

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

**Advance Ruling No. KAR ADRG 100/2019**

**Dated: 27<sup>th</sup> September, 2019**

Present:

1. Sri. Harish Dharnia,  
Additional Commissioner of Central Tax . . . . Member (Central Tax)
2. Dr. Ravi Prasad M.P.  
Joint Commissioner of Commercial Taxes . . . . Member (State Tax)

|    |   |   |
|----|---|---|
| 1. | Name and address of the applicant                                     | M/s. Datacon Technologies,<br>#31/10, Left of Magadi Main Road,<br>Behind Saraswathi Convention Center,<br>Bangalore - 560079.  |
| 2. | GSTIN or User ID  | 29AADFD0745L1ZB   |
| 3. | Date of filing of Form GST ARA-01                                     | 31.07.2019  |
| 4. | Represented by  | Shri. Suresh, Accounts Manager  |
| 5. | Jurisdictional Authority - Centre                                     | Pr. Commissioner of Central Tax,<br>Bangalore West Commissionerate (AWD3)   |
| 6. | Jurisdictional Authority - State                                      | LVO 070 A - 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 and Rs 5,000/- under KGST Act vide CIN No. 19072900450238 dt. 30-07-2019 and 19072900418127 dt.26-07-2019 respectively |

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

1. M/s. Datacon Technologies, No.31/10, Left of Magadi Main Road, behind Saraswathi Convention Center, Bangalore - 560079, having GSTIN number 29AADFD0745L1ZB 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 is a partnership firm registered under the Goods and Services Act, 2017 engaged in offset printing of Answer booklets, center pinning and hand numbering. Applicant received an order from a Karnataka State Secondary

Datacon Technologies

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Education Board for printing of answer booklet, centre pinning and hand numbering. The board will provide the design and format of the answer booklet in soft copy to be printed, then centre pinning and hand numbering answer booklet and supply back the answer booklet to the board.

3. The Applicant seeks advance ruling on classification of goods and services as under:-

*We execute the work contract for customers, that is offset printing of Answer booklets, centre pinning and hand numbering, accordingly we have classified it under HSN Code No. 998912 attracting 12% GST however the other vendors for the said work seems to have applied slab rate of 18% and hence ruling is requested.*

4. The Applicant authorized Sri. Suresh, their Accounts Manager to appear for personal hearing proceedings before this authority. Shri Suresh made the following submissions.

5. The Applicant is in receipt of an order for printing, centre pinning and hand numbering of answer Booklets from Karnataka State Secondary Education Board. All the material required for printing including paper belongs to the applicant. The content of water mark to be printed on each page of the answer Booklets along with format and design is provided by Karnataka State Secondary Education Board. The applicant seeks ruling for the activity carried out by the Applicant as mentioned supra, whether taxable under 12% or 18%.

#### FINDINGS AND DISCUSSION

6. We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by Sri. Suresh, Accounts Manager of M/s Datacon Technologies during the personal hearing. We also considered the issue involved, on which advance ruling is sought by the applicant, relevant facts & the applicant's interpretation of law. 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.

7. On verification of the nature of the activity carried out by the applicant with regard to printing, center pinning and hand numbering of the answer booklet it is observed that only the content of water mark to be printed on the each page of the answer booklet along with format and design is supplied by the board whereas printing inputs as well as paper belongs to the applicant. The applicant has to print the water mark on each page of the answer booklet as per the format and design given by the board , center pin each booklet and hand number each page of the book let and supply back to the board. The issue to be decided in this case is to whether the activity carried out by the applicant to be treated as supply of goods or supply of service.



8. In this regard CBEC has issued Circular no.11/11/2017- GST dated 20.10.2017, where in it is clarified as under:

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

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

*In 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 of goods and therefore such supplies would constitute supply of **goods** falling under respective headings of Chapter 48 or 49 of the Customs Tariff.*

9. As per the circular, if the activity of printing gives essential character to the printed product, it will be supply of service. If the usage of the product gives essential character, it will be supply of goods.

10. In the instant case applicant is supplying answer booklets printed with water mark supplied by the board made using physical inputs including paper belonging to the printer. Here, supply of printing [of the content supplied by the recipient of supply] is the ancillary to the principal supply of the answer booklet and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

11. From the above M/s Datacon Technologies is engaged in supply of answer booklets to the Board falling under the Heading 4802 of entry 112 of the Schedule II to the notification 01/2017 Central tax (Rate) dated 28/06/2017 which is narrated as under.



| Sl No. | Chapter / Heading / Subheading / Tariff item | Description of Goods   |
|--------|--|--|
| 112    | 4802   | Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and non perforated punch-cards and punch tape paper, in rolls or rectangular (including square) sheets, of any size, other than paper of heading 4801 or 4803; hand-made paper and paperboard |

12. Therefore answer booklets provided by the applicant to the Karnataka State Secondary Education Board falling under the Heading 4802 of entry 112 of the scheduled II to the notification 01/2017 Central tax (Rate) dated 28/06/2017 taxable at 6% CGST and 6% SGST.

13. Hence the following

### RULLING

The supply of printed, centre pinned and hand numbered answer booklet to the Karnataka State Secondary Education Board constitutes supply of goods falling under the Heading 4802 of entry 112 of the Schedule II to the Notification 01/2017 Central tax (Rate) dated 28/06/2017 and taxable at 6% CGST and 6% SGST.



(Harish Dharnia)  
Member

Place: Bengaluru,  
Date: 27.09.2019

(Dr. Ravi Prasad M.P.)  
Member

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. Pr. Commissioner of Central Tax, Bangalore West Commissionerate, Bengaluru.
4. The Asst. Commissioner, LVO-070A, Bengaluru.
5. Office Folder.