M/s. Prayatna Infratech Pvt. Ltd. (printed as M/s. Prayatna Infratech Pvt. Ltd.; also referred to as Prayatna Infratech Private Limited)

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 52/2022-23/B- 156 Mumbai, dt. 28.09.2026 Dated **28.09.2026**

Q Questions Before the Authority

- What will be the applicable Service Accounting Code for the activity carried out by the Applicant on the goods owned and supplied by Riverview City Constructions Limited?
- At what rate would Goods and Services Tax be charged on the activity carried out by the Applicant on the goods owned and supplied by Riverview City Constructions Limited?

F Facts

The Applicant prepares ready-mix concrete (RMC) at an RMC batching plant it has set up at the Riverview City project site of Riverview City Constructions Limited (RCCL), a GST-registered company. RCCL supplies the cement, sand, aggregates, water and admixtures free of cost and retains ownership of them and of the resulting RMC, while the Applicant bears the plant's operating costs such as power, fuel, labour and maintenance. The Applicant's work orders describe the scope as "Mixing and Primary Transportation of RMC" at rates stated to be without material, and its invoices bill only that service.

H Ruling

Service Accounting Code for the processing of RCCL-owned goods	**SAC 998853 (Other non-metallic mineral product manufacturing services)**	Classified within Heading 9988, manufacturing services on physical inputs owned by others.
Rate of GST on the same activity	**12% (6% CGST + 6% SGST) up to 21.09.2025; 18% (9% CGST + 9% SGST) from 22.09.2025**	Up to 21.09.2025 under Sl. No. 26(id) of Notification No. 11/2017-CT (Rate); from 22.09.2025 under Sl. No. 26 as amended by Notification No. 15/2025-Central Tax (Rate) dated 17.09.2025.

The Applicant is not supplying RMC as goods but is providing a **service by way of treatment and processing of goods belonging to a registered person** , which is job work under Section 2(68). The activity is classifiable under SAC 998853 within Heading 9988. GST is payable at 12% (6% CGST + 6% SGST) up to 21.09.2025 under Sl. No. 26(id), and at 18% (9% CGST + 9% SGST) from 22.09.2025 under substituted Sl. No. 26 as amended by Notification No. 15/2025-Central Tax (Rate).

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

R Reasoning

The Authority held that Schedule II, Para 3 treats any treatment or process applied to another person's goods as a supply of services, so the RMC activity is a service even though it may amount to manufacture in the excise sense. It then found all three limbs of Section 2(68) satisfied: processing takes place, the goods belong to RCCL, and RCCL is registered. Because the principal is registered, the job work falls under Sl. No. 26(id) and not the residual entry Sl. No. 26(iv), as read with CBIC Circular No. 126/45/2019-GST. The Authority relied on the documentary evidence of the work orders and invoices, which showed rates without material and no separate value for RMC, to conclude that the consideration was for service only. The rate was split into two periods because of the mid-proceedings amendment.

P Provisions Relied On

- Section 7 and Section 7(1A) of the CGST Act (meaning of supply)
- Schedule II, Para 3 of the CGST Act (treatment or process on another person's goods is a supply of services)
- Section 2(68) of the CGST Act (definition of job work)
- Section 2(72) of the CGST Act (definition of manufacture), considered but held not decisive
- Section 9(1) of the CGST Act (charge of tax)
- Section 97(2) of the CGST Act (admissibility of the application)
- Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 26(id) and Sl. No. 26(iv), Heading 9988
- Notification No. 15/2025-Central Tax (Rate) dated 17.09.2025 (substitution of Sl. No. 26 with effect from 22.09.2025)
- CBIC Circular No. 38/12/2018-GST dated 26.03.2018 (job worker may use own goods in addition to principal's goods)
- CBIC Circular No. 126/45/2019-GST dated 22.11.2019 (demarcation between Sl. No. 26(id) and 26(iv))
- Larsen & Toubro Ltd. (Supreme Court) and Prestige Engineering (India) Ltd. (Supreme Court), as cited by the Applicant

! For the Practitioner

A practitioner with a toll or contract RMC arrangement, where the customer supplies all inputs and the operator bills only for mixing and transport, can use this ruling to support job work classification at the 12% rate for the earlier period and the 18% rate from 22.09.2025. The ruling also shows that invoice wording and work orders reading "without material" carry weight. It does not decide the position where the operator procures any materials, or where the arrangement lacks written ownership terms, and it is an advance ruling binding only on the parties.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 5-prayatna_infratech_ara_order.pdf

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