

**AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICE TAX
UTTAR PRADESH
4, Vibhuti Khand, Gomti Nagar, Lucknow-**

ADVANCE RULING NO. UP ADRG 35 /2023 Dated. 27.09.2023
PRESENT:

1. Shri Amit Kumar

Joint Commissioner, Central Goods and Service Tax
Audit Commissionerate, LucknowMember (Central
Tax)

2. Shri Harilal Prajapati

Joint Commissioner, State Goods and Service TaxMember
(State Tax)

1.	Name of the Applicant	M/s Gopson Printers Pvt Ltd., A-14, Sector-60, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301
2.	GSTIN or User ID	09AAECG8867E1Z7
3.	Date of filing of Form GST ARA-01	08.12.2022 (Received in office on 03.07.2023)
4.	Represented by	Shri Praveen Sharma
5.	Jurisdictional Authority- Centre	Range-Range 9, Division- Division II Noida, Commissionerate- Noida
6.	Jurisdictional Authority-State	Sector- Noida Sector-12, Range- Gautambudha Nagar, Zone- Gautambudha Nagar, State – Uttar Pradesh
7.	Whether the payment of fees discharged and if yes, the CIN	Yes

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 & UNDER
SECTION 98 (4) OF THE UPGST ACT, 2017**

1. M/s Gopson Printers Pvt Ltd. here in after referred to as the applicant) is registered under GST having GSTIN 09AAECG8867E1Z7 having principal place of business at A-14, Sector-60, Noida, Gautam Bodh Nagar. They are engaged in the business of Security printing/confidential printing and supply to Board and Universities their examination papers, Answer sheets OMR sheet.

2. The applicant has submitted an application for Advance Ruling dated 03.07.2023 enclosing duly filled Form ARA-01 (the application form for Advance Ruling) along with annexure and attachments. The applicant in his application has sought advance ruling on following question-

(a) Whether activity of printing of Question Paper, OMR Sheets, Answer Sheets, Marks sheets, Certificate, and other documents related/ required by the Board as well as Universities on behalf educational Institutions

can be classified as activities of supply of goods or supply of services?

(b) If it is supply of services, referring to sr. 27 of the notification 11/2017 CTR dated 28.06.2017 as amended by notification 31/2017 dated 13.10.2017 then benefit of serial no 66 of the notification 12/2017 CTR dated 28.06.2017 is allowable as amended by notification no.02/2017 dated 25.01.2018 or

(c) If it is supply of goods, then the above stated Question Paper, OMR Sheets, Answer sheets, certificate should be treated as exempted goods at serial no 119 of exempted list nil, rate of tax under chapter heading /subheading of 49011010 of printed matters. Or

(d) It should be covered by schedule I at serial no 201 liable to tax at 2.5CGST under Broachers, leaflets and similar printed matter whether or not is single sheets”

(e) Whether the activity of printing of the following terms of stationery on behalf of Educational Board and Universities constitute a supply of services;

Question paper, admit cards, answer booklet, ssl-C pass certificate the overlapping of valuable data and lamination, fail marks Card, Certificate, ID card and other format used for during the examination, Envelops for packing answer booklets.

If yes, whether services provided to educational Institutions by way of printing of stationery and other services incidental to the conduct of examination by the such institutions would be covered serial no 66(heading 9992) of Notification no 12/2017 Central tax (Rate) as amended and subject to nil rate of tax.

3. As per declaration given by the applicant in Form ARA-01, the issue raised by the applicant is neither pending nor decided in any proceedings under any of the provisions of the Act, against the applicant.

The applicant has submitted that-

The applicant is engaged in the business of high security Printing Products since April -2014. They undertake the complete printing work for their customers' requirement in the field of education. The main printing of the products for the Education Institutions and state Education Board are as follows :

Bar Coded OMR Answer Booklets, OMR Sheets, Certificate and Marks sheets, Variable / digital scanning /personalized of printing Data's and certificates for the education institution" s requirement.

