

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

**Advance Ruling No. KAR ADRG 74/ 2019**

**Dated: 23<sup>rd</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 Informatics Publishing Ltd., No.194, R.V.Road, Basavanagudi, Bengaluru 560004
2.	GSTIN or User ID	29AACCT4896Q1Z8
3.	Date of filing of Form GST ARA-01	21.01.2019
4.	Represented by	Sri K. Dayananda, Chartered Accountant
5.	Jurisdictional Authority - Centre	Commissioner of Central Tax, Bangalore South, South Division-1, Range-DSD-1, Bengaluru
6.	Jurisdictional Authority - State	LGSTO-100, Bengaluru
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of 1. Rs.5,000-00 under CGST Act vide CIN CNRB19012900190396 dated 17.01.2019 2. Rs.5,000-00 under KGST Act vide CIN CRB18082900000291 dated 01.08.2019

**ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICE TAX  
ACT, 2017 AND UNDER SECTION 98(4) OF THE KARNATAKA GOODS AND  
SERVICES TAX ACT, 2017**

1. M/s Informatics Publishing Limited, (called as the 'Applicant' hereinafter), having GSTIN number 29AACCT4896Q1Z8, has filed an application for Advance Ruling under Section 97 of the CGST Act, 2017 and Section 97 of the KGST Act, 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 Company and is registered under the Goods and Services Act, 2017. The applicant has sought advance ruling in respect of the following question:



*Whether the supply of services in the nature of subscription to the J-Gate by the educational institutions is eligible for exemption from GST under Notification No.2/2018- Central Tax (Rate)?*

3. The applicant furnishes some facts relevant to the stated activity:

a. The applicant states that they are in the business of supplying online journals. They have a portal called J-Gate, which is a platform for searching various educational journals. Today it qualifies to be the world's largest database of journal articles – indexing metadata of over 56 million journal articles from 50000 + journals of 13100+ publishers. J-Gate includes full text access to over 25000 journals.

b. The applicant further states that the Government has exempted the supply of online journals to educational institutions vide notification number 2/2018- Central Tax (Rate) dated 25.02.2018. The relevant entry in the notification is as under

(v) supply of online educational journals and periodicals

“provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of, -

(i) Pre-school education and education upto higher secondary school or equivalent; or

(ii) Education as a part of an approved vocational educational course.

c. J-Gate, being the platform for various scholarly and scientific journals, educational institutions subscribe to J-Gate, which will enable them to access hundreds and thousands of educational journals.

d. The applicant states that J-Gate platform indexes millions of articles from several thousand online journals of interest to educational institutions. It also aggregates several of these online journals on its platform. The journals are updated on a monthly or bi-monthly or quarterly basis.

4. The applicant states that he understands that by virtue of Notification No.2/2018- Central tax (Rate) dated 25.01.2018; the supply of online journals to an educational institution is exempt from the payment of tax under the GST Act.

4.1 J-Gate can be visualized as a service similar to Tax India Online (TIOL) or GST Law Times: a weekly journal of Goods and Service Tax in print. While TIOL aggregates and indexes case laws, articles, etc. in the area of direct and indirect taxes, J-Gate indexes and aggregates articles from the peer-reviewed scholarly journals in all discipline sets such as Physical science and Life Sciences, engineering and Technology, Health Sciences, Economics, Laws, Social Sciences,

etc. required by higher education institutions. If TIOL and GST Law Times are considered as journals, the applicant feels that J-Gate should also be considered as an online journal.

4.2 The applicant charges the subscribing institutions an annual subscription fee, depending on the disciplines from which the journals are required to be accessed.

4.3 The applicant states that OIDAR is defined in Section 2(17) of the IGST Act, 2017. Even though providing online journal or periodicals through J-Gate will fall under "online information and database access or retrieval services", the Government has decided to exempt the service of "supply of online journals or periodicals" to the education sector. The Government has picked up one of the service from the host of services listed under "online database service" and has given the exemption for journals and periodicals provided through online to the educational institutions. Since the exemption is available when the service is provided to the educational sector, the applicant is of the view that as an aggregated access to collection of journals should also be exempt from GST when subscribed by educational institutions.

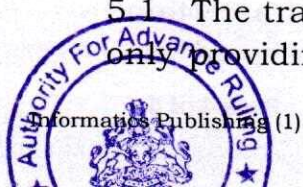
4.4 The applicant states that as per the Oxford Online Dictionary, the meaning of journal is given as under:  
"a newspaper or magazine that deals with a particular subject or professional activity".

