

T, NO-388/2019-20

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

Advance Ruling No. KAR ADRG 11 / 2020

Date : 18-03-2020

Present:

1. **Dr. Ravi Prasad M.P.**
Additional Commissioner of Commercial Taxes Member (State Tax)
2. **Sri. Mashhood ur Rehman Farooqui,**
Joint Commissioner of Central Tax Member (Central Tax)

1.	Name and address of the applicant	M/s Department Of Printing, Stationery and Publications, 8 th Mile, Mysore Road, R.V. College Post, Bengaluru-560059, Karnataka.
2.	GSTIN or User ID	29AAAGD1421R1Z9
3.	Date of filing of Form GST ARA-01	27/08/2019
4.	Represented by	Sri Y.C. Shivakumar, Authorised Representative
5.	Jurisdictional Authority - Centre	The Principal Commissioner of Central Tax, Bangalore West Commissionerate.
6.	Jurisdictional Authority - State	LGSTO- 60, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act vide CIN SBIN19082900288016 dated 20/08/2019 and Rs.5,000/- under KGST Act vide CIN SBIN19082900392411 dated 22/08/2019.

ORDER UNDER SUB-SECTION (4) OF SECTION 98 OF CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SUB-SECTION (4) OF SECTION 98 OF KARNATAKA GOODS AND SERVICES TAX ACT, 2017

1. M/s Department Of Printing, Stationery & Publications, 8th Mile, Mysore Road, R.V. College Post, Bengaluru-560059 bearing GSTIN: 29AAAGD1421R1Z9 have filed an application for Advance Ruling under Section 97 of CGST Act, 2017, KGST Act, 2017 & IGST Act, 2017 read with Rule 104 of CGST Rules 2017 & KGST Rules 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The applicant, (The Govt. Press) is an organization, established by Govt. of Karnataka under the control and supervision of the Primary and Secondary Education Secretariat to cater to the Printing and Stationery requirements of the

Dept of Printing



requirements of the State Government offices namely Governor's Office, Legislature, Government Secretariat, High Court, and Other Government Departments.

3. The printing and stationery requirements of Government owned bodies are also taken care of by the Applicant on chargeable basis. Applicant also engaged in selling of the Government Publications to General Public through a network of Book Depots. The Applicant has also extended its technical assistance to various other Departments whose printing works, are being executed by the private printers. Besides this they also undertake the Printing works and supply of Stationery to Government of India Departments namely Chief Election Commissioner Office, Census Department etc., on chargeable basis.

4. The Applicant also executes the printing and sale text books as per the indents placed by the Karnataka Text Book Society. The sale of text books are being executed on chargeable basis while the free text books are printed and supplied at free of cost. Steps are being taken for the printing & sale of Pre-University Text Books of smaller quantity through the Book Depots. This department is headed by the Director who is also the Compiler of Karnataka Gazette. The Gazettes are being published regularly and the Extraordinary Gazettes are also published as and when the necessity arises and these Gazettes are made available in print version manually and also published electronically in the web site www.gazette.kar.nic.in.

5. The following goods are printed and supplied by the Applicant to various Government Departments and Government undertakings in the State of Karnataka on their request for supply. The details, as furnished by the applicant are as under:

SL. NO.	NATURE OF SUPPLY	Applicants facts of the case
1	Printing & Supply of State Budget Documents	We are claiming exemption on Printing & Supply of Budget documents to Government of Karnataka.
2	School Text Books	<p>We are claiming exemption on the Sale of text books to various Government Departments and claiming exemption on the grounds that it is a sale of text books through Book Depots, Karnataka Text Book society & PU Board. However, we are paying taxes on the sale of Text books to Recognized Book sellers @12%.</p> <p>a) Free Text Books:- Since we supplying the textbooks to Government Departments, we are not raising invoice to the Department but the same is supplied through delivery challan, hence we are claiming exemption.</p> <p>b) Sale of Text Books to Public:- In this case we are raising an invoice, hence we are charging tax @12% & Paying it.</p>
3	Karnataka State Gazette and Extra-Ordinary Gazette	We are supplying these goods to different Government Departments and a small portion is sold to the General public who have subscribed for it. We are collecting tax on the Printed materials sold to the Public @12%.

4	Proceedings and other publications of Karnataka Legislative Assembly and Karnataka Legislative Council.	We are claiming exemption on printing & supply of proceedings and publications supplied to Karnataka Legislative Assembly and Legislative Council of Government of Karnataka.
5	Annual Reports, Annual Administrative Reports & Performance Budget Reports to Government & Government undertakings	We are charging & paying tax @12% on the supply of Annual Reports to the Government organization and also supplies as Printed material to Autonomous bodies like BRTS Company, Hubli-Dharwad Karnataka Electricity Regulatory Commission, Chamundeshwari Electricity Supply Company, Power Company of Karnataka Limited, BESCOM / HESCOM / MESCOM / KPTCL, Udupi / Bellary Nagarabhivrudhi Pradhikara, Higher Education Council. These items are charged and hence paying GST @ 12%.
6	Supply of IAS, KAS Civil lists	We are supplying to DPAR of the Government of Karnataka, hence, we are claiming exemption as we are not charging for the supplies Made.
7	Supply of RTO challan and security forms of Transport Department.	We are claiming exemption as we are not charging for the supplies made.
8	Supply of different kinds of Modules pertaining to Department of State Educational Research and Training.	These Printed materials are supplied to one of the Government Departments and tax is charged at the rate of 12% on the supplies made.
9	Handbooks related to Election work	It is supplied to the Election Commission in Karnataka. We are charging and paying tax at the rate of 12% on the supplies made to the Election Commission.
10	Supply of Various Forms/Registers to ESIS Medical Services, Kidwai Cancer Institute, General Hospital, Community Health Centre as per their requirements.	These goods are supplied to various Government organizations. We are charging and paying tax at the rate of 12% on the supplies made.
11	Training Manuals, Journals, Flags & Posters, Karnataka Examination information Book, Award Certificates, MB Books, Employment Cards, Compendiums, Manuals, Reports of RTI, Annual performance & compendium, Audit accounts, Receipt Books, Challans and paper testing Reports.	These goods are also supplied to many Government Departments and also to autonomous bodies. We are charging and paying tax at the rate of 12% on the supplies made to autonomous bodies. However, we are claiming exemption on the supplies made to Government Departments.

