

MAHARASHTRA AUTHORITY FOR ADVANCE RULING
GST Bhavan, 8th floor, H-Wing, Mazgaon, Mumbai - 400010.

(Constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri B. Timothy, Addl. Commissioner of Central Tax, (Member)

(2) Shri B. V. Borhade, Joint Commissioner of State Tax, (Member)

GSTIN Number, if any/ User-id		27AAACO0425C3Z1
Legal Name of Applicant		Orient Press Limited
Registered Address/ Address provided while obtaining user id		L-31/32, Tarapur Industrial Area, M.I.D.C. Boisar, Dist. Palghar, Maharashtra Pin: 401506
Details of application		GST-ARA, Application No. 89 Dated 01.11.2018
Concerned officer		Deputy Commissioner of State Tax, E- 002, Palghar, Thane Rural Division, Palghar.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Factory/ Manufacturing ,
B	Description (in brief)	The Company is engaged in the business of providing the services of printing of security documents to its clients, who vary from Government Authorities and agencies, Banks, Educational Boards / Institutions and Private Companies.
Question(s) on which advance ruling is required		(i) Classification of goods and services or both. (ii) applicability of a notification issued under the provisions of the Act
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.



PROCEEDINGS

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act"] by Orient Press Limited, the applicant, seeking an advance ruling in respect of the following questions.

1. Whether supply of service of:

(i) Printing of Pre-examination items like question papers, OMR sheets (Optical Mark Reading), answer booklets;

(ii) Printing of Post-examination items like marks card, grade card, certificates to the educational boards of up to higher secondary; and

(iii) What would be the classification and the applicable GST rate, for the supply of Printing of cheque book / railway tickets

be treated as exempted supply of service by virtue of Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 and as amended by Notification No.2/2018 - Central Tax (Rate), dated 25th January, 2018; Entry No. 66 of Notification No. 12/2017 - State Tax (Rate), dated 29th June, 2017; and Entry No. 69 of the Notification No. 9/ 2017 - Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 2/2018- Integrated Tax (Rate), dated 25th January, 2018?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST 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 provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / MGST Act would be mentioned as being under the "GST Act".

02 FACTS AND CONTENTION - AS PER THE APPLICANT

The submissions, as reproduced verbatim, could be seen thus-

(Statement of relevant facts having a bearing on the questions raised)

"1. Orient press limited company located at Plot No.L31, M.I.D.C., Tarapur Industrial Area, Boisar 401506, Dist Palghar.

2. The Company is engaged in the business of providing the services of printing of security documents to its clients, who vary from Government Authorities and agencies, Banks, Educational Boards / Institutions and Private Companies.

The details of the services are as follows:

(I) Supply of services to the Educational Boards:

a) Printing of Pre and Post Examination items for various Educational Boards:

The Company provides the service of printing of both pre and post examination documents to various educational boards. The pre examination documents includes OMR sheets, question papers, answer booklets. The post examination documents include marks card, grade card and certificates.

(ii) Printing of Railway Tickets for Indian Railways. The Company provides the services of printing of Railway Tickets to Indian Railways

b) Physical inputs including paper and inks which are used for printing belong to the company itself;

In the above scenarios, the company prints the Tickets and then supplies the tickets to the Indian Railways once the final output is ready.

(Statement containing the applicant's interpretation of law and / or facts, as the case may be, in respect of the aforesaid questions)

1. Question -1:

1.1 Whether, in the facts and circumstances as explained in Annexure II, supply of service of:

(i) Printing of Pre examination items like question papers, OMR sheets (Optical Mark Reading), Answer booklets for conducting of an examination by the educational boards be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

(ii) Printing of Post examination items like marks card, grade card, certificates to educational boards (up to higher secondary) after scanning of OMR Sheets and processing of data in relation to conduct of an examination be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

(iii) Scanning and processing of results of examinations be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

2. Applicant's interpretation of Law:

2.1 Applicant submits that the service provided to an educational institution, by the applicant in relation to conduct of examination by an institution is exempt by virtue of the notifications cited supra.

