrics; (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); (d) Printing of books (including Braille books), journals and periodicals; (e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975). Explanation.- "man made fibres" means staple fibres and filaments of organic polymers produced by manufacturing processes either,- (a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by 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	2.5	

		modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.		
		(ii) Manufacturing services on physical inputs (goods) owned by others, other than (i) above	9	

5.5.13 Entry at item (id) under heading 9988 of Notification No.11/2017-CTR dated 28.06.2017 was inserted with effect from 01.10.2019, by per Notification No. 20/2019- CTR dt. 30.09.2019 and subsequent to the same the relevant entry at Sr. No. with all amendments made till 01.10.2019, is as under :-

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
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 textile products falling under Chapter 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);"; (c) all products other than diamonds, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);"; (d) Printing of books (including Braille books), journals and periodicals; "(da) printing of all goods falling under Chapter 48 or 49, which attract CGST @ 2.5per cent. or Nil;" (e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975). "(ea) manufacture of leather goods or foot wear falling under Chapter 42 or 64 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975) respectively;"; "(f) all food and food products falling under Chapters 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975); (g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975), except dog and cat food put up for retail sale falling under tariff item 23091000 of the said Chapter; (h) manufacture of clay bricks falling under	2.5	

		tariff item 69010010 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);"; '(i) manufacture of handicraft goods. Explanation. - The expression "handicraft goods" shall have the same meaning as assigned to it in the notification No. 32/2017 - Central Tax, dated the 15th September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1158 (E), dated the 15th September, 2017 as amended from time to time.'.		
		"(ia)Services by way of job work in relation to- (a) manufacture of umbrella; (b) printing of all goods falling under Chapter 48 or 49, which attract CGST @ 6per 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 (51of 1975);	0.75	
		(ic) Services by way of job work in relation to bus body building;	9	
		(id) Services by way of job work other than (i), (ia), (ib) and (ic) 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 attract 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 attract CGST @ 6per cent.	6	
		"(iii) Tailoring services	2.5	
		(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) above.	9	

5.5.14 From the discussions above, we find that, the impugned services supplied by the applicant are in the nature of job work. We further find that the said services do not fall under entries at items (i),

(ia), (ib) and (ic) above. Therefore we find that the subject supply of services will be covered by the residuary entry at item (id) of the said notification, namely, *Services by way of job work other than (i), (ia), (ib) and (ic) above.*

5.5.15 Further, Hon'ble Supreme court in the case of Maruti Suzuki Limited Vs. CCE, New Delhi, 2015 (318) E.LT 353 (S.C) has also held that there is a distinction between processing and manufacture and that Electro Deposition (ED) Coating of anti-rust treatment to increase shell life of various component is merely a processing activity and not a complete manufacturing activity. The Honorable Supreme court has held as under

"9. We have heard learned counsel for the parties. In our view, on the true construction of Rule 57F(1), it would be clear that the "input" that is removed from the factory for home consumption is bumpers, grills, etc., being spare parts of motor vehicles procured by the appellant before us. According to us, E.D. Coating which would increase the shelf life of the spare parts and provide anti-rust treatment to the same would not convert these bumpers, etc., into a new commodity known to the market as such merely on account of value addition. 10. In one of the very first important judgments on the Central Excises and Salt Act, 1944, namely Union of India v. Delhi Cloth and General Mills Co. Ltd. (1977 (1) E.L.T. 199), an important distinction was made between manufacture and processing. It was held that processing and manufacture are distinct concepts in law and only such processing as results in a transformation, namely, that a new and different article emerges having a distinct name, character or use, that Excise duty, which is only on manufacture, can be levied..... 21. On the facts of the present case, we have first, therefore, to arrive at whether there is "manufacture" at all and only subsequently does the question arise as to if this is so, what is the valuation of the processed goods and whether duty is payable upon them. We have found on facts that for the purposes of the proviso to Rule 57F (2), the inputs that were not ultimately used in the final product but were removed from the factory for home consumption remain the same despite ED coating and consequent value addition. We follow the law laid down in S.R. Tissues Pvt. Ltd.'s case and state that on account of mere value addition without more it would be hazardous to say that manufacture has taken place, when in fact, it has not. It is clear, therefore, that the inputs procured by the appellants in the present case, continue to be the same inputs even after ED coating and that Rule 57F (2) proviso would therefore apply when such inputs are removed from the factory for home consumption, the duty of excise payable being the amount of credit that has been availed in respect of such inputs under Rule 57A."

5.5.16 The activity of the Applicant fits the definition of Job work under the present law. Further in terms of the Apex Court's ruling also, activity of coating is only a process undertaken on goods.

5.5.17 In view of the above, we hold that the impugned services supplied by the applicant are in the nature of job work services, classifiable under Entry at item (id) under heading 9988 of Notification No.11/2017-Central Tax Rate dated 28.06.2017 as amended.