12	Legislative Assembly & Council Debates, lists, Bills & Brouchers, KCSRs	The Printed materials are supplied to Legislative Assembly and Legislative Councils. We are claiming exemption on the supplies made to them.
13	Supply of Government of Karnataka Calendars Engagement Pads, Diary to Government Departments & High Courts.	We are claiming exemption on the supplies made. But a Small Portion of Calendars, Ordinary Diaries and Engagement Pads are Sold through Book Depots to the General Public and collecting tax @12% on the sales made.
14	Envelops, various forms, Visiting cards, Letter heads, coves, file wrappers, invitation cards, Scribbling pads, Rubber stamps and Calendars	On these supplies we are collecting tax at 12% and paying it to the Government at the time of filing returns. On the supplies made to High Court, Raja Bhavans, and Secretariat Departments as we are not raising an invoice hence we are not charging for these supplies & also claiming exemption.
15	Main Answer Booklets, Additional Answer Sheets & Practical Answer Sheets	These goods are supplied to PU Board against their orders. On these supplies we are calculating the cost incurred on the booklets and collecting CGST & SGST at 12%.
16	Sale of waste paper, old sweepings, old & obsolete forms & books unusable articles as waste and sale of plates & old machinery	These goods are sold through public auction as scrap and tax @ 5% is collected from the successful bidders and paid to the Department.
17	Transportation Charges	Transportation of text books & other printed forms/PUC answer booklets are supplied to various Departments as per the requirements.. These goods are supplied by us and we are Paying Transportation Charges along with the GST @5%.
18	Calendars to Specific Departments as per their Requirements	Supplied to Library, RDPR and Legal Service Authority-we are charging and paying tax on the supplies made at 12%. High Courts -We are not charging for the supplies made hence we are claiming exemption
19	Economic Survey of Government of Karnataka	Supplies are made on non-chargeable bases A small portion is sold through Book Depots to the General Public and tax is charged at 12%.
20	Receipt Books, Measurement Books, File Wrappers, Log Books, Registers, Bill Forms, etc.	We are charging tax @ 12% GST on these supplies made to Autonomous Bodies sold through our Book Depots. We are claiming exemption on these materials supplied to Government Departments. We are also selling the same to the public and collecting tax @ 12% GST
21	Receipt Book (KFC-1)	Printed and supplied to Chamundeshwari Electricity Supply Company, Universities, Hospitals, Davanagere Smart City, Electronic City Industrial Township Authority, Legal Services Authority, Technical Service Centre etc. and collecting tax at 12% under GST.
22	Measurement Book	Printed and supplied to Karnataka Neravari Nigama, PWD, Zilla Parishad, Panchayat Raj Engineering Division, Grameena Drinking Water and Nyrmalya, NIMHNS, Shishu Abhivrudhi Yojane, Karnataka Maha Risha Valamiki Parishishta Pangadagala Abhivrudhi Niyamitha & collecting tax

		at 12%.
23	Indian Law Reports High Court of Karnataka	We are Claiming Exemption on these Supplies as they are Supplied at Free of Cost.
24	Karnataka Gazette	We Issue NOC'S to Private Person's for Change of Name at Rs100 for which we do not charge GST hence claiming Exemption.
25	Text Books	Printed and supply to KTBS for which we are charging GST @ 12%.
26	Bus Tickets	Printed and supply to Bangalore Metro Transport Corporation for which we are charging GST @ 12%.
27	Log Books	Printed and supplied to Karnataka, PWD, at free of cost. However, tax at 12% is collected on the supplies made to Karnataka Kolageri Abhivruddi mandali, Karnataka State Aids Prevention Society, Karnataka Vasathi Shikshana Samsthe, Karnataka Sarvajanika Arogya Samsthe.

6. In view of the above, the applicant sought for advance ruling in respect of the following questions along with their Interpretation of Law to the said questions.

Sl. No	Nature of Supply	Recipient	Content provider	Questions & interpretation of Law
1	Printing & Supply of State Budget Documents. Printing of Text books to Government departments, Training manuals, other books, calendars, Journals, Flags & posters, Karnataka Examination Authority Information Book, other Forms, Award certificates, Measurement Book, Employment Cards, Compendium, manuals, Reports(RTI, Annual & Performance & Compendium) Audit accounts, Annual & Performance, Compendium, Receipt Books, Challans, Paper Testing Reports, Legislative Assembly & Council Debates, Lists, Bills & Brouchers, Various Types of Registers & Forms, Karnataka Civil Service Rules.	Government Department, Recognised Book sellers	Recipient	1) The Applicant is engaged in rendering the services of Printed materials & printing of text books to various Government Departments. The contents of the printed material is provided by recipients. As per the circularNo.11/11/2017 dated 20th Oct 2017 it is clarified in para 4 that " where the supply of printing [if the content is 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 entry No.8 of the notification No.12/2017 dated 28/06/2017, the printing & supply of text books by one Government Department to another Government Department is exempted under the CGST Act and KGST Acts. Hence, it requested to clarify whether this activity is exempt under the CGST & KGST Acts or not. 2) If the text books are supplied to public or recognised book stalls, whether it is treated as taxable /exempted goods or services. If it is goods, can we claim exemption under Sl. No.119 of the Notification No.2/2017 3) If these services are taxable services, what is the rate of tax?
2	Karnataka Kaipidi, Karnataka Gazette	Karnataka Government Departments & Karnataka Gazetter Department	Receipient	1) The applicant is engaged in printing of Karnataka Kaipidis/Karnataka Gazzettes from the contents provided by the receipient to whom the supply is to be made. This service is provided by one Government Department to another Government Department. Hence, it is exempted as per



				<p>entry No. 8 of the notification No. 12/2017 dated 28/06/2017. It may be clarified.</p> <p>2) If the said Kaipidis are sold to public or recognised bookstalls whether it is treated as printed books falling under SL.No.119 of Notification No.2/2017 and claim exemption on such sales.</p> <p>3) If Karnataka Gazettes are sold to public as goods whether it is taxable under entry No.201 of the schedule I of Notification No.1/2017 dated 29/06/2017 or exempt under SL.No.119 of notification No.2/2017 dated 28/06/2017 under the KGST & CGST Acts. Please clarify.</p>
3	Annual Reports	Government Departments & Autonomous bodies like Karnataka Electricity Regulatory Commission & other Corporations	Receipient	<p>1) The applicant is engaged in printing of Annual Reports to Government Departments, Autonomous undertakings and Zilla Panchayats. The content is provided by the recipients. When such annual reports are sold to Government Departments is it an exempted service under SL.No.8 of notification 12/2017. Pl clarify.</p> <p>2) If such annual reports are sold to Government undertakings and autonomous bodies, can we claim such sales as exempted sales under entry No.8 of notification No.12/2017.</p> <p>3) The supply of annual reports to Zilla Panchayaths by the applicant is considered as services provided by one state Government Departments to another state Government Departments Falling under SL.No.8 of the notification No.12/2017. Pl clarify.</p> <p>4) If these are considered as goods, under which entry these goods are taxable and at what is the rate of tax of these goods under GST.</p>
4	Answer booklets, Visiting cards, Letter heads, Forms, Covers, File wrappers, invitation cards, Scribbling pads, Rubber stamps	PU Board & Various Government Department, CM office & other Ministers offices Secretariats, High Courts, Government entities and other Government Departments	The contents given by the receipient is quite insignificant compared to the contents of goods involved.	<p>1) These goods are supplied by the Government Press (applicant) to various Government Departments against the orders given by them. In the circular No.11/11/2017 dt.20th Oct.2017, it is clarified in para 5 that " supply of printed envelops, letter cards, printed boxes, tissues, napkins, wallpaper etc falling under Chapter 48/49 printed with design, logo etc., supplied by the receipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content is ancillary to the principal supply of goods". Since these supplies are made by one Government Department to another Government Department, whether they are exempted under SL. No. 150 of the Notification 2/2017 dated 28/06/2017. Pl clarify.</p> <p>2) If they are taxable, pl clarify under which</p>