4.5 In view of the above explanations, the applicant is of the view that J-Gate is a journal, and hence the subscription fee collected from the qualified educational institutions should be exempted from GST by virtue of Notification No.2/2018.

## 5. FINDINGS & DISCUSSION:

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

5.1 The transaction of the applicant is verified and found that the applicant is only providing access to the articles published in various journals and papers



to its subscribers. It itself is not publishing any online journal, but only maintaining a database of links to all the journals. It is seen that the links to the articles are maintained in a metadata form and the subscriber when accesses to the platform can access to the individual article published in any of the journal available in the platform after reading the catalogue of the articles. The articles are catalogued and made available. Some of the articles are available for full view while some are only available in the catalogued form and the subscriber needs to subscribe the individual journal site to gain access to the full article. The applicant is collecting the subscription fee which is nothing but the fee charged to gain access to the data available in the database and to download the articles or information. This is an online information and database access and retrieval service provided by the applicant to its subscriber and not a sale or supply of online journals.

5.2 In their application at serial number 16, the applicant describes the services through J-Gate platform as follows:

- (a) J-Gate platform indexes millions of articles from several thousand online journals of interest to educational institutes
- (b) J-Gate also aggregates several of these online journals on its platform.

The aforementioned activities clearly indicate that the applicant carries out the aggregation of various articles from various journals and creates a database for reference. They themselves do not publish any journals. So their activity is in the domain of aggregation and supply of educational material which has been published in journals by other persons.

5.3 Further during the hearing the applicant submitted some more facts in writing. One relevant and important information provided by the applicant is as follows:

*The portal has around 25000 full-fledged journals and metadata of around 25000 journals. Metadata refers to the journals which have the gist of the articles but not the full-fledged information. If a subscriber wants to read the full article, the subscriber has to pay to the publisher and subscribe to the same. However the metadata itself will generally be sufficient for any reader to understand the subject matter.*

Here it is clear that in respect of the metadata the educational institutes have to further pay to the publishers to get access to the full text of articles. The application only acts as the gateway to the data. They are not the owners of the data.

5.4 The facts enumerated in para 5.2 and 5.3 above indicate that the nature of the activity undertaken by the applicant relates to compilation of a certain prepared data at one place. They are not involved in the creation of the

journals. In respect of the metadata they are only the gateway to the journals. In this context what the applicant supplies is educational material/information already prepared by someone else. They act only as a platform for supply of information or as an aggregator of information in case of metadata.

5.5 In view of the above, the transaction is not covered under sub-item (v) of item (b) of serial no.66 of Notification No.12/2017- Central Tax (Rate) dated 28.06.2017 as amended by Notification No.2/2018- Central Tax (Rate) dated 25.01.2018 which reads as under

“66. Services provided to an educational institution by way of –  
(v) supply of online educational journals and periodicals.”


5.6 Instead, the transaction of supply of information by the applicant is more appropriately covered under the Heading 9984, ‘Telecommunications, broadcasting and information supply services’, under the Group 99843 and Service Accounting Code of 998431, the description of which is “online text based information such as online books, newspapers, periodicals,, directories and the like”. The explanatory notes to the scheme of classification of services refers. The articles are covered under the items “and the like” and hence the SAC applicable for the providing access to the portal is 998431. This service is liable to tax at 9% CGST under the entry no.22 of Notification No.11/2017- Central Tax (Rate) dated 28.06.2017.

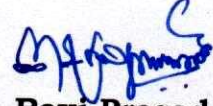
5.7 For the same reasons, the transaction is liable to tax at 9% under the KGST Act as it is covered by entry no. 22 of Notification (11/2017) No. FD 48 CSL 2017 dated 29.06.2017.

6. In view of the foregoing, we rule as follows

### **RULING**

The providing of access to the online content by the applicant to their users is covered under SAC 998431 and liable to tax at 9% CGST under the entry no.22 of Notification No.11/2017- Central Tax (Rate) dated 28.06.2017 and at 9% under the KGST Act as it is covered by entry no. 22 of Notification (11/2017) No. FD 48 CSL 2017 dated 29.06.2017.

  
23.09.2019  
**(Harish Dharnia)**  
**Member**

  
**(Dr. Ravi Prasad M.P.)**  
**Member**



Place: Bengaluru,  
Date: 23.09.2019

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. The Commissioner of Central Tax, Bangalore South Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-100, Bengaluru.
5. Office Folder

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