Sl. No.	Heading	Description of Service	Rate (Per cent)	Condition
66	9992 (Education Services)	<p>Services provided -</p> <p>(a) by an educational institution to its</p> <p>(aa) by an educational institution by way of</p> <p>(b) to an educational institution, by way of</p> <p>(i) transportation</p> <p>(ii) catering</p> <p>(iii) security or cleaning</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 preschool education and education up to higher secondary school or equivalent. 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 up to higher secondary school or equivalent; or (it) education as a part of an approved vocational education course</p>		



In this regard, the following are to be considered:

(i) The services provided by the applicant to an educational board by way of printing of question papers, OMR sheets (Optical Mark Reading), answer booklets which enables the educational institution / universities to conduct the examination. The said service provided by the applicant to the educational institution is towards conduct of examination. Since, the service provided by the applicant towards pre-examination items will be used by the educational institution for conduct of examination. The applicant submits that the aforesaid exemption as outlined in the notification will be applicable to the applicant's case. Thus, the services provided by the applicant to the educational institutions by way of supply of pre-examination materials will not be liable to Goods and Service tax.

(ii) The services provided by the applicant to the educational boards by way of printing of marks card, grade card, certificates etc. which acts as a medium for communication of

examination results to students. The said activity acts as a last leg towards completion of the activity of conducting the examination process by the educational institution. Hence, the applicant submits that the aforesaid exemption as outlined in the notification will be applicable to the applicant's case. Thus, the services provided by the applicant to the educational institutions by way of supply of post-examination materials will not be liable to Goods and Service tax.

The applicant submits that the aforesaid services of printing of pre-examination items, post-examination items and Scanning and processing of results provided by the applicant to an educational institution is towards conduct of examination. The services are normally not carried out by the educational institution by themselves but has to be Outsourced to other service providers due to lack of infrastructure for printing, administrative convenience, confidentiality, volume etc. Accordingly, when such Services are procured by the educational institution they tantamount to the services relating to conduct of examination, which will aptly fall within the ambit of exemption outlined under Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 and as amended by Notification No.2/2018 - Central Tax(Rate), dated 25th January, 2018; Entry No. 66 of Notification No. 12/2017 - State Tax(Rate), dated 29th June, 2017; and Entry No. 69 of the Notification No. 9/2017 - Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 2/2018- Integrated Tax (Rate), dated 25th January, 2018. Hence, the said exemption notification has to be applied to the applicant's case.

QUESTION: 2 As per the facts and circumstances as explained in Annexure II, what would be the classification and the GST rate, for the supply of services in the nature of printing of Railway Tickets in the below mentioned two where the physical inputs of paper belongs to the applicant?

4. Applicant's interpretation of Law:

Classification of supply

4.1 The applicant carries out the activity of printing on the paper in the above mentioned situations i.e., input (paper) belonging to the Company.

Hence the product which is generated from the activity should be treated as "Railway Tickets " and not "Railway paper", due to the following reasons:

(a) The railway tickets being a product which is generated after printing activity is done on Railway paper. After the activity of printing, the end product shall accordingly be construed as "Railway Tickets" and not "Railway paper".

(b) The Railway tickets printed on the Railway paper should be classifiable as "products of the printing industry", which will be "Tickets". The Railway paper is not the product of printing industry, but it is the Tickets which is the product of the printing industry.

(c) The printing was the primary purpose and without it, the Railway paper on which the matter was printed, is of no use to the appellant's customer.

(d) The trade as well as in common parlance, treat these products as Tickets and not Railway paper.

(e) The product wherever printed must be classified having regard to what it means and how it is understood in common parlance. Thus being the case, it is the printing on the Railway paper, which communicates the message to the buyer that the product supplied to him is "Railway Tickets" and not "Railway paper". The printing of the Railway Tickets communicates

to the Indian Railway about the product and this serves a definite purpose of the Indian Railways.

Thus, the applicant based on the above would prefer to the classification of the product which is printed by the applicant under the following Chapter heading as provided in Notification No. 2/2017-Central Tax (Rate), dated 28th June, 2017; Notification No. 2/2017- State Tax (Rate), dated 29th June, 2017 and Notification No. 2/2017 Integrated Tax (Rate), dated 28th June, 2017.