				entry and notification the said goods would fall?
5	Sale of waste paper, old sweepings, old & obsolete forms & books unusable articles as waste and sale of old machinery	Public	The goods are sold through public auction	The applicant being a Government organisation sells the paper waste as is where condition through the public auction is. Whether the understanding of the rate of tax is correct or not may please be clarified.
6	Sale of old machinery	Public	sold through public auction	If the old machinery is sold as scrap, what is the rate of tax and the entry and notification may please be clarified
7	All stationery Articles	Government Departments	Purchased from Registered dealers & sold to Government Departments	Since the stationery articles are purchased from the registered dealers and supplied as it is to the Government Departments against the orders at no profit or no Loss, such transactions are exempted as the applicant is acting like a pure Agent. Therefore, it is requested to clarify whether it is pure Agent transaction and eligible for exemption. Pl clarify whether this transaction is liable for tax under which entry?
8	Transportation charges paid	Private person		We are paying tax @5% on the transportation paid to the private party. 1) Are we liable to pay tax on the transportation charges paid to the service provider or 2) Can we deduct the tax element on the transportation paid as TDS and deposit at the time of filing returns.
9	Economic Survey Government of Karnataka	Government Departments	Recipient	The Finance Department designated this work to us. We prepare the Economic Survey books as per the requirements of the Finance Department. The contents of the material is provided by the Government. Hence, this product is categorised as Service of printed materials. 1) Are we eligible to claim exemption vide Entry 8 of the Notification No.12/2017 dated 28th June 2017. Pl clarify. 2) If these printed materials are sold to the public directly by the Applicant, whether, the same is exempted or taxable under the GST Act.
10	Receipt Book (KFC-1)	Chamundeshwari Electricity Supply Company, Universities, Hospitals, Davanagere Smart City, Electronic City Industrial Township	Recipient	The contents of the receipt books is provided by Recipients and the printed Receipt books are supplied to Government Departments and autonomous bodies. Hence, the same is treated as supply of service and eligible for exemption vide entry no. 8 of the Notification No.12/2017 dated 28/06/2017. 1) Whether this item is eligible for exemption under the GST Act or not? Pl clarify.



		Authority, Legal Services Authority, Technical Service Centre etc		
11	Measurement Book	Karnataka Neravari Nigama, PWD, Zilla Parishad, Panchayat Raj Engineering Division, Gramena Drinking Water and Nyrmalya, NIMHNS, Shishu Abhivrudhi Yojane, Karnataka Maha Risha Valamiki Parishishta, Pangadagala Abhivrudhi Niyamitha	Recipient	The content is provided by the Government Departments and the supply of printed materials is treated as service vide entry No.8 of the Notification No.12/2017 Dated 28/06/2017. Is it exempted from the levy of GST as the same is supplied by one Government Department to another Government Departments? Pl clarify.
12	Indian Law Reports	High Court of Karnataka	Recipient	The contents of the Law reports are provided by the High Court of Karnataka. These materials are provided to them at Free of cost. Whether we are eligible for exemption on the supply of these services vide entry No.8 of the Notification No.12/2017 dated 28/06/2017. Pl clarify
13	Karnataka Gazette	NOC'S to Private Person's for Change of Name at Rs.100/-		Since we are giving the NOC to private persons at a price of Rs.100-00 we are not charging any GST at present. In this case the contents are provided by the recipient. Pl clarify 1) whether these are goods / services exempted under the Act 2) If these are goods under what entry the goods are taxable and at which rate? 3) If these are services under what entry these services are taxable and at which rate?
14	Text Books	KTBS	Recipient	The contents of the text book is provided by the Government. Since the text books are supplied to Karnataka Text Books suppliers to sell them on behalf of the Government, we are charging GST @ 12%. As per entry No.8 of the notification No.12/2017 dated 28/06/2017, the printing & supply of text books by one Government Department to another Government Departments is exempted under the CGST Act and KGST Acts. 1) Hence, it requested to clarify

				<p>whether this activity is exempt under the CGST & KGST Acts or not.</p> <p>2) The text books are supplied to Recognised book stalls to sell them to the public on behalf of the Government whether it is treated as taxable or /exempted goods or services. If it is goods, can we claim exemption under Sl. No.119 of the Notification No.2/2017?</p> <p>3) If these services are taxable services, what is the rate of tax? Pl. clarify.</p>
15	Bus Tickets	Bangalore Metro Transport Corporation	Receipient	<p>The Logo and the content of bus tickets is provided by the receipient. Since the contents are negligible compared to materials, it is treated as goods and the tax is collected @12% under GST Act.</p> <p>1) Pl clarify whether it is taxable goods or service?</p> <p>2) At what rate and under which entry these goods/services are taxable?</p>
16	Log Books	Karnataka, PWD, Karnataka Kolageri Abhivruddi mandali, Karnataka State Aids Prevention Society, Karnataka Vasathi Shikshana Samsthe, Karnataka Sarvajjanika Arogya Samsthe.		<p>The Log books are supplied to various Government Departments and the contents are provided by Government Departments. Since the contents are negligible compared to the materials used, these are treated as goods. We are claiming exemption on the supply of these goods KPWD. However, we are collecting tax @12% on the sale made to Autonomous bodies.</p> <p>1) Pl clarify whether these are taxable or exempted goods/services?</p> <p>2) If these are taxable under which entry these are taxable?</p> <p>3) Since these materials are supplied by one Government Department to another Department or autonomous bodies controlled by the Government, can we claim exemption on the supply of these materials?</p>

PERSONAL HEARING

7. Sri. Y C Shiva Kumar, Advocate and duly authorised representative of the applicant appeared for personal hearing proceedings held on 21.11.2019 & reiterated the facts narrated in their application.

FINDINGS & DISCUSSION:

8.1 We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by Sri. Y C Shiva Kumar, duly authorised representative of the applicant during the personal hearing. We have also considered the issues involved, on which advance ruling is sought by the applicant, and relevant facts.

8.2 At the outset, we would like to state that the provisions of both the CGST Act and the KGST 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 provisions under the KGST Act.

8.3 The applicant is a printing press under the Government of Karnataka, catering to the printing needs of various departments of Karnataka Government, Government of India, High Court of Karnataka and other autonomous bodies / corporations. The applicant seeks advance ruling in respect of the questions mention at para 6 supra. It could be seen that the applicant's activities are predominantly concerned with printing. In this regard we draw attention to the Circular No.11/11/2017-GST dated 20.10.2017, wherein clarification on taxability of printing contracts has been issued.

8.4 Para 2 of the circular clarifies 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.*

8.5 The principal supply, in terms of Section 2(90) of CGST Act 2017, is supply of goods or services which constitutes the predominant element of composite supply and to which any other supply forming part of that composite supply.

8.6 Para 4 of the circular specifies that in the case of printing of books, pamphlets, brochures, annual reports, and the like, the 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/SAC 9989, subject to the following conditions namely

- a) The content is supplied by the publisher or the person who owns the usage rights to the intangible inputs.
- b) The physical inputs including paper used for printing belong to the printer.