The applicant provides complete end to end solutions of all stages to their customers right from designing to finalized product ready for supply.

That in the present days, printing should not be treated as simple printing jobs, since it contains security features like bar code used in OMR Answer Booklets, to prevent misuse/forgery/reapplication by unauthorized persons.

Prior to July 2017 the applicant's activities were treated as manufacture activities and the goods were being classified under chapter 48/49 and clearance was treated as Sales in the meaning of UP. VAT Act.2008.

Under the GST regime, such activity is treated as supply of services instead of supply of goods. In the instant case, applicant does not own the goods at any stage. In view of security features designing's, bar coding, mono grams, logo, of the goods which cannot be sold to any other person due to fiduciary reason, in view of the same, the services rendered by the printing industry, particularly where design/data/pattern is provided by the customer is recognized to **be services**.

The important products as supplied by the applicant under the categories are:

Examination answer sheets, which include optical character, reading facilities (Bar code) optical Mark recognition features and these products are printed as per the approved design and pattern, and sometimes students' data provided by the educational Institution/Board, therefore these products cannot be sold at large, (and not be treated standard printed stationery) but have to be printed only required quantity under the strict confidentiality, supervised by the such educational authorities.

4. The applicant has submitted their interpretation of law as under:-

The applicant submits that the services being rendered by the applicant to the educational institution / up to above high secondary boards are exempt in terms of serial 66 of notification No. 12/2017CGST (Rate) as amended.

The applicant has provided services to Educational Institution/ Boards by way of printing of Question Papers, OMR Answer Booklets, (optical Mark reading) Exam Answer Sheets, which enable the education Institute to conduct the examination, the applicant submits that the aforesaid exemption as outlined in the notification will be applicable to the applicant case, thus the services provided by the applicant to the educational institution by way of supply of pre-examination materials will not be liable to goods and service tax.

The services provided by the applicant to the educational institution/ Boards by way of printing Marks sheets, Passing Certificates serve as medium for communication of examination results to the students, the said activity is the last activities towards the completion of the activity for conduct of the examination process by the educational Institutions/Boards, however the aforesaid exemptions as outlined in the notification will be applicable to the

applicant case? Thus, the services provided by the applicant to the educational institution by way of supply of post examination material should not be liable to the GST tax.

The applicant wishes to submit that the aforesaid services of printing of Pre-examination items, post examination items and scanning and processing of results provided by the applicant to an educational Institution/ boards is towards for conduct of examination. The said types of services are not carried by the educational institution /boards themselves but has to be out sourced from other services provider, because the educational intuitions mostly not have the infrastructure for printing, administrative convenience, confidently, volume etc. accordingly when such services are procured by the educational Institution/ Boards, they tantamount to the services relating to conduct of examination, which will fall within the ambit of exemption outlined under entry no. 66 of the notification no 12/2017 CGST(Rate) dated 28.06.2017 as amended, and also applied in the instant case.

The Applicant hope that, the deciding authority has updated about all facts about the activities of the applicant and eligibility of the notification no. 12/2017CGST (Rate) dated 28.06.2017.

5. As per declaration given by the applicant in Form ARA-01, the issue raised by the applicant is neither pending nor decided in any proceedings under any of the provisions of the Act, against the applicant.

6. The application for advance ruling was forwarded to Deputy/Assistant Commissioner, CGST, Division-II Noida, vide letters dated 11.07.2023 and 17.08.2023 to offer their comments/views/verification repot on the matter. No views/comments have been offered till date.

7. The applicant was granted a personal hearing on 04.08.2023 which was attended by Shri Praveen Sharma, Advocate authorized representative of the applicant, during which he reiterated the submissions made in the application of advance ruling.

DISCUSSION AND FINDING

8. At the outset, we would like to make it clear that the provisions of both the CGST Act and the UPGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the UPGST Act. Further for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act/UPGST Act would be mentioned as being under the 'CGST Act'.

