

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU – 560009**

**Advance Ruling No. KAR ADRG 47/2020**

**Date : 11-09-2020**

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. Datacon Technologies, No.31/10, Left of Magadi Main Road, Behind Saraswathi Convention Center, Bengaluru-560079
2.	GSTIN or User ID	29AADFD0745L1ZB
3.	Date of filing of Form GST ARA-01	24.12.2019
4.	Represented by	Sri. Suresh Bkere, Manager Finance & Authorised Representative.
5.	Jurisdictional Authority – Centre	The Principal Commissioner of Central Tax, Bangalore West Commissionerate, Bengaluru-560070.
6.	Jurisdictional Authority – State	LGSTO-70A, 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 & Rs.5,000/- under KGST Act vide CIN RBIS19122900229894 dated 18.12.2019.

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

1. M/s Datacon Technologies, (called as the 'Applicant' hereinafter), No.31/10, Left of Magadi Mian Road, Behind Sarswathi Convention Center, Bengaluru-560079, having User-ID 29AAD7D0745L1ZB have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 & KGST 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 2017 and the KGST Act 2017.

2. The applicant are a leading service provider in respect of Print solutions and IT & Infrastructure services. They are based out of Bangalore, Karnataka State &

Datacon Technologies





provide services all over the country. They also provide services in respect of examination matters of various Boards and Universities & the said services include

- Offset and Digital Print Solutions
- Variable Data Printing
- Security featured Print Stationery
- Printing of OMR technology forms
- Scanning – Editing and processing of OMR and ICR technology forms
- Data mining and Data Management
- Result processing and Report Generation
- And other allied IT infrastructure services including hardware & Maintenance services.

The applicant caters to the Education vertical in terms of stationery items for the conduct of examination and post examination process such as Marks card/Certificates etc. They were awarded a contract by the Bihar School Educational Board (BSEB) vide Work Order No. ST/281/18 DT dated 16.12.2018 for scanning of OMR Flying slip, OMR Marks Foil, OMR attendance sheet, OMR absentee sheet and finalisation of data.

In view of the above, the applicant sought Advance Ruling in respect of the question that *Whether the services performed by them are exempted by virtue of item (b) of Sr. No. 66 of Notification No. 12/2017-CT (R) dated 28.06.2017?*

3. **Admissibility of the application** : The applicant filed the instant application, in relation to the services to be provided to the Bihar School Examination Board and have sought advance ruling in respect of the question on the issues covered under Section 97(2)(e) of the CGST Act 2017 and hence the application is admitted.

4. **Applicant's interpretation of law** : The Applicant submits their interpretation of law, on consideration of the Bihar School Education Board as an educational institution, that their services are in relation to conduction of examination & hence are exempted from GST, in terms of item (b) of Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. Further they also intend to rely upon the ruling of the Advance Ruling Authority of Maharashtra, in the case of M/s Orient Press Ltd., wherein the identical service was held to be exempted from GST payment.

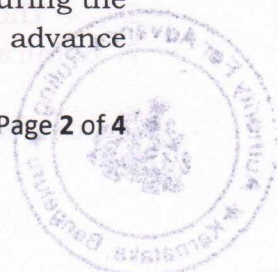
#### PERSONAL HEARING / PROCEEDINGS HELD ON 27.07.2020

5. Sri. Suresh Bkere, Manager Finance & duly authorised representative of the applicant appeared for personal hearing proceedings held on 27.07.2020 & reiterated the facts narrated in their application.

#### 6. **FINDINGS & DISCUSSION**

6.1 We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by them during the personal hearing. We have also considered the issues involved, on which advance ruling is sought by the applicant, and relevant facts.

Datacon Technologies





6.2 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.

6.3 The applicant sought advance ruling in respect of the question mentioned at para 2 supra. Thus the issue before us to decide is whether the impugned services are being provided to an educational institution by way of services relating to admission to, or conduct of examination by such institution, covered under SAC 9992 and merits exemption under Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 02/2018-CT (R) dated 25.01.2018 and Notification No. 18/2018-CT (R) dated 26.07.2018, which is as appended below:

Sl. No	Heading	Description of Service	Rate	Condition
66	Heading 9992	<p>Services provided –</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>[(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;]</p> <p>(b) to an educational institution, by way of, -</p> <p>i) transportation of students, faculty and staff;</p> <p>ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or housekeeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution;</p> <p>[(v) supply of online educational journals or periodicals;]</p> <p>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.</p> <p>[Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of, -</p> <p>i) pre-school education and education up to higher secondary school or equivalent; or</p> <p>(ii) education as a part of an approved vocational education course</p>	Nil	Nil

6.4 The Notification No.14/2018-Central Tax (Rate) dated 26.07.2018 inserted a clarification in Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 that the Central and State Educational Boards shall be treated as Educational Institutions for the limited purpose of providing services by way of conduct of





examination to the students. Thus the BSEB becomes an Educational Institution for the purpose of conduction of examination, in terms of the Notification supra.

6.5 It is observed, from the letter dated 06.12.2018 of BSEB, submitted by the applicant containing reference of work order dated 10.11.2018, that the applicant was given the job to **scan the OMR Flying slip, OMR marks Foil with barcode sticker, scanning of OMR attendance sheet and scanning OMR Absentee sheet along with data extraction and finalization of data in all the four categories.**

6.6 Now we proceed to examine whether the aforesaid work, allotted to the applicant by the BSEB, covered under the conduction of examination or not. It is an undisputed fact that the process of conducting examination is not limited/restricted to a test centre. Examination is an incomplete activity without assessment. Scanning of answer sheets and quantifying marks is an essential part albeit main objective of the examination process. Educational institutions or the examinees do not look at these activities in isolation. We therefore observe that the stated activity of the applicant is exempted by virtue of Sr. No.66 of Notification No. 12/2017-CT (R) dated 28.06.2017.

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

### R U L I N G

*The activity of the applicant, is covered under "Other Educational Support Services", under SAC 999299, and is related to conduct of examination and hence is exempted, in terms of Sl.No.66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.*





(Dr.M.P.RaviPrasad)

Member MEMBER

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

Place : Bengaluru

Date : 11-09-2020

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-70 A ,Bengaluru.

Office Folder.



11.09.2020

(Mashhood Ur RehmanFarooqui)

Member

MEMBER

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

