

WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
14 Beliaghata Road, Kolkata – 700015
(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Mr Brajesh Kumar Singh, Joint Commissioner, CGST & CX
Mr Joyjit Banik, Senior Joint Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called 'the GST Act'), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed thereunder, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	Anamika Agrawal
Address	265/10, B.L. Saha Road, Kolkata-700053
GSTIN	19AFXPA4953N1ZM
Case Number	WBAAR 12 of 2022
ARN	AD190522005787W
Date of application	May 20, 2022
Jurisdictional Authority (State)	Alipore Charge, Behala Circle
Jurisdictional Authority (Central)	Ballygunj Division, Kolkata South Commissionerate
Order number and date	09/WBAAR/2022-23 dated 18.08.2022
Applicant's representative heard	Mr. Harish Modi, ACA

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression 'GST Act' would mean the CGST Act and the WBGST Act both.

1.2 The applicant is stated to be engaged in manufacturing of printed box, mono cartons, labels etc and also undertakes works contract of the same nature. In the process of works contract, the applicant receives only duplex board from its customer on which the applicant undertakes the work of printing, lamination, punching, cutting and other related activities..

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under seeking an advance ruling on applicability of GST rate on works contract (job work).

1.4 The aforesaid question on which the advance ruling is sought for is found to be covered under clause (a) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the question raised in the application has neither been decided by nor is pending before any authority under any provision of the GST Act.

1.6 The officer concerned from the revenue has raised no objection to the admission of the application.

1.7 The application is, therefore, admitted.

2. Submission of the Applicant

2.1 In course of personal hearing, the authorised representative of the applicant furnishes a statement describing the 'Business Process' carried out by the applicant as follows:

- Job Work: Preparation of printed box/printed sheets from duplex board.
- Material received from customer: Duplex board
- Materials used/supplied by the applicant in the process: Printing ink, gum, PVC film, chemical etc.
- Main activity: Printing on duplex board
- Ancillary activity: Cutting, punching, lamination etc.(if required by the customer)
- Design and specification: It is provided by the customer.
- Brief description: The applicant prints the design and content on duplex board supplied to him by its customer. Further, the applicant provides services in the nature of cutting, punching and lamination on the sheets, if the same is required by the customer.
- Invoicing: The applicant issues invoices for supply of services without charging any separate amount for the materials supplied by the applicant.

2.2 The applicant submits that it has been clarified in Circular 126/45/2019-GST dated 22.11.2019 that job work services supplied to a registered person would attract tax @ 12% and the same would be taxable @ 18% when provided to an unregistered person. The applicant accordingly charges tax @ 12% on job work services provided to registered person and 18% on job work services provided to unregistered persons.

3. Submission of the Revenue

The concerned officer from the revenue has not expressed any view on the issue raised by the applicant.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorised representative of the applicant during the course of personal hearing. The applicant is engaged in printing of duplex board which is supplied by its customer. In addition

to this, the applicant also undertakes cutting, punching and lamination of the board, so printed, if the same is required by the customer. It has also been submitted by the applicant that such printing is done as per design and specifications provided by the customer. The applicant issues invoices for supply of services. The issue involved in the instant case is to decide the applicable tax rate on such supply provided by the applicant.

4.2 To determine the applicable rate of tax on such supply, we first need to decide whether such activities would be regarded as supply of goods or supply of services. Entry No. 3 of Schedule II of the GST Act classifies any treatment or process which is applied to another person's goods as a supply of services. It is an admitted fact that the applicant carries out printing works on goods (duplex board for the instant case) owned by its customers. Therefore, the activities of printing of duplex board belonging to its customers would be treated as supply of services.

4.3 Further, clause (68) of section 2 of the GST Act defines the term 'job work' as under:

'Job work' means any treatment or processing undertaken by a person on goods belonging to another registered person and the expression 'job worker' shall be construed accordingly.

It is thus evident that any treatment or process on goods belonging to another person shall be treated as job work if the goods are owned by a registered person. In other words, when such goods are owned by a person who is not registered, the same shall not be regarded as job work.