8.7 Para 5 of the circular specifies that in the case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc., falling under Chapter 48 or 49, printed with design, logo etc., supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

8.8 In the light of the aforesaid circular, we proceed to examine the issues and related questions, one at a time. The Applicant submits that they are engaged in rendering the services of printing the printed materials & printing of text books to various Government departments. The contents of the printed material are provided by recipients. The nature of supply, as admitted by the applicant, includes Printing & Supply of State Budget Documents, Printing of Text books to Government departments, Training manuals, other books, calenders, Journals, Flags & posters, Karnataka Examination Authority Information Book, other Forms, Award certificates, Measurement Book, Employment Cards, Compendium, manuals, Reports(RTI, Annual & Performance & Compendium) Audit accounts, Annual & Performance, Compendium, Receipt Books, Challans, Paper Testing Reports, Legislative Assembly & Council Debates, Lists, Bills & Brouchers, Various Types of Registers & Forms, Karnataka Civil Service Rules.

8.9 Issue No.1

The applicant raised the following 3 questions with regard to printing of text books & printed material.

1. Whether the activity of printing & supply of text books & printed materials, provided by the applicant to various Departments of Government of Karnataka, is entitled to exemption under entry No.8 of the Notification No. No.12/2017 Central Tax (Rate) dated 28/06/2017, read with para 4 of the Circular No. 11/11/2017-GST dated 20.10. 2017?
2. If the text books are supplied to public or recognised book stalls, whether it is treated as taxable /exempted goods or services. If it is goods, can we claim exemption under Sl. No.119 of the Notification No.2/2017?
3. If these services are taxable services, what is the rate of tax?

8.10 Issue No.2

This issue is related to printing of Karnataka Kaipidi / Karnataka Gazzettes, of the contents provided by the recipient. This transaction is between the applicants (one Government Department) to another Government Department. The applicant raised the following 3 question in this regard.

4. Whether the service of printing & supply of Karnataka Kaipidi / Karnataka Gazzettes, provided by the applicant amounts to be services provided by one Government Department to another? If so, whether the said supply is exempted as per entry No. 8 of the notification No. 12/2017-Central Tax (Rate) dated 28/06/2017?

Whether the supply of said Karnataka Kaipidis to public or recognised bookstalls be treated as supply of printed books and qualifies for exemption under Sl.No.119 of Notification No.2/2017-Central Tax (Rate) dated 28.06.2017?



6. If Karnataka Gazettes are sold to public as goods whether it is taxable under entry No.201 of the schedule I of Notification No.1/2017 dated 29/06/2017 or exempt under SL.No.119 of notification No.2/2017 dated 28/06/2017 under the KGST & CGST Acts?

8.11 Issue No.3

This issue is related to printing of Annual Reports to Government departments, autonomous undertakings and Zilla panchayats. The content is provided by the recipients. In this regard the applicant raised the following 4 questions.

7. When such annual reports are sold to Government departments is it an exempted service under SL.No.8 of notification 12/2017?
8. If such annual reports are sold to Government undertakings and autonomous bodies, can we claim such sales as exempted sales under entry No.8 of notification No.12/2017?
9. Whether the supply of annual reports to Zilla Panchayaths by the applicant is considered as services provided by one state Government Department to another state Government Departments & exempted under SL.No.8 of the notification No.12/2017?
- 10.If these are considered as goods, under which entry these goods are taxable and at what is the rate of tax of these goods under GST?

8.12 Issue No.4:

This issue is related to printing & supply of Answer booklets, Visiting cards, Letter heads, Forms, Covers, File wrappers, invitation cards, Scribbling pads, and Rubber stamps. The applicant raised the following 2 questions, in this regard.

- 11.Whether the aforesaid items that are supplied by the Government Press (applicant) to various Government departments, against the orders given by them, amounts to supply of goods, in terms of para 5 of circular No.11/11/2017 dated 20.10.2017? If so, whether the said supply is entitled for exemption under Sl. No. 150 of the Notification 2/2017-Central Tax (Rate) dated 28/06/2017?
12. What is the relevant notification & entry number therein, if the aforesaid goods are taxable?

8.13 Issue No.5:

This issue is related to sale of waste paper, old sweepings, old & obsolete forms & books, unusable articles as waste and sale of old machinery. The applicant being a Government organisation sells the paper waste in as is where condition through public auction. In this regard the applicant raised the following question.

13. Whether the applicant's understanding of rate of tax (GST) of 5% is correct or not, on sale of waste paper?

8.14 **Issue No.6:**

This issue is related to sale of old machinery as scrap. The applicant further states that the old machinery, if sold in the same form, is taxable @ 18% GST, in terms of Sl.No.335 of Schedule III of CGST Act 2017. The applicant raises the following question, with regard to sale of old machinery as scrap.

14. What is the rate of GST applicable, if old machinery is sold as scrap & what is the relevant notification number and entry number therein?

8.15 **Issue No.7:**

This issue is related to stationery articles, purchased by the applicant from the registered dealers and supplied as it is to the Government departments against the orders, at no profit or no Loss. The applicant claims that such transactions are exempted as the applicant is acting as a pure Agent. Thus the applicant raised the following question in this regard.

15. Whether the aforesaid transaction / activity qualifies to be a Pure Agent transaction and eligible for exemption? If not, what is the rate of tax & relevant entry & Notification under which this transaction is liable for tax?

8.16 **Issue No.8:**

This issue is related to the transportation charges paid by the applicant. The applicant pays the transportation charges for supply of text books to various Government Departments & also to the recognised book sellers. At present the applicant is paying tax @5% on the transportation paid to the private party. In this regard the applicant raised the following 2 questions.

16. Is the Applicant liable to pay tax on the transportation charges paid to the service provider?

17. Can the Applicant deduct the tax element on the transportation paid as TDS and deposit at the time of filing returns?

8.17 **Issue No.9:**

This issue is related to printing of Economic Survey of Government of Karnataka. The Finance Department designated this work to the applicant & they prepare the Economic Survey books as per the requirements of the Finance Department. The contents of the material is provided by the Government of Karnataka & hence, this product is categorised as Service of printed materials. In this regard, the applicant raises the following 2 questions.

18. Whether the aforesaid transaction of printing & supply of Economic Survey books to Government of Karnataka is entitled for exemption vide Entry 8 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017.

19. If the aforesaid printed materials are sold to the public directly by the Applicant, whether, the same is exempted or taxable under the GST Act?

8.18 **Issue No. 10:**

This issue is related to printing & supply of receipt books (KFC-1) to Chamundeshwari Electricity Supply Company, Universities, Hospitals, Davanagere Smart City, Electronic City Industrial Township Authority, Legal Services Authority, Technical Service Centre etc., The contents of the receipt books is provided by recipients and the printed receipt books are supplied to Government Departments and Autonomous bodies. The applicant contends that the supply of receipt books is treated as supply of service and eligible for exemption vide entry no. 8 of the Notification No.12/2017 dated 28/06/2017 and raises the following question.

20. Whether the aforesaid supply of receipt books, to Government Departments & Autonomous bodies, is eligible for exemption under the GST Act or not?

8.19 **Issue No. 11:**

This issue is related to printing & supply of measurement books to Karnataka Neravari Nigama, PWD, Zilla Parishad, Panchayat Raj Engineering Division, Grameena Drinking Water and Nymalya, NIMHNS, Shishu Abhivrudhi Yojane, Karnataka Maha Risha Valamiki Parishishta Pangadagala Abhivrudhi Niyamitha, for which the content is provided by the Government Departments. The applicant raises the following question in this regard.

21. Whether the supply of printed materials (measurement books) qualifies to be supply of service & is exempted vide entry No.8 of the Notification No.12/2017-Central Tax (Rate) dated 28/06/2017, when the same is supplied by one Government Department to another Government Department?