Sl. No.	Heading	Description of Goods
118	4901	Railway tickets

Accordingly, the rate of tax applicable to the product is NIL (i.e., NIL - Central Tax and NIL - State Tax or NIL - Integrated Tax).

Rate of tax

4.2 The rate of tax that will be applicable for the activity carried out by the applicant will be as under

a) Physical inputs i.e., paper belonging to customer banks: the applicant submits that Section 2(68) of the Central Goods and Service Tax ("CGST") Act, 2017 and the State Goods and Service Tax ("SGST") Act, 2017 provides the meaning of 'job work' which reads as under:

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

The applicant submits that the process of printing of cheques undertaken by the applicant is on the input, i.e., paper, belongs to customer bank, who are registered persons. Hence, the process of printing undertaken by the applicant should be construed as "job-work".

Further, in terms of Entry No. 3 of Schedule II appended to the CGST Act, 2017, any treatment or process which is applied to another person's goods is a supply service, and accordingly printing of cheque by the applicant shall be construed to be supply of service.

The applicant submits that the aforesaid activity of "job-work" carried out by the applicant will be taxable at the rate specified in Entry No. 26 with heading 9988(ii) (c) of Notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017 and Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017; Notification No.11/2017 - State Tax (Rate), dated 29th June, 2017 as amended by Notification G.O.Ms No.227, dated 05th October, 2017 and Notification No. 31/2017 - State Tax (Rate), dated 23rd November, 2017; Notification No. 8/2017- Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Integrated Tax (Rate), dated 22nd August, 2017 and Notification No. 39/2017-Integrated Tax (Rate), dated 13th October, 2017, which is as under:

Sl.No.	Heading	Description of Service	Rate(Percent)	Condition
26	9988 (Manufacturing services on physical inputs (goods) owned by others)	(ii) Services by way of treatment or process on goods belonging to another person in relation to (c) printing of all goods falling under Chapter 48 or 49, which attract CGST @ 2.5% percent or NIL; SGST @ 2.5% percent or NIL; IGST @5% or NIL	2.5	

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Thus, the applicant based on the above facts submits that the activity of printing of cheque, the goods being the cheque in the given case would fall under within the ambit of Chapter 4907. Such goods attract the rate of tax i.e., CGST, SGST and IGST as "NIL". Hence, the activity of printing of cheque carried out by the applicant will be liable to tax under GST as treatment of process on goods belonging to another registered person being in the nature job work at the rate of 5% (2.5% - Central Tax and 2.5% - State Tax or 5% - Integrated Tax.)

(B) Physical inputs i.e., paper belonging to the applicant:

The applicant submits that even such supplies would be supply of services i.e., printing.

The applicant further submits that serial No. 5 of Circular No. 11/11/2017- GST, dated 20th October, 2017 which provides that:

"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" is ultra vires and quod contra legem fit, pro infectohabatur (What is done contrary to law is deemed not to have been done at all) as the Government is only empowered to notify transactions which are to be treated as 'supply of goods and not services' or 'supply of services and not goods'. This power is vested under Section 7(3) of the CGST Act, 2017 and not to specify what the 'principle element in a transaction is'. It is important to note that this will always be transaction and business specific; it cannot be specified on an all-pervasive basis. Hence, the applicant submits that the activity provided by them is purely a "service" in relation to printing where the content to be printed is specified by the Indian Railways and the applicant only prints such content on the paper.