4.4 We find that rate of tax on services of job work in relation to various activities has been specified in entry no. 26 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 [corresponding West Bengal Tax notification No. 1135 F.T. dated 28.06.2017), as amended from time to time, Since the instant issue involves services related to printing, relevant extract of the said entry is reproduced herein under for ease of reference:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
26	Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)	(i) Services by way of job work in relation to- (a) Printing of newspapers; * * (d) Printing of books (including Braille books), journals and periodicals; (da) printing of all goods falling under Chapter 48 or 49, which attract State tax @ 2.5 per cent. or Nil; ****/	2.5	

		(ia) Services by way of job work in relation to— *** (b) printing of all goods falling under Chapter 48 or 49, which attract State tax @ 6 per cent.	6	
		(ib) ***		
		(ic) ***		
		(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	6	
		(ii) Services by way of any treatment or process on goods belonging to another person, in relation to – (a) printing of newspapers; (b) printing of books (including Braille books), journals and periodicals. (c) printing of all goods falling under Chapter 48 or 49, which attract State tax @ 2.5 per cent. or Nil.	2.5	
		(iia) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract State tax @ 6 per cent	6	
		(iii) ***		
		(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ii), (iia), (ib), (ic), (id) and (iii) above.	9	

4.5 We find from the above-referred entry no. 26 that:

- (i) Services by way of job work in relation to printing of all goods falling under Chapter 48 or 49, which attract State tax @ 2.5 per cent. or Nil is taxable @ 5% [CGST @2.5%+ WBGST @ 2.5%]
- (ii) Services by way of job work in relation to printing of all goods falling under Chapter 48 or 49, which attract State tax @ 6 per cent. is taxable @ 12% [CGST @ 6%+ WBGST @ 6%]

- (iii) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract State tax @ 2.5 per cent. or Nil is taxable @ 5% [CGST @ 2.5%+ WBGST @ 2.5%]
- (iv) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract State tax @ 6 per cent is taxable @ 12% [CGST @ 6%+ WBGST @ 6%]

However, manufacturing services on physical inputs (goods) owned by others, which are not covered, inter alia, under point no. (i) to (iv) would attract tax @ 18% [CGST @ 9% + WBGST @ 9%].

4.6 We further find that Chapter 48 of the Customs Tariff Act specifies 'Paper and paperboard; articles of paper pulp of paper or of paperboard'. Duplex board, being a form of paper board, falls under this Chapter and attracts tax @ 12% [CGST @ 6% + WBGST @ 6%] vide entry no. 112 of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 [corresponding West Bengal Tax Notification No.1125 F.T. dated 28.06.2017].

4.7 On the basis of above, we hold that the activities undertaken by the applicant for printing on duplex board belonging to its customer including cutting, punching and lamination, as and when required by the customer, shall be treated as services by way of job work in relation to printing of all goods falling under Chapter 48 where the customer is registered under the GST Act. In cases where the customer is not registered under the GST Act, the same shall be treated as services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48. However, in both the cases, the applicable rate of tax would be 12% [CGST @ 6%+ WBGST @ 6%] as specified at items (ia)(b) and (ia) respectively under entry no. 26 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 [corresponding West Bengal Tax Notification No. 1135 F.T. dated 28.06.2017), as amended form time to time.

In view of the above discussions, we rule as under:

RULING

Supply of services for printing on duplex board belonging to the recipient including cutting, punching and lamination of the duplex board, so printed, would attract tax @ 12% [CGST @ 6% + WBGST @ 6%] irrespective of the recipient of the services is registered under the GST Act or not.

(BRAJESH KUMAR SINGH)
Member
West Bengal Authority for Advance Ruling

(JOYJIT BANIK)
Member
West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 18.08.2022

To

Anamika Agrawal

265/10, B.L. Saha Road, Kolkata-700053

Copy to:

- (1) The Principal Chief Commissioner, CGST & CX, GST Bhavan, 180, Shantipally, R.B.Connector, Kolkata-7000107
- (2) The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700015
- (3) The Sr. JCCCT/JC, Behala Charge, 620, Diamond Harbour Road, Behala Industrial Complex, Kolkata-700034
- (4) Office Folder