



**PUNJAB AUTHORITY FOR ADVANCE RULING,  
GOODS AND SERVICES TAX, BHUPINDRA ROAD,  
PATIALA 147001, PUNJAB**

**ORDER NO. AAR/GST/PB/004 dated 13.8.2018**

(Note: An Appeal against this order lies with the Appellate Authority in terms of Section 99 and Section 100 of the CGST Act, 2017 and Section 99 and Section 100 of the PGST Act, 2017 within a period of thirty days from the date of communication of this order.)

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|--------------------------------------|---|--|
| Name and Address of the Applicant    | : | M/s Evergreen Publication (India) Ltd<br>ND-200, Tanda Road,<br>Jalandhar-144008 |
| GSTIN of the Applicant               | : | 03AAACE8776A1ZX  |
| Date of application/ Date of Receipt | : | 03-03-2018 / 06-03-2018  |
| Date of Personal Hearing             | : | 16-07-2018   |
| Present for the Applicant            | : | Sh. Naresh Chawla, Advocate  |

M/s Evergreen Publication (India) Ltd, ND-200, Tanda Road, Jalandhar-144008, District Jalandhar (Punjab) hereinafter referred to as 'applicant' had submitted an application for advance ruling in form GST ARA-01 vide his letter dated 03.03.2018 received on 06.03.2018 seeking to know whether the Lab manuals generally for class 6<sup>th</sup> to 12<sup>th</sup> printed by printing/publishing industry as prescribed by education boards & written by author(s), is a tax free product falling under heading 4901 attracting nil duty. In this regard, comments from the concerned officer i.e. Assistant Commissioner of State Taxes, Jalandhar-2 have been sought. The concerned officer vide his letter dated 17-05-2018 stated that the products supplied by the Tax Applicant are to be covered under chapter 4901 and not under 4820 in light of Circular No. 1052/01/2017-CX dated 23-02-2017 and Circular No. 1057/06/2017-CX. A personal hearing of the applicant in this regard was held on 16.07.2018 before the Advance Ruling Authority, Punjab on which date Sh. Naresh Chawla, Advocate appeared on behalf of the applicant. The questions raised by the applicant have been discussed at length. The counsel for the dealer had submitted a detailed written submission, which is reproduced as under.



(2)

**Written submissions & synopsis by the Applicant in respect of application for Advance Ruling**

1. The applicant industry is manufacturing the Lab Manuals called "Books" printed/published in accordance with the specified syllabus issued by CBSE for class VI to class XII which is written by the authors as per prescription by Educational Boards. It comprises of the entire syllabus of the practical subject described and consists of the comprehensive study material covering syllabus, questions/answers part & some leafs for the use of the students. The printed material is in book form which is covered under chapter 4901 attracting nil duty at entry no. 119 of Schedule of Exempted goods in accordance with ntn no. 12/2017
2. Whereas 'exercise books'/'writing books' simply contain sheets of lined paper, commonly known as 'note books' for practising and are used by students for taking down notes or for practising written contents and/or solving problems. Thus 'exercise books' generally do not contain any instructions and are merely compilation of plain papers with lines printed on them. The printing of lines on the plain paper is merely for enabling the students to write in a straight manner. Merely printing of lines and binding these ruled sheets does not per-se qualify these 'note books' or 'exercise books' as 'printed books' whereas the Lab Manuals have been written by experienced authors, teachers and experts with the following objectives
  - The Lab Manual is in book form & covers the entire syllabus of the subject to be exercised by the student.
  - The Lab manual printed by printing industry through an author as prescribed by Education Board consists of majority of printed material for education (Chapter-wise for student) & only few blank papers for exercise purpose are left
  - These books are written by an author as per syllabus issued and as prescribed by the board(s) are only printed by the printing/publishing industry.
  - The printed material also comprises of the questions /answer part & the blank sheet is only meant for the exercise of the students.
3. The Lab Manual is designed in such form that it covers the text & the some vacant spaces for exercise. It is pertinent to mention here that the printed material in the form of text, question/answer is of the primary use whereas the vacant space of exercise is only incidental to the primary use of the book. The main object of the printed material is to provide the text of book as per syllabus to the student including the question/answer and this object is primary whereas the vacant sheet attached is only incidental for the



formation of the books, Lab Manual is prescribed by CBSE for the student of class VI to class XII.