8.20 **Issue No. 12 :**

This issue is related to printing & supply of Indian Law Reports to the Hon'ble High Court of Karnataka. The contents of the Law reports are provided by the Hon'ble High court of Karnataka. The applicant supplies the said printed material (Law Reports), at free of cost. In this regard, the applicant raises the following question.

22. Whether the aforesaid supply qualifies to be supply of service & is entitled for exemption under entry No.8 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017?

8.21 **Issue No. 13 :**

This issue is related to issuance of No Objection Certificates (NOCs) to Private Persons for Change of Name, at Rs.100, for notifying the said change of name in the Karnataka Gazette. The applicant states that at present they are not charging any GST, on the said amount collected and the contents are provided by the recipient. In this regard, the applicant raises the following 3 questions.

23. Whether the aforesaid activity amounts to supply of goods or services & are exempted under the Act?

24. If the activity amounts to supply of goods & the said supply is taxable then what is the rate of tax of GST and the relevant Notification & entry number?

25. If the activity amounts to supply of services & are taxable then what is the rate of tax of GST and the relevant Notification & entry number?

8.22 **Issue No. 14:**

This issue is related to supply of text books, printed by the applicant under the orders of Government of Karnataka, to the Karnataka Text Books Suppliers. The contents of the text book is provided by the Government of Karnataka. The applicant states that at present they are charging GST @ 12%, as the text books are supplied to Karnataka Text Books suppliers to sell them on behalf of the Government. Further as the applicant contends that per entry No.8 of the notification No.12/2017-Central Tax (Rate) dated 28/06/2017, the printing & supply of text books by one Government Department to another Government Department is exempted under the CGST Act and KGST Acts. In this regard the applicant raised the following 3 questions.

26. Whether the aforesaid activity is exempted under the CGST & KGST Acts or not?

27. The text books are supplied to recognised book stalls to sell them to the public on behalf of the Government whether it is treated as taxable or exempted goods or services. If it is goods, can we claim exemption under Sl. No.119 of the Notification No.2/2017?

28. If these services are taxable services, what is the rate of tax?

8.23 **Issue No. 15 :**

This issue is related to printing & supply of bus tickets to the BMTC, Bengaluru. The Logo and the content of bus tickets is provided by the recipient. The applicant contends that the contents are negligible compared to materials, the activity qualifies to be treated as goods and states that they are collecting GST @12%, at present. In this regard, the applicant raises the following 2 questions.

29. Whether the aforesaid supply qualifies to be supply of taxable goods or services?

Dept of Printing



30. What is the rate of tax & under which entry these goods/services are taxable?

8.24 **Issue No. 16 :**

This issue is related to printing & supply of Log Books to Karnataka PWD, Karnataka Kolageri Abhivruddi mandali, Karnataka State Aids Prevention Society, Karnataka Vasathi Shikshana Samsthe, Karnataka Sarvajanika Arogya Samsthe. The Log books are supplied to various Government Departments and the contents are provided by Government Departments. The applicant contends that since the contents are negligible compared to the materials used, the activity amounts to supply of goods and also states that, at present, they are claiming exemption on the supply of these goods to KPWD. However, they are collecting tax @12% on the sale made to Autonomous bodies. In this regard, the applicant raises the following 3 questions.

31. Whether these are taxable or exempted goods/ services?

32. If these are taxable under which entry these are taxable?

33. Since these materials are supplied by one Government Department to another department or Autonomous bodies controlled by the Government, can we claim exemption on the supply of these materials?

9. It could be seen from above that some questions are repetitive in nature as they are in relation with different printed materials such as text books & other printed material, Karnataka Kaipidis, Karnataka gazettes, Annual reports, Economic Survey of Government of Karnataka, etc., Therefore we examine and divide the questions into the following categories.

Supply to Various Departments of Government of Karnataka

- a. Printing & supply of Text books/ Karnataka Kaipidis/ Karnataka Gazettes/ Annual Reports & Economic Survey of Government of Karnataka to various Departments, where the content is provided by any of the department of Government of Karnataka. (Service)
- b. Printing & supply of Answer sheets/visiting cards/ letter heads/ forms/covers/file wrappers/invitation cards/ scribbling pads / rubber stamps/ receipt books/ measurement books & log books to various Departments, where the content is provided by any of the department of Government of Karnataka(goods).

Supply to Autonomous bodies

- c. Printing & supply of Annual Reports to Autonomous bodies, where the content is provided by the recipient. (service)
- d. Printing & supply of Receipt books & Log books to Autonomous bodies, where the content is provided by the recipient (Goods)

Supply to Public & Recognised Book Stalls

- e. Printing & supply of Text books/ Karnataka Kaipidis/Karnataka Gazettes & Economic Survey of Government of Karnataka to Public & recognised book stalls, where the content is provided by any of the department of Government of Karnataka. (Goods)

Miscellaneous Supplies

- f. Supply of waste paper, old sweepings, old & obsolete forms and books, unusable articles as waste.
 - g. Supply / sale of old machinery as scrap
 - h. Supply of Stationery articles to Government Departments
 - i. Taxability of Transportation charges paid by the Applicant
 - j. Printing & Supply of "Indian Law Reports" to the Hon'ble High Court of Karnataka
 - k. Issuance of No Objection Certificate (NOC) to private persons, for change of name
 - l. Printing & Supply of Bus Tickets to BMTC, Bengaluru.
10. We proceed to examine & take up each category, one at a time, in the following paras.

a. Supply of Service to Various Departments of Government of Karnataka:

This category covers the questions bearing numbers 1,4,7,9,18,20,21,26,31,32 & 33 as mentioned above. In all these questions the applicant is engaged in printing of text books & printed material / Annual Reports / receipt books/ measurement books & log books; content is provided by any of the Department of Government of Karnataka; physical inputs including paper belong to the applicant.

The printing of books / annual reports and like, where content is supplied by the persons who owns the usage rights to the intangible inputs, while the physical inputs including paper used for printing belong to the printer would constitute a composite supply, where the principal supply is that of supply of printing service and merits classification under SAC 9989, in terms of Para 4 of the Circular No. 11/11/2017-GST dated 20.10. 2017.

In the instant case the applicant being Government Press, established by the Government of Karnataka, under the control and supervision of Primary & Secondary Education Secretariat and since does not have an independent existence, what so ever, from the Government of Karnataka becomes part of Government of Karnataka. Further the provider



of the content is also another Department of same Government of Karnataka. Therefore the activity is between the two/more departments of the same Government of Karnataka and hence there is no distinct supplier / recipient, either real or deemed, involved in the transactions, as contemplated under the GST Acts.

Now proceed to examine whether the instant activity of printing and supply of text books & printed material / Annual Reports / receipt books/ measurement books & log books to other departments of same Government of Karnataka, who have not obtained separate registration under the GST Act, amounts to supply in terms of Section 7(1)(a) of the CGST Act 2017 or not.

Section 7(1)(a) of the CGST Act, 2017 stipulates that any transaction must consist of following three components to get qualified as 'supply'.