9. We have gone through the Form GST ARA-01 filed by the applicant and observed that the applicant has ticked following issues on which advance ruling required-

- (1) Classification of any goods or services or both.
- (2) Applicability of a notification issued under the provisions of this act;
- (3) Determination of the liability to pay tax on any goods or services or both.

10. We have gone through the submissions made by the applicant and have examined the interpretation submitted by them. At the outset, we find that the issue raised in the application is squarely covered under Section 97(2) of the CGST Act 2017 being a matter related to classification of goods or services or both and applicability of a notification issued under the provisions of this act. We therefore, admit the application for consideration on merits.

11. It is seen from the records that the applicant is engaged in the activity of Security printing/confidential printing of Examination papers, Answer Sheets OMR Sheets, Mark sheets and Certificates for supply to educational institutions like State Education Board and Universities.

11.1 The applicant has sought clarification regarding the nature of supply whether the aforesaid activity would be considered as supply of goods or supply or service.

In this regard, clarification has been issued vide circular No 11/11/2017 GST dated 20.10.2017, wherein it has been clarified that :-

"2. In the above context, it is clarified that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.

3. Principal supply has been defined in Section 2(90) of the Central Goods and Services Tax Act as supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

4. In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services."

As per the circular, if the activity of printing gives essential character to the printed product, it will be supply of service. If the usage of the product gives essential character, it will be supply of goods. In the case of the applicant, the activity of printing gives essential character to the printed product, hence it can be classified as supply of service.

11.2 The applicant has further sought ruling regarding the applicability of exemption extended vide Sr No 66 of Notification No 12/2017-CT (Rate) as amended vide Notification No 2/2018-CT (Rate) dated 25.01.2018.

In this regard we find that Notification No 12/2017-CT(Rate) provides exemption to services provided :

- (b) to an educational institution by way of,-
- (iv) services relating to admission to, or conduct of examination by, such institution.

Sr. No 66 of the said Notification as amended vide Notification No 02/2018-CT (Rate) provides as follows :

"66. *Heading 9992 Services provided -*

*(a) by an educational institution to its students, faculty and staff;
(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee,*

(b) to an educational institution, by way of,-

(i) transportation of students, faculty and staff;

(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;

(iii) security or cleaning or house-keeping services performed in such educational institution;

(iv) services relating to admission to, or conduct of examination by, such institution;

(v) supply of online educational journals or periodicals;

Provided that nothing contained in sub-items (i), (ii) and (iii) of item (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent."

Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of -

*(i) pre-school education and education upto higher secondary or equivalent;
or*

(ii) education as a part of an approved vocational education course."

Further Educational institution has been defined in Notification 12/2017 CT (Rate) as follows :-

"(y) "educational institution" means an institution providing services by way of,-

(i) pre-school education and education up to higher secondary school or equivalent;

(ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;

(iii) education as a part of an approved vocational education course;"

As such, there is no restriction of 'upto higher secondary level' in respect of exemption covered in entry 66(b)(iv) of the Notification no 12/2017-CT (Rate) dated 28.06.2017.

Hence services relating to activity of printing of Question Paper, OMR Sheets, Answer Sheets, Marks sheets, Certificate, and other documents related/ required by an educational institution, within the meaning of educational institution as defined under Notification 12/2017-CT (Rate) pertaining to admission to, or conduct of examination by educational institutions is exempted from GST vide Notification 12/2012-CT (Rate).

11.3 The applicant has sought ruling as to Whether the activity of printing of the following terms of stationery on behalf of Educational Board and Universities constitute a supply of services, and whether the same would be covered serial no 66(heading 9992) of Notification no 12/2017Central tax (Rate) as amended and subject to nil rate of tax.

Question paper, admit cards, answer booklet, ssl-C pass certificate the overlapping of valuable data and lamination, fail marks Card,

Certificate, ID card and other format used for during the examination, Envelops for packing answer booklets.

