

**AUTHORITY FOR ADVANCE RULING –UTTAR PRADESH**

**4, Vibhuti Khand, Gomti Nagar, Lucknow**

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**PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING U/S. 98 OF  
THE GOODS AND SERVICES TAX ACT, 2017**

Sub:- GST ACT, 2017 – Advance Ruling U/s 98 – liability to tax under GST Act in respect to application dated 01.01.2019 from M/s Manaswi Das, Allahabad, Uttar Pradesh – Order– Reg.

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1) M/s Manaswi Das, 20- D Beli Road, New Katra, Allahabad, U.P. - 211002 (here in after called the applicant) is a registered assessee under GST having GSTN: 09ABOPD6102D1Z1.

2) The applicant is engaged in the business of Confidential Printing and supply services.

3) The Applicant has submitted application for Advance Ruling dated 29.10.2018 enclosing duly filled Form ARA-01(the application form for Advance Ruling) along with annexure and attachment.

4) The Applicant in his application sought clarification and Advance Ruling as follows : –

- a) Whether activity of printing of question papers on behalf of educational institutions can be classified as activity of supply of goods or supply of services?
- b) Whether GST is to be charged on such supply and, if so, at what rate and under what HSN or SAC code is the GST to be charged?

5) The application for advance ruling was forwarded to the Jurisdictional GST Officer to offer their comments/views/verification report on the matter, which were received in the office vide letter C. No. IV(30)03 - Advance Ruling/Div.II/2019/148 dated 01/02/19.

6) The applicant was granted a personal hearing on 08.02.2019. Shri Arvind Saran Das, Advocate and Shri Kushagra Srivastava, Advocate, Authorized representatives on behalf of applicant appeared for hearing. During the personal hearing they stated that they have already submitted views in their letter dated 01/01/19 and they would like to reiterate the same.

During the PH they also submitted the judgment copies of Authority for Advance Ruling, West Bengal of M/s Manali Enterprises and Authority for Advance Ruling, Gujarat of M/s Edutest Solutions Pvt. Ltd. dated 23.08.2018.

Department was represented by Shri V. K. Mitra, Supdt., Range- IV, Division- II, Allahabad.

### **DISCUSSION AND FINDING**

7) We have gone through the submissions made by the applicant and examined the detailed explanation submitted by them. We observe that the question sought by the applicant is-

a) Whether activity of printing of question papers on behalf of educational institutions can be classified as activity of supply of goods or supply of services?

b) Whether GST is to be charged on such supply and, if so, at what rate and under what HSN or SAC code is the GST to be charged?

8) The Applicant in its application submitted the details of the services are as follows:-

- 1) Printing of Pre and Post Examination items for various Educational Boards/Examiner Body:- The Company provides the service of printing of both pre and post examination documents to various Educational



Boards/Examiner Body The pre examination documents includes OMR sheets, question papers, answer booklets. The post examination documents include marks card, grade card and certificates.

- 2) Scanning and processing of results of examinations to educational institutions:- here the services provided by the Applicant can be classified under two heads:-
  - i) Scanning Activity: Scanning of the OMR answer sheets/OMR sheets (marks foil)/counterfoil's of the evaluated answer books having bar codes and scans the data entry of the question wise marks and total marks, verification of data with the hard copy of counter foils of answer booklets. Scanning and posting of subject wise marks, against students roll number. Preparation of final marks and posting against the students final database.
  - ii) Processing of results:-Preparation of reports such as-consolidated reports; subject mismatch reports; discrepancy reports for correction in consultation of Board/Examiner Body; statistical reports as and when required by the Board/Examiner Body. Result processing after re-verification of marks/re-evaluation of answer books.

9) As per the understanding of the applicant, in its submission, applicant submitted that, since, the scope of work of the applicant relates to compose, typeset, print, pack, transport, unload and supply sealed Question Papers to the Education Board / Educational Institutes and the usage rights of the manuscript material of Question Papers (intangible inputs) are owned by the Education Boards / Educational Institutes and the physical inputs used for printing belong to the applicant, supply of printing is the principal supply in this case and the same would constitute supply of service falling under heading 9989 of the scheme of classification of services.