- i. The transaction must involve a supply of goods or services or both, such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made.
- ii. The transaction must be for a consideration by a person
- iii. The transaction must be in the course or furtherance of business

In the instant case, the first condition is undoubtedly satisfied as the applicant is involved in the provision of the aforesaid service. The second condition being receipt of consideration. In this regard we refer section 15 of the CGST Act, 2017 which deals with the value of supply i.e. consideration

Section 15 (1) of the said Act reads as under:

"The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply"

It could be inferred from the above that for the transaction to qualify as a supply, a supplier and recipient are required, whether real or deemed. In the instant case the applicant as well as the recipient are both different parts of the Government of Karnataka, which is a single entity. Therefore in the absence of distinct supplier and recipient, the instant transaction does not qualify to be a supply in terms of Section 7(1)(a) of the CGST Act, 2017.

Further, the third condition is not required to be discussed as the second condition is not satisfied.

However, If the activity of printing and supply is done to the Departments of same Government of Karnataka who have obtained separate

registration under the GST Act, then the said activity amounts to supply in terms of Section 7(1)(a) of the CGST Act 2017 and exigible to tax.

The applicant claims exemption for the above said activity under entry No.8 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017. This entry exempts only the services provided by the State Government to another State Government and hence the said entry is not relevant to the instant issue.

b. Supply of Goods to Various Departments of Government of Karnataka:

This category covers the question number 11. In all these questions the applicant is engaged in supply of printed material i.e. answer sheets/visiting cards/ letter heads/ forms/covers/file wrappers/invitation cards/ scribbling pads / rubber stamps; content is provided by any of the Department of Government of Karnataka; physical inputs including paper belong to the applicant.

Para 5 of the circular specifies that in the case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc., falling under Chapter 48 or 49, printed with design, logo etc., supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

In the instant case, the applicant is engaged in printing & supply of Answer sheets/visiting cards/ letter heads/ forms/covers/file wrappers/invitation cards/ scribbling pads / rubber stamps to various Government Departments, where the content is provided by any of the department of Government of Karnataka and hence supply of the said items amounts to supply of goods, in terms of para 5 of the aforesaid circular.

The applicant claims exemption, in relation to supply of items of this category, under Sl.No.150 of Notification 2/2017-Central Tax (Rate) dated 28.06.2017, which exempts supply of goods by a Government Entity to the State Government i.e. Government of Karnataka. In the instant case the applicant is not a Government Entity and hence the said entry is not relevant to the instant issue.

Thus the impugned activity of printing and supply of Answer sheets/visiting cards/ letter heads/ forms/covers/file wrappers/invitation cards/ scribbling pads / rubber stamps to other Departments of same Government of Karnataka who have not obtained separate registration under the GST Act does not qualify as supply in terms of Section 7(1)(a) of the CGST Act 2017, as explained in para 10(a) supra. However, if the said



supply is done to the other Departments of Government of Karnataka who have obtained separate registration under the GST Act, said transaction qualify as supply in terms of Section 7(1)(a) of the CGST Act 2017 and liable to tax under GST.

c. Supply of Service to Autonomous bodies:

This category covers questions bearing numbers 8 & 20, which deals with printing & supply of Annual Reports / Receipt Books respectively, to autonomous bodies i.e. BRTS Company, Hubli-Dharwad Karnataka Electricity Regulatory Commission, Chamundeshwari Electricity Supply Company, Power Company of Karnataka Limited, BESCO / HESCO / MESCOM / KPTCL, Udupi / Bellary Nagarabhivrudu Pradhikara, Higher Education Council; content is provided by autonomous bodies; physical inputs including paper belong to the applicant.

The printing of books / annual reports and like, where content is supplied by the persons who owns the usage rights to the intangible inputs, while the physical inputs including paper used for printing belong to the printer would constitute a composite supply, where the principal supply is that of supply of printing service and merits classification under SAC 9989, in terms of Para 4 of the Circular No. 11/11/2017-GST dated 20.10.2017.

The applicant states that they are charging @12% on the supply of Annual Reports & Receipt Books to Autonomous bodies, at present. However, they contend that the impugned supply is entitled for exemption under entry No.8 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, which exempts only the supply of services provided by the State Government to another State Government etc., but not to the autonomous bodies. Thus the said entry is not relevant to the instant issue & the exemption is not available to the applicant and hence the impugned supply is exigible to tax.

The impugned supply is that of services, classified under SAC 9989 and attracts 12% GST, in terms of Sl.No.27 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017.

d. Supply of Goods to Autonomous bodies :

This category covers questions bearing numbers 31,32 & 33, which deals with Printing & supply of Log Books to autonomous bodies i.e. Karnataka Kolageri Abhivruddi mandali, Karnataka State Aids Prevention Society, Karnataka Vasathi Shikshana Samsthe, Karnataka Sarvajanika Arogya Samsthe; content is provided by Government of Karnataka; physical inputs including paper belong to the applicant.

In the instant case, the applicant is engaged in supply of Log Books to autonomous bodies, where the content is not provided by the recipient but

provided by any of the department of Government of Karnataka. The applicant supplies the Log Books itself out of the readily available stock and hence supply of the said items amounts to supply of goods.

Log book is nothing but a register to maintain the details of movement of the vehicle; merits classification under Chapter Heading 4820 and gets covered under entry No.154 of Schedule III to Notification 01/2017-Central Tax (Rate) dated 28.06.2017 and thereby attracting GST @ 18%.

e. Supply to Public & Recognised Book Stalls

This category covers questions bearing numbers 2,5,6,19 & 27, which deals with printing & supply of Text books/ Karnataka kaipidis/Karnataka gazettes & Economic Survey of Government of Karnataka to Public & recognised book stalls, where the content is provided by any of the department of Government of Karnataka and physical inputs including paper belong to the applicant. In this case, the applicant supplies the aforesaid items out of the readily available stock, for which the content does not belong to the recipient and hence supply of the said items amounts to supply of goods.

All the items in the instant issue, i.e. Text books/ Karnataka kaipidis/Karnataka gazettes & Economic Survey of Government of Karnataka, are nothing but printed books and merits classification under Chapter Heading 4901. Entry No.119 of Notification 02/2017-Central Tax (Rate) dated 28.06.2017 exempts the printed books i.e. goods falling under heading 4901. The impugned items are squarely covered under the said entry and hence are exempted.

f. Supply of waste paper etc.,

This category covers question number 13, which deals with supply of waste paper, old sweepings, old & obsolete forms and books, unusable articles as waste. The applicant has not provided any relevant information with regard to unusable articles as to whether they are of paper only or not. Hence it is considered that the unusable articles & old sweepings are of paper only as the question raised in this regard is "Whether the applicant's understanding of rate of tax of 5% is correct or not, on sale of waste paper?"

"Recovered (waste and scrap) paper or paper board" is classified under Tariff Heading 4707 of Customs Tariff Act 1975. Entry No.198 B of Schedule I to Notification No.1/2017-Central Tax (Rate) dated 28.06.2017 as amended by the notification 34/2017 Central Tax (Rate) Dated 13/10/2017 covers the goods Recovered (waste and scrap) paper or paper board, falling under heading 4707 and in terms of the said entry the applicable rate of GST is 5% (CGST 2.5% & KGST 2.5%)



In the instant case it could be inferred from the question that the applicant seeks advance ruling with regard to rate of GST applicable on the sale/supply of waste paper. Waste & scrap paper is classified under heading 4707 and attract 5% GST, as discussed above.

g. Supply / sale of old machinery as scrap

This category covers question number 14, which deals with supply of old machinery as scrap. The applicant seeks the rate of tax along with the relevant entry/ Notification number, if the old printing machinery is sold as scrap. The applicant has not furnished information as to whether the said machinery is of ferrous or non-ferrous material and hence the impugned machinery is considered as old printing machinery of ferrous material.