5.6 COATING SERVICES ON OLD, WORN OUT OR USED GOODS RECEIVED FROM End Users

5.6.1 The applicant has submitted that they also receive old/worn out or used goods from end users for coating work. The Applicant believes that process of coating undertaken on old, used or worn out goods can be categorized as job work as well as 'repairs' under GST. The applicant has also submitted that, in connection with coating services undertaken on old/worn out or used goods, the term 'repair' means 'to restore something damaged, faulty, or worn to a good condition' and therefore repair or maintenance service restores or improves the functionality already created and possessed by the article or thing and further, such activity restores the old or damaged goods into good condition and also improves the functionality of the said article. According to the applicant, the activity of coating services performed on old and worn out tools/inserts/capital goods can be categorized as 'Job work in the nature of 'repairs' and the activity of coating restores such old and worn out goods back into good and working condition.

5.6.2 During the course of the final hearing the applicant stated that the old and worn out goods are received by them from the actual users. Thus, the said old and worn out goods are not received by them from other registered/unregistered manufacturers or persons to carry out the process of job work.

5.6.3 We find that Applicant receives old and worn out goods from its customers who have actually used the said goods and such use has resulted in wear and tear. The applicant has restored the old or damaged goods into good condition and also improved the functionality of the said goods, by the impugned activities. As per section 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 and the expression "job worker" shall be construed accordingly'. Thus* Job work is a processing or working upon raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the afore-mentioned process. In other words the old and worn out goods already existed as finished products which were sold as such by the various manufacturers to the end users and have been used to an extent which has resulted in wear and tear.

5.6.4 Whereas, repairing of the goods signify working on some goods which are already in existence. The already existing goods (old and worn out) are worked on so that the defects get removed and

the same are ready for reuse, again. There is no new product emerging. The supply of service in the subject case is nothing but repair done on some old and used product to make them reusable, to restore the old or damaged goods into good condition and also improve the functionality of the said goods, by the impugned activities.

5.6.5 The applicant, during the course of the online hearing has submitted that they receive old, used and worn out goods from end users and perform coating work on the same and are aware that the said process may be either treated as job work or repair. The applicant themselves submitted that, with respect to old, used or worn out goods, the process of coating done by the applicant remains the same, however the said goods are not sent by the Customers for carrying out any part of the process of manufacturing but to restore the functionality of the old and worn out tools and make them reusable for such Customers. In fact one additional process required for such old and worn out tool is re-sharpening which is done by the applicant themselves or is outsourced to third parties.

5.6.6 We find that some extensive processes are performed on the old and used goods i.e. cutting tools and components which may undergo some change but the change does not result in any new product. Further, we find that, in the subject case, old, worn out cutting tools and components/goods are converted into reusable cutting tools and components /goods. The old worn out cutting tools and components/goods are not a distinct commodity from serviceable cutting tools and components/goods, only that they were rendered unusable only because of wear and tear over a period of prolonged use. When the old and worn out goods are repaired, no new commercial commodity comes into being, rather it remains a cutting tool/component but now it can be reused. An example would be of a Television Set which has stopped working due to certain reasons like, failure of a circuit, etc. When such a Television set is taken up for correcting the deficiency in order to make it workable, it cannot be said that the concerned mechanic has manufactured a new Television or has conducted job work which has resulted in the production of a new Television.

5.6.7 The primary question asked by the applicant is whether the subject activity of coating services in case of old and worn out goods like components and cutting tools are treatable as a job work service under SAC 9988 or is treatable as a repair/maintenance service under SAC 9987. The applicant has also submitted that the classification of the coating activity undertaken on old/used/worn out goods could also fall under service accounting code 998873 as metal treatment and coating services and not under 998729 as Maintenance and Repair services of other goods nowhere else classified.

5.6.8 We find that SAC 9988 covers under its ambit "Manufacturing services on physical inputs owned by others". The term *'manufacture' has been defined under section 2(72) of the GST Act, 2017 to mean* "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"

5.6.9 In the subject case there is no processing of raw material nor is there an emergence of a new product. Further, **Job work is just a process undertaken by a job worker on goods belonging to a principal and may or may not amount to manufacture and the term** "Job work" has been defined under section 2(68) of the **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'.*

5.6.10 In the subject case, impugned goods are received by the applicant from end users who had already purchased the said goods as a finished product, used the same and after wear and tear happening on the said goods, have brought the same to the applicant for making the same usable again. The end users cannot be termed as "principal" in the subject case as referred to, in a Job work process. The above example of a Television set being made workable after some process carried out by a Television mechanic holds goods in the subject case. The conversion of used and worn out goods into reusable ones cannot be treated as a manufacturing or job work activity.