We find that all the above mentioned articles are covered within the ambit of services relating to admission to, or conduct of examination by, such institution. Hence all the services relating to admission to or conduct of examination, by an educational institution, within the meaning of educational institution as defined under Notification 12/2017-CT (Rate) will qualify for exemption as provided vide Sr no 66 of Notification 12/2017-CT (Rate)

12. Accordingly, we pass the ruling as under:

RULING

a) Whether activity of printing of Question Paper, OMR Sheets, Answer Sheets, Marks sheets, Certificate, and other documents related/ required by the Board as well as Universities on behalf educational Institutions can be classified as activities of supply of goods or supply of services?

Answer : Supply of service

b) If it is supply of services referring to sr. 27 of the notification 11/2017CTR dated 28.06.2017 as amended by notification 31/2017 dated 13.10.2017 then benefit of serial no 66 of the notification 12/2017CTR dated 28.06.2017 is allowable as amended by notification no.02/2017 dated 25.01.2018 or

Answer : In affirmative as discussed in 11.2 for services relating to admission to, or conduct of examination, by an educational institution, within the meaning of educational institution as defined under Notification 12/2017-CT (Rate)

c) If it is supply of goods, then the above stated Question Paper, OMR Sheets, Answer sheets, certificate should be treated as exempted goods at serial no 119 of exempted list nil, rate of tax under chapter heading /subheading of 49011010 of printed matters. Or

Answer : Not Applicable in view of (a) above

d) It should be covered by schedule I at serial no 201 liable to tax at 2.5 CGST under Broachers, leaflets and similar printed matter whether or not is single sheets

Answer : Not Applicable in view of (a) above

e) Whether the activity of printing of the following terms of stationery on behalf of Educational Board and Universities constitute a supply of services;


Question paper, admit cards, answer booklet, ssl-C pass certificate the overlapping of valuable data and lamination, fail marks Card, Certificate, ID card and other format used for during the examination, Envelops for packing answer booklets.


Answer : In affirmative

If yes, whether services provided to educational Institutions by way of printing of stationery and other services incidental to the conduct of examination by the such institutions would be covered serial no 66(heading 9992) of Notification no 12/2017 Central tax (Rate) as amended and subject to nil rate of tax.

Answer : In affirmative for services relating to admission to, or conduct of examination, by an educational institution, within the meaning of educational institution as defined under Notification 12/2017-CT (Rate)

13. This ruling is valid only within the jurisdiction of Authority for Advance Ruling Uttar Pradesh and subject to the provisions under Section 103(2) of the CGST Act, 2017 until and unless declared void under Section 104(1) of the Act.


(Harilal Prajapati)
Member of Authority for
Advance Ruling


(Amit Kumar)
Member of Authority for
Advance Ruling

To,
M/s Gopson Printers Pvt Ltd.,
A-14, Sector-60, Noida, Gautam Buddha Nagar,
Uttar Pradesh-201301

AUTHORITY FOR ADVANCE RULING -UTTAR PRADESH

Copy to -

1. The Chief Commissioner, CGST & Central Excise, Lucknow, Member, Appellate Authority of Advance Ruling.
2. The Commissioner, Commercial Tax, Uttar Pradesh, Member, Appellate Authority of Advance Ruling.
3. The Principal Commissioner, CGST & C. Ex, Ghaziabad, C.G.O. Complex-II, Kamla Nehru Nagar, Near Hapur Chungi, Ghaziabad-201002.
4. The Deputy/Assistant Commissioner, CGST & C. Ex, Division-VI Ghaziabad, C.G.O. Complex-II, Kamla Nehru Nagar, Near Hapur Chungi, Ghaziabad-201002.
5. Through the Additional Commissioner. ~~C.B.N. ZONE-NOIDA~~, Uttar Pradesh to jurisdictional tax assessing officers.

Note: An Appeal against this advance ruling order lies before the Uttar Pradesh Appellate Authority for Advance Ruling for Goods and Service Tax, 4, Vibhuti Khand, Gomti Nagar, Lucknow - 226010, within 30 days from the date of service of this order.