Accordingly the activity of printing on the paper will fall within the ambit of Entry No. 27 with heading 9989(i) of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended by Notification No. 20/2017-Central Tax (Rate) dated 22nd August, 2017 and Notification No. 31/2017-Central Tax (Rate) dated 13th October, 2017, Notification No. 11/2017 -State Tax (Rate) dated 29th June, 2017 as amended by Notification G.O.Ms No.227, dated 05th October, 2017 and Notification No. 31/2017 - State Tax (Rate), dated 23rd November, 2017; Notification No. 8/2017-Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Integrated Tax(Rate) dated 22nd August, 2017 and Notification No. 39/2017-Integrated Tax (Rate), dated 13th October, 2017 which is as under:

Sl.No.	Heading	Description of Service	Rate(Percent)	Condition
26	9988 (Manufacturing services on physical inputs (goods) owned by others) printing and reproduction services; materials recovery services)	i) Services by way of printing of all 6 (Manufacturing goods falling under Chapter 48 or services on 49 [including newspapers, books physical inputs (including Braille books), journals (goods) owned and periodicals], which attract by others) CGST @ 6 per cent or 2.5 per cent, SGST @ 6 per cent, or 2.5 per cent, or Nil; IGST @ 12 per cent or 5 per cent or Nil. where only content is supplied	6	

		by the publisher and the physical inputs including paper used for printing belong to the printer		
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Thus, the applicant based on the above facts submits that the activity of printing of Railway Tickets, the goods being the Railway Tickets in the given case would fall under within the ambit of Chapter 4901. Such goods attract the rate of tax i.e., CGST, SGST and IGST as "NIL". Hence, the activity of printing of cheque carried out by the applicant will be liable to tax under GST as treatment of process belonging to the applicant itself will be liable to tax under GST at the rate of 12% (6%- Central Tax and 6%- State Tax of 12%- Integrated Tax).

Revised submissions of grounds of facts and interpretation of law on 24.01.2019

(Statement of relevant facts having a bearing on the questions raised)

1. Orient Press Limited (For brevity "OPL") is a company located at Plot No. L-31, M.I.D.C., Tarapur Industrial Area, Boisar 401 506, Dist Palghar.

2. OPL is engaged in the business of providing the services of printing of security documents to its clients, who vary from Government Authorities and agencies, Banks, Educational Boards / Institutions and Private Companies.

The details of the services are as follows:

(i) Supply of services to the Educational Boards/ Institutions: -

a) Printing of Examination items for various Educational Boards: OPL provides the service of printing of examination documents to various educational boards. The examination documents includes OMR sheets, question papers, answer booklets. The post examination documents include marks card, grade card and certificates.

b) Physical inputs including paper and inks are used for printing belongs to the OPL itself.

(ii) Printing of Cheques, Loose or in Book Form for various banks:

OPL provides the services of printing of Cheques, loose or in book form to various customer banks and there exists the following two scenarios, where the: -

(a) Physical inputs i.e. paper alone supplied by customer banks, however inks which are used for printing belong to OPL itself;

(b) Physical inputs including paper and inks are used for printing belongs to the OPL itself;

In the above scenarios, the OPL prints the Cheques, loose or in Book form and then supplies the same to various Customer Banks once the final output is ready.

(iii) Printing of Railway Tickets for Indian Railways

OPL provides the services of printing of Railway Tickets to Indian Railways

(a) Physical inputs i.e. paper alone supplied by customer i.e Indian Railways, however inks which are used for printing belong to the OPL itself;

(b) Physical inputs including paper and inks which are used for printing belong to the OPL itself;

In the above scenarios, the OPL prints the Tickets and then supplies the tickets to the Indian Railways once the final output is ready.

(Statement containing the OPL's interpretation of law and / or facts, as the case may be, in respect of the aforesaid questions)

1. Question -1:

1.1 Whether, in the facts and circumstances as explained in Annexure II, supply of service of:

(i) Printing of examination items like question papers, OMR sheets (Optical Mark Reading), Answer booklets for conducting of an examination by the educational boards or institutions be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

(ii) Printing of Post examination items like marks card, grade card, certificates to educational boards (up to higher secondary) after scanning of OMR Sheets and processing of data in relation to conduct of an examination be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

(iii) Scanning and processing of results of examinations be treated as exempted supply of service by virtue of the notifications cited supra in Annexure I?

2. OPL's interpretation of Law:

2.1 OPL submits that the service provided to an educational institution, by the OPL in relation to conduct of examination by an institution is exempt by virtue of the notifications cited supra.