"Ferrous waste and scrap" is classified under Tariff Heading 7204 of Customs Tariff Act 1975. Entry No.199 of Schedule-III to Notification 1/2017-Central Tax (Rate) dated 28.06.2017 covers the goods "Ferrous waste and scrap", falling under heading 7204 and in terms of the said entry the applicable rate of GST is 18% (CGST-9% & KGST-9%).

In the instant case, the old printing machinery of ferrous material is intended to be sold/supplied as scrap and the said old machinery, if sold as scrap, is considered as Ferrous Waste and Scrap. Thus the rate of GST applicable on the said Ferrous Waste and Scrap is 18% in terms of the aforesaid notification/entry number.

h. Supply of Stationery articles to Government Departments

This category covers question number 15, which deals with supply of stationery articles that are purchased from the registered dealers and supplied, as it is, to the Government departments, against the orders, at no profit or no Loss. The applicant contends that such transactions are exempted as the applicant is acting like a pure Agent. Thus the applicant raised question as to whether it is **pure agent** transaction and eligible for exemption or not and if taxable, the relevant entry / notification number.

"Pure agent", in terms of Rule 33 of CGST Rules 2017, means

- a) a person who enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;
- b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;
- c) does not use for his own interest such goods or services so procured; and

- d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

It could be seen from the above that for a person to act as a pure agent he must be a supplier of goods or services or both and then he must procure certain goods or services for the said supply, for which, he incurs expenditure, under the agreement, and collects the said expenditure in addition to the value of his supply, from the recipient. The amounts so collected are called reimbursable expenses and the person is called pure agent.

In the instant case the applicant, being the part of Government of Karnataka, procures the required stationery and distributes the same to various departments, but does not procure any other services or goods or both for the supply / distribution of the stationery items and hence the applicant does not qualify to be a pure agent.

Thus the impugned activity of supply of stationary items to other Departments of same Government of Karnataka who have not obtained separate registration under the GST Act does not qualify as supply in terms of Section 7(1) (a) of the CGST Act 2017, as explained at para 10(a) supra. However, if supply of stationary items is done to the other Departments of Government of Karnataka who have obtained separate registration under the GST Act, then the transaction qualify as supply in terms of Section 7(1)(a) of the CGST Act 2017 and liable to tax under GST.

i. Taxability of Transportation charges paid by the Applicant

This category covers question number 16 & 17, which deals with transportation services received by the applicant. The Applicant supplies the text books & other printed forms/PUC answer booklets to various Departments, as per the requirements, located at different parts of the state. During this process applicant receives the transportation service from the service provider. At present applicant is paying transportation charges along with the GST @5% to the service provider.

The applicant seeks advance ruling on the issue that whether they are liable to pay GST on the transportation charges paid to the service provider, in relation to transportation of the text books & other printed forms/PUC answer booklets. The applicant has not clearly specified whether the service provider is a Goods Transport Agency or otherwise. Therefore two situations arise out of the question. The first being the service provider is GTA, a registered person and the other being a non GTA.

We consider the first situation i.e. the service provider is the GTA and also the applicant is receiver of the service of Transport of Goods by Road. In this case the applicant, being the receiver of the service, if falls under the



specified 7 categories mentioned at column 4 of the Notification No. 13/2017 Central Tax (Rate) dated 28-06-2017, then the applicant is liable to pay GST on the service of GTA, under Reverse Charge Mechanism, in terms of the said Notification. The applicable rate of GST, on the said service is as per item (iii) of entry no 9 of the notification 11/2017 Central tax (Rate) dated 28/06/2017 as amended by the notification 20/2017 Central tax (Rate) dated 22/08/2017.

The applicant, in the second situation, if receives the service of transportation of goods [the text books & other printed forms/PUC answer booklets] by road from other than the GTA and Courier agency, such transportation service is exempted from payment of GST as per entry no. 18 of the notification 12/2017 Central Tax (Rate) dated 28/06/2017.

The applicant also seeks advance ruling on the issue that whether they can deduct TDS on the transportation charges paid. The applicant has to pay GST, under RCM, in the first situation and not required pay in the second situation. Therefore in either of the situation the applicant not paying the tax (GST) to the provider of the service and hence the question of deduction of TDS on the transportation charges paid does not arise.

j. Printing & Supply of "Indian Law Reports" to the Hon'ble High Court of Karnataka:

This category covers the question number 22, which deals with printing & supply of Indian Law Reports to the Hon'ble High Court of Karnataka, Bengaluru at free of cost; content is provided by Hon'ble High Court of Karnataka; physical inputs including paper belong to the applicant.

The printing of books / annual reports and like, where content is supplied by the persons who owns the usage rights to the intangible inputs, while the physical inputs including paper used for printing belong to the printer would constitute a composite supply, where the principal supply is that of supply of printing service and merits classification under SAC 9989, in terms of Para 4 of the Circular No. 11/11/2017-GST dated 20.10. 2017.

In the instant case the applicant being a Government press, established by the Government of Karnataka, under the control and supervision of Primary & Secondary Education Secretariat and hence becomes part of Government of Karnataka. Applicant printing & supply the Indian Law Reports to the Hon'ble High Court of Karnataka, Bengaluru; content is provided by Hon'ble High Court of Karnataka; physical inputs including paper belong to the applicant. Therefore, in the instant activity, the principal supply is that of supply of printing service and transaction becomes supply of service.

The entry no 6 of the notification 12/2017 Central Tax (Rate) dated 28/06/2017 provides that the services by the Central Government, State

Government, Union territory or local authority are exempted from GST excluding the following services;

- a. services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;
- b. services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
- c. transport of goods or passengers; or
- d. any service, other than services covered under entries (a) to (c) above, provided to business entities

Therefore from the said entry it is observed that any service provided by the Government of Karnataka to business entity is excluded from exemption. Now we proceed to determine whether the Honourable High Court is business entity or not. The term 'business entity' is defined under the GST Act, means any person carrying out business. However, Honourable High Court is not included in the definition of the 'person' as defined under section 2(84) of the GST CGST Act 2017 and hence Honourable High Court Karnataka is not a business entity. The definition of 'person' as per section 2(84) of the CGST Act, 2017 is as under;

2 (84) "person" includes— (a) an individual; (b) a Hindu Undivided Family; (c) a company; (d) a firm; (e) a Limited Liability Partnership; (f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India; (g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013; (h) any body corporate incorporated by or under the laws of a country outside India; (i) a co-operative society registered under any law relating to co-operative societies; (j) a local authority; (k) Central Government or a State Government; (l) society as defined under the Societies Registration Act, 1860; (m) trust; and (n) every artificial juridical person, not falling within any of the above;

From the above, the printing & supply of Indian Law Reports to the Hon'ble High Court of Karnataka, Bengaluru by the applicant is exempted from GST in terms of entry no 6 of the notification 12/2017 Central Tax (Rate) dated 28/06/2017.