4. Vide Circular no. 1052/01/2017-CX issued on 23.02.2017 for the classification of articles for printing industry it has been categorically held that

*"The note book containing some text, question/answer & spaces for exercise has been classified under the heading 4901"*

As per rule 4 of general rule for interpretation of the schedule, goods must be classified under the heading appropriate to the goods to which they are most akin.

5. Circular no. 1057/06/2017-CX dt, 07.07.2017 has classified the printed work books, exercise book as follow:-

2. The issue has been examined. Exercise Books have been explained in HSN under explanatory note (2) to Heading 48.20 as, "These may simply contain sheets of lined paper but may also include printed examples of handwriting for copying in manuscript". Such exercise Books are specifically classified under heading 4820 of the erstwhile CETA, 1985. These are nothing but stationary items having blank pages with lines for writing and may also include printed texts for copying manually. In common parlance they are more akin to handwriting "note books" for practicing rather than "work books" containing printed exercises. This definition of Exercise Books is in harmony with other items specified under Chapter Heading 4820 of erstwhile CETA, 1985 such as registers, note books, diaries, letter pads etc. where printing is incidental to their primary use i.e. writing. **The fact that printing is incidental to their primary use is the guiding principle for classification of Exercise Books under heading 4820 of erstwhile CETA, 1985**

3. Printed work books on the other hand are books where printing is not merely incidental to the primary use. HSN Explanatory notes (A) to the heading 49.01 reads as, "Books and booklets consisting essentially of textual matter of any kind, and printed in any language or characters...include...textbooks (including educational workbooks sometimes called writing books), with or without narrative texts, which contains questions or exercises (usually with spaces for completion in manuscript)...." Thus, printed work books containing questions followed by spaces for writing or other exercises would fall within the scope of Chapter 49. Further, since printing in case of printed workbooks is not merely incidental to the primary use of the goods, such goods are classifiable under Chapter 49, in terms of chapter note 12 to chapter 48 of erstwhile CETA, 1985

6. Discussion on the 'Printed book' under Heading 4901 reads as under:

4901- Printed books, brochures, leaflets and similar printed matter, whether or not in



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single sheets.

(A) Books and Booklets consisting essentially of textual matter of any kind, and printed in any language or characters, including Braille or shorthand. They include literary works of all kinds, text-books (including educational workbooks sometimes called writing books), with or without narrative texts, which contain questions or exercises (usually with spaces for completion in manuscript); technical publications; books for reference such as dictionaries, or without printed instructions, for completion by drawing or colouring; sometimes cultured illustrations for guidance are incorporated. They also include similar books with "invisible" outlines or colour which can be made visible by rubbing with a pencil or applying water with a paint brush, and also books in which the small amounts of water colour required for colouring are contained in the books (e.g., in the form of a palette).

The issue of classification of text books and printed work text books was subject matter of CWP No. 7198 of 2016 before the Hon'ble High Court of Delhi. It was claimed by the petitioner that the said goods are appropriately classifiable in Chapter 49 of the Central Excise Tariff Act, whereas the department was considering classification as exercise books in Chapter 48 (4820) of Central Excise Tariff Act. The Hon'ble High Court of Delhi vide order dated 31.08.2016 had directed CBEC to examine the matter and pass appropriate order. Accordingly, CBEC has clarified the issue vide Circular No. 1057/6/2017 - CX dated 07.07.2017.

The goods covered under the relevant headings have been distinguished by Circular No. 1057/6/2017 - CX dated 07.07.2017. **The guiding principle for classification has also been laid down.**

From the above, it is observed that the relevant headings 49.01 cover generally the following goods:

**Heading 49.01: This heading generally covers textual reading material/books including text- books, catalogues, prayer books etc. The heading 49.01 specifically covers educational workbooks or writing books.**

**In the case of certain goods of heading 49.01 e.g. workbooks, there may be space for writing in addition to the printed text but printing is of primary use and space for writing is incidental.** On the contrary, in case of certain goods of heading 48.20 e.g. diaries, exercise books, there may be considerable amount of printed matter but the printing is incidental to their primary use of writing by hand.

It is observed that the main feature which differentiates 'Work Books' of heading 4901 from the 'Exercise Books' of heading 4820 is that whereas the 'Work books' of heading 4901 contain questions or exercise with space for writing the answers whereas,



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the 'Exercise Books' of heading 4820 contain printed texts with space for copying manually.