10) In other words, the content of the printed matter is specific to the customer, and, neither is the matter pre-printed, nor has the Applicant any ownership to the content at any point of time, and, therefore, cannot transfer title of the above printed matters. Hence, the Question Papers are not the property of the Applicant.



Furthermore, the Question Papers supplied by the Applicant to their customers are not marketable commodities in the open market and as goods they have no legitimate value to persons other than the specific customer who provides the input content. The Applicant, therefore, cannot be said to be supplying Question Papers as "goods" under the GST Act, but to be supplying the service of printing.

11) The applicant, on 08.02.19 during the PH further submitted the Judgment copies of Authority for Advance Ruling, West Bengal of M/s Manali Enterprises and Authority for Advance Ruling, Gujrat of M/s Edutest Solutions Pvt. Ltd.

12) We have considered the submissions made by the applicant in their application for advance ruling, in additional submission at the time of personal hearing and as well as views of the Jurisdictional office. The first issue to be decided in this case is whether activity of printing of test papers / question papers by the applicant for its clients should be treated as supply of goods or supply of service, the issue has been examined in the light of TRU Circular no. 11/11/2017-GST dated 20.10.17 and it has been observed that:-

a) The manuscript material for printing the question papers relating to the examination is supplied to the applicant by the Education Board/Educational Institutes. The scope of work of the applicant relates to compose, typeset, print, pack, transport, unload and supply sealed Question Papers to the Education Board / Educational Institutes.

b) As the usage right of the manuscript material of Question Papers (intangible inputs) are owned by the Education Boards / Educational Institutes and the physical inputs used for printing belong to the applicant, supply of printing is the principal supply in this case and the same would constitute supply of service falling under heading 9989 of the scheme of classification of services.

13) Now, coming to the second question raised by the applicant, regarding, the issue of rate of GST to be charged on such supply it is observed as under:-

a) As defined in clause (y) of Para 2 of the said Notification No. 12/2017-Central Tax (Rate) 'Educational Institutions' means an institute providing services by way of:- i) pre-school education and education up to higher secondary school or equivalent; ii) education as a part of curriculum for obtaining a qualification recognized by any law for time being in force; iii) education as a part of an approved vocational education course. The benefit (exemption from payment of GST) of Sr. No. 66 of Notf. No. 12/2017- Central Tax (Rate) is admissible only in case where service is provided to an educational institution.

b) The services of printing of question paper, supplied by the applicant to other than 'educational institutions' will be covered by Sr. No. 27(i) of Notf. No. 11/2017 Central Tax (Rate), as amended, and will attract Goods and Services Tax @ 12% (CGST 6% + SGST 6% or IGST 12%).

In view of the above, both the members unanimously rule as under;

### **RULING**

Question 1:- The activity of printing of question papers by the applicant is activity of supply of services classifiable under heading 9989 of the scheme of classification of services.

Question 2:- The benefit of Sr. No. 66 of Notf. No. 12/2017- Central Tax (Rate) is admissible only in case where service is provided to an educational institution (as defined in clause (y) of Paragraph 2 of the Notification No. 12/2017-Central Tax (Rate)). The services of printing of question paper, supplied by the applicant to other than 'educational institutions' will be covered by Sr. No. 27(i) of Notf. No. 11/2017 Central Tax (Rate), as amended, and will attract Goods and Services Tax @ 12% (CGST 6% + SGST 6% or IGST 12%).

  
Vivek Kumar Jain

Member of Authority for Advance  
Ruling

  
Hari Ram

Member of Authority for Advance  
Ruling



To,

M/s Manaswi Das,  
20 D, Beli Road, New Katra  
Allahabad, Uttar Pradesh, 211002.

**AUTHORITY FOR ADVANCE RULING –UTTAR PRADESH**

Order No. 27(ii)

Date: 11.03.2019

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 Commissioner, CGST & CX, Allahabad, Uttar Pradesh.
4. The Deputy Commissioner, CGST & Central Excise, Division-II, Allahabad, Uttar Pradesh;
5. Through the Additional Commissioner, Commercial Tax, Allahabad, Uttar Pradesh to jurisdictional tax assessing officers.