Issuance of No Objection Certificate (NOC) to private persons, for change of name

This category covers the questions bearing number 23, 24 & 25, which deals with issuance of No Objection Certificate (NOC) to private persons, for change of name. Private individual who intended to change



their name approach the applicant for publishing their present and proposed name in the official Gazette. Since the private individual name is not published in the official Gazette, applicant issues No Objection Certificate to the private individual which enable them to publish their name in the newspapers. Presently applicant is charging Rs.100/-, for each NOC and not paying GST on this amount.

The applicant being the Department of Government of Karnataka, issues the No Objection Certificate to the private individuals and collects an amount of Rs.100/-. This activity of the applicant amounts to provision of service by the State Government to an individual. The services provided by the State Government, where the consideration for such service does not exceed five thousand rupees are exempted from GST, in terms of entry number 9 of the Notification No.12/2017 Central tax (Rate) dated 28/06/2017. Thus impugned activity of issuing NOC to the private individuals for the consideration of Rs.100/- is exempted from GST.

1. Printing & Supply of Bus Tickets to BMTC, Bengaluru.

This category covers the questions bearing number 29 & 30, which deals with printing & supply of bus tickets to BMTC, Bengaluru; Logo & Content of the bus tickets are provided by the BMTC; physical inputs including paper belong to the applicant.

The printing of books / annual reports and like, where content is supplied by the persons who owns the usage rights to the intangible inputs, while the physical inputs including paper used for printing belong to the printer would constitute a composite supply, where the principal supply is that of supply of printing service and merits classification under SAC 9989, in terms of Para 4 of the Circular No. 11/11/2017-GST dated 20.10.2017.

In the instant case the applicant is involved in printing & supply of bus tickets; content is provided by the BMTC (recipient); physical inputs including paper belong to the applicant and hence the impugned activity amounts to supply of service, in terms of para 4 of the circular supra. The impugned supply is that of services, classified under SAC 9989 and attracts 12% GST, in terms of Sl.No.27 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017.

11. The applicant raised the questions bearing numbers 3, 10, 12 & 28, which are related to different issues. In all these questions the applicant raises same type of question whether the activity in these different issues amounts to supply of goods or services. These questions have been already answered in the relevant issues and hence they are redundant.

12. In view of the foregoing, we pass the following

RULING

The rulings in respect of all the questions raised by the applicant have been given & tabulated which are as under:

SIN o	Items involved in the supply	Supplied to	Supply amounts to	Whether supply is Taxable /Exempted	Rate of Tax applicable	Relevant Notifn. & Entry No.
1	Printing and supply of Text books and Printed Materials, Karnataka Kaipidi, Annual Reports, Receipt Books, Measurement Books and Log books	Government Departments not registered under GST Act.	Service	Exempted as this transaction does not qualify as supply under section 7(1)(a) of the CGST/KGST Act 2017	Not applicable	Not applicable
		Government Departments registered under GST Act.		Taxable	6% CGST and 6% SGST	Classified under SAC 9989 covered under entry No.27 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017
2	Printing & supply of Answer booklets, Visiting cards, Letter heads, Forms, Covers, File wrappers, invitation cards, Scribbling pads, Rubber stamps	Government Departments not registered under GST Act.	Goods	Exempted as this transaction does not qualify as supply under section 7(1)(a) of the CGST/KGST Act 2017	Not applicable	Not applicable
		Government Departments registered under GST Act.		Taxable	9% CGST and 9% SGST	Classified under HSN 4817 and 4820 covered under entry No. 152 and 154 of Schedule III to Notification 01/2017-Central Tax (Rate) dated 28.06.2017



3	Printing and supply of Annual Reports and Receipt Books	Autonomous bodies i.e. BRTS Company, Hubli-Dharwad Karnataka Electricity Regulatory Commission, Chamundeshwari Electricity Supply Company, Power Company of Karnataka Limited, BESCOM / HESCOM / MESCOM / KPTCL, Udupi / Bellary Nagarabhivrudi Pradhikara, Higher Education Council	Service	Taxable	6% CGST and 6% SGST	Classified under SAC 9989 covered under entry No.27 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017
4	Supply of Log Books	Autonomous bodies i.e. BRTS Company, Hubli-Dharwad Karnataka Electricity Regulatory Commission, Chamundeshwari Electricity Supply Company, Power Company of Karnataka Limited, BESCOM / HESCOM / MESCOM / KPTCL, Udupi / Bellary Nagarabhivrudi Pradhikara, Higher Education Council	Goods	Taxable	9% CGST and 9% SGST	Classified under HSN 4820 and covered under entry No.154 of Schedule III to Notification 01/2017-Central Tax (Rate) dated 28.06.2017
5	Printing & supply of Text books/ Karnataka kaipidis/Karnataka gazettes & Economic Survey of Government of Karnataka	Public & recognised book stalls	Goods	Exempted	Exempted	Classified under HSN 4901 covered under entry No.119 of Notification 02/2017-Central Tax (Rate) dated 28.06.2017

6	Supply of waste paper	Public	Goods	Taxable	2.5% CGST and 2.5% SGST	Classified under HSN 4707 covered under entry No.198 B of Notification 01/2017-Central Tax (Rate) dated 28.06.2017 as amended by the notification 34/2017 Central Tax (Rate) Dated 13/10/2017
7	Supply of old Machinery as Scarp	Public	Goods	Taxable	9% CGST and 9% SGST	Classified under HSN 7204 covered under entry No.199 of Schedule III of Notification 01/2017-Central Tax (Rate) dated 28.06.2017
8	Supply of stationary Articles	Government Departments not registered under GST Act.	Goods	Exempted as this transaction does not qualify as supply under section 7(1)(a) of the CGST/KGST Act 2017	Not applicable	Not applicable
		Government Departments registered under GST Act.	Goods	Taxable	As applicable to those goods supplied	As applicable to those goods supplied
9	Transportation service received by applicant from GTA	Applicant is the recipient	Service	Taxable	2.5% CGST and 2.5% SGST through reverse charge mechanism	Notification 13/2017 dated 28-06-2017
10	Transportation service received by applicant from service provider other than GTA and courier agency	Applicant is the recipient	Service	Exempted	Exempted	Classified under SAC 9965 covered under entry No.18 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017



11	Printing and supply of Law reports	Honourable High Court of Karnataka	Service	Exempted as this transaction does not qualify as supply under section 7(1)(a) of the CGST/KGST Act 2017, as there is no consideration involved.	Not applicable	Not applicable
12	Issue of NOC	Public	Service	Exempted	Exempted	entry no.9 of the notification 12/2017 Central tax (Rate) dated 28/06/2017
13	Printing and supply of Bus tickets	BMTC	Service	Taxable	6% CGST and 6% SGST	Classified under SAC 9989 covered under entry No.27 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017



(Signature)
18/3/2020
(Dr.Ravi Prasad.M.P.)
Member

Place: Bengaluru,
Date: 18-03-2020
Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,

The Applicant

Copy to:

The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
The Principal Commissioner of Central Tax, Bangalore West Commissionerate, Bengaluru.
The Asst. Commissioner, LGSTO-60, Bengaluru
Office Folder

(Signature)
18-03-2020
(Mashhood ur Rehman Farooqui)
Member

MEMBER
Karnataka Advance Ruling Authority
Bengaluru - 560 009