5.6.11 SAC 9987 covers under its ambit "Maintenance, repair and installation (except construction) service". The process undertaken by the applicant to convert used, worn out cutting tools and components is aptly covered under SAC 9987 as repair services, in view of the discussions made above, we hold that the subject activity undertaken by the applicant is repair activity. In the case of Saraswati Industrial. Syndicate Ltd. V/s. UOI, 1985(20) ELT-251, the Hon'ble Punjab and Haryana High Court observed as under:-

7 "The old and worn out Sugar Mill Rollers are received by the petitioner. The outer case shell is broken. The resultant cast iron is melted. A requisite quantity of the metal is added thereto and the same is cast into a shell which is mounted on the shaft. This roller is then machined and grooved. No doubt, the old roller passes through, a number of processes and suffers from series of changes, but ultimately what emerges is a Sugar Mill Roller. The only change made is that unserviceable roller is turned into a roller which can be used in a Sugar Mill Roller. However, no new or distinct article emerges. Commercially the old and worn out roller is also known as Sugar Mill Roller. Similar is the position of the Sugar Mill Roller which is delivered to the customer after its reconditioning. The plea of Shri H.S. Brar that the old worn out roller is only an iron scrap and is a distinct commodity from a serviceable roller, is not acceptable. Any article which

*is rendered unserviceable by its use does not change its nature or character. It remains the same and is known by the same name in the commercial world. When it is repaired or reconditioned, no new commercial commodity comes into being. Even after undergoing a degree of processing it st*ill retains its original identity".

Thus the said Hon'ble Court has held that the reshelling of old worned out sugar mill rollers is a repairing activity and cannot be treated as manufacturing of new goods

5.6.12 The relevant provisions of Notification 11/2017 C.T. (Rate) dated 28.06.2017 as amended, is reproduced as under:

Sr No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
25	Heading 9987	(i) Services by way of house-keeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.	2.5	Provided that credit of input tax charged on goods and services has not been taken [Please refer to Explanation no. (iv)].
		(ii) Maintenance, repair and installation (except construction) services, other than (i) above.	9	--

5.6.12 In view of the above discussions, we hold that the subject activity undertaken on old and worn out goods received from the end users is an activity of repair and squarely falls under SAC 9987 and will attract 18% GST under Entry No. 25(ii) of Notification No. 11/2017 dated 28.06.2017, as amended.

5.6.13 The Applicant has also contended that the classification of the coating activity undertaken on old/us*ed/*worn out goods could also fall under service accounting code 998873 as metal treatment and coating services.

5.6.14 SAC 9988 covers manufacturing services on physical inputs owned by others. The services are characterized as outsourced portions of a manufacturing process or a complete outsourced manufacturing process. We have already held above that the coating services on the old and worn out goods like cutting tools and components is an activity of repair and squarely falls under SAC 9987. The coating services on old and worn out goods supplied by end users are not an activity as outsourced portions of a manufacturing process or a complete outsourced manufacturing process and therefore we are of the firm view that the impugned activity does not fall under SAC 998873.

5.7 **COATING SERVICES ON NEW TOOLS RECEIVED FROM End Users**

5.7.1 The applicant, in their submissions, has generally stated that New Tools are also received from end users for coating works.

5.7.2 However they have also submitted that In the case of semi-finished/original tools, the process of 'coating' is outsourced by such tool manufacturers to the Applicant as one of the process involved during manufacture of semi-finished or original tools.

5.7.3. Further, with respect to old, used or worn out goods, the applicant has submitted that the said goods are not sent by the Customers for carrying out any part of the process of manufacturing but instead to restore the functionality of the old and worn out tools and make them reusable for such Customers. Thus it appears that such goods are sent by the end users. The applicant has not submitted details of new goods received from end users, if any, for coating services to be carried out.

5.7.4 Thus from the submissions made by the applicant, we observe that the semi finished/new/original goods are received only from tool manufacturers and not from end users and therefore we do not take up the issue of "**coating services on new tools received from end users for further discussion.**

06. 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)

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

Question 1:- Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on original/new goods received from Customer is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or at 18% in terms of entry no. 26(iv) of Notification no. 11/2017.

Answer:- The activity of surface coating undertaken by the Applicant on original/new goods received from Customer (tool manufacturers and not end users) is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) dated 28.06.2017, as amended.

Question 2:- Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on old, worn out or used goods received from Customers is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or under Service accounting code 9987 more specifically under code 998729 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification no. 11/2017.

Answer:- The activity of surface coating undertaken by the Applicant on old, worn out or used goods received from Customers (end users) is classifiable under service accounting code 9987 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification no. 11/2017-CTR dated 28.06.2017, as amended.

RAJIV MAGOO
(MEMBER)

T.R. RAMNANI
(MEMBER)

MEMBER, ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

PLACE - Mumbai
DATE - 09.12.2024

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.