**Discussion and Findings :**

1. We have carefully gone through the facts of the case and the relevant legal and administrative instructions applicable in the present case. After going through the material supplied by the applicant , it is seen that the question which has been raised by the applicant can be framed as – whether 'Lab manual' written by authors as prescribed by Educational Boards and which also contains, apart from chapter wise printed material and printed question and answers, some blank sheets / papers for exercise by students, would be classified under GST Tariff heading 4901 as 'Printed Books' which carries Nil rate of tax or would it be classified under the GST tariff heading 4820 which attracts tax @ of 12% (CGST + SGST) under the description ' Laboratory Notebooks'.
2. The impugned 'Lab Manual', a sample of which was submitted by the applicant during personal hearing , is observed to be an educational book by two authors , duly edited and published ( by the applicant) which has 203 pages of printed material of instructional nature in the beginning followed by about 158 blank pages for students to exercise and write. Therefore, it has been observed that the 'Lab Manual' is primarily a printed book in the major part with a smaller , yet not insignificant part dedicated to providing blank space to the students to do his/her written exercises.
3. It is seen that this issue has been discussed in CBEC Circulars no- 1052/01/2017-cx dated 23.02.2017 and No. 1057/06/2017-cx dated 07.07.2017. As per Circular dated 07.07.2017, in case of Printed workbooks, where printing is not merely incidental to the primary use of the goods, it has been held such goods classified under printed workbooks fall in chapter 49, in contrast to cases where printing is incidental to the primary use i.e writing in which cases the goods have been held classified under the chapter heading 4820. In the present case, perusal of sample lab manual supplied by the applicant, who has been described above, clearly shows that printing is not merely incidental to the primary use, but actually forms a major part of the book and fulfills the primary objective of imparting knowledge to the student. Rather writing becomes the incidental part in the case on hand as the blank pages providing space to the students to write form a lesser part of the Lab manual and enables the students



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to write in the context of what they have learnt in the major printed instructional material of the book. Hence it becomes clear after balancing the facts of the present case with the instructions related to classification given in the said Circular dated 07.07.2017, that the Lab Manuals being published by the applicant are rightly classifiable under the GST Tariff heading 4901 as 'printed books' and would consequently carry Nil rate of tax which is presently applicable to the said heading.

4. It is further seen that a similar clarification relating to classification of practical notebooks had also been issued earlier vide Circular no 1052/01/2017-cx dated 23.02.2017 wherein it had been categorically mentioned that notebooks containing some texts, questions and spaces for exercises would be classified under heading 4901. In the present case the Lab Manuals not only contain 'some texts' but a rather large part of these Manuals consists of instructional / educational text which would clearly make these Lab Manuals eligible for classification under tariff heading 4901.

5. It may be noteworthy that though the Circulars mentioned above are in the context of classification under the erstwhile Central Excise Tariff Act, 1985, the ratio of these Circulars would be equally applicable to classification under the GST Tariff as chapter 48 and 49 are based on the same lines in both these Tariffs.

6. In view of the above discussions and findings, we reach the conclusion that the Lab Manual being published by the applicant which comprises bulk of instructional /educational printed material as per syllabus of Educational Board and which also contains some blank pages for the students to practice or write, would be classified under GST Tariff heading 4901 as printed books which currently carry a Nil rate of tax.

7. Accordingly we pronounce the following Advance Ruling under section 98(4) of the CGST Act, 2017 and section 98(4) of the Punjab GST Act, 2017 to the question raised by the applicant:

*The Lab Manual being published by the applicant which comprises of a bulk of instructional /educational printed material as per syllabus of educational board and which also contains some blank pages for the students to practice or write, would be classified under GST Tariff heading 4901 as printed books which currently carry a Nil rate of tax.*

*N. Bhinder*  
Navdeep Bhinder  
Member, SGST 13/8/2018

*G.S. Bains*  
13.8.2018  
G.S. Bains  
Member, CGST

To



M/s Evergreen Publication (India) Ltd  
ND-200, Tanda Road, Distt. Jalandhar-144008 (Punjab)  
GSTIN : 03AAACE8776A1ZX

Copy to:

1. The Special Secretary, Goods and Service Tax Council, 5<sup>th</sup> floor, Tower-II, Jeevan Bharti Bldg., Connaught Place, New Delhi w.r.t. F. No. 193/Advance Ruling/ GSTC/2017 dated 01.05.2018.
2. The Commissioner of State Taxes, Punjab.
3. The Commissioner, CGST, Jalandhar, Camp Office GST Bhawan, Rishi Nagar, Ludhiana.
4. The Assistant Commissioner of State Taxes, Jalandhar-2
5. The Assistant Commissioner CGST Division -I/II/III, Jalandhar, Link Road, Jalandhar