Sl. No	Heading	Description of Service	Rate (Per Cent.)	Condition
66	9992 (Education Services)	Services provided - (a) by an educational institution to it's (aa) by an educational institution by way of (b) to an educational institution, by way of- (i) transportation (ii) catering (iii) security or cleaning (iv) Services relating to admission to, or conduct of examination by, such institution; (v) supply of online educational journals or periodicals." '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. Provided further that nothing contained	Nil	Nil

	in sub-item (V) of item (b) shall apply to an institution providing services by way of (i) pre -school education and education up to higher secondary school or equivalent; or (ii) education as a part of an approved vocational education course		
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In this regard, the following are to be considered:

(i) OPL submits that by virtue of Circular No. 11/11/2017, the TRU has clarified transactions that can be classified as supply of goods or supply of services for the printing industry transactions. Para 4 of the Circular is reproduced below -

"4. 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 OPL's case, all the content is owned and provided by the customer and OPL only prints the content on the examination booklets and further supplies such examination booklets to the customer. Once the examination booklets are printed with the material supplied by the educational institution, such examination booklet cannot be used by any other institution or board. It is exclusively for the use of the customer of OPL. This entails that the transaction will be covered by the above referred paragraph and the transaction shall be classified as a supply of services.

(ii) The services provided by the OPL to an educational board or institution are by way of printing of question papers, OMR sheets (Optical Mark Reading), answer booklets which enables the educational institution / universities to conduct the examination. The said service provided by the OPL to the educational institution is towards conduct of examination. Since, the service provided by OPL towards the examination, items will be used by the educational institution for conduct of examination, they are relating to conduct of examination. OPL submits that the aforesaid exemption as outlined in the notification will be applicable to the OPL's case. Thus, the services provided by the OPL to the educational institutions by way of supply of examination materials, will not be liable to Goods and Service tax by virtue of Entry No. 66(b) (iv) of Notification no. 12 issued under CGST (CT Rate) as on 28th June, 2017.

(iii) The services provided by the OPL to the educational boards by way of printing of marks card, grade card, certificates etc. which acts as a medium for communication of examination results to students. The said activity acts as a last leg towards completion of the activity of conducting the examination process by the educational institution. Hence, the OPL submits that the aforesaid exemption as outlined in the notification will be applicable to the OPL's case. Thus, the services provided by the OPL to the educational institutions by way of supply of post-examination materials are relating to conduct of examination and will not be liable to Goods and Service tax.

The OPL submits that the aforesaid services of printing of examination items, post-examination items and Scanning and processing of results provided by the OPL to an educational institution is relating to conduct of examination. The services are normally not carried out by the educational institution by themselves but has to be outsourced to other service providers due to lack of infrastructure for printing, administrative convenience, confidentiality, volume etc. Accordingly, when such Services are procured by the educational institution they tantamount

to the services relating to conduct of examination, which will aptly fall within the ambit of exemption outlined under Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 and as amended by Notification No.2/2018 - Central Tax(Rate), dated 25th January, 2018; Entry No. 66 of Notification No. 12/2017 - State Tax(Rate), dated 29th June, 2017; and Entry No. 69 of the Notification No. 9/2017 - Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 2/2018- Integrated Tax (Rate), dated 25th January, 2018. Hence, the said exemption notification has to be available to OPL.

QUESTION: 2

As per the facts and circumstances as explained in Annexure II, what would be the classification and the GST rate, for the supply of services in the nature of printing of cheques in the below mentioned two cases, where the physical inputs of paper belongs to the OPL and where the physical inputs of paper belongs to the customer?

4. OPL's interpretation of Law:

Classification of supply

4.1 OPL carries out the activity of printing on the paper in the above mentioned situations i.e., input (paper) belonging to the OPL.

Hence, the product which is generated from the activity should be treated as "Cheques, due to the following reasons:-

(a) The cheques being a product which is generated after printing activity is done on specially procured paper. After the activity of printing, the end product shall accordingly be construed as "cheques" and not "cheque paper".

(b) The Railway tickets printed on the cheque paper should be classifiable as "products of the printing industry", which will be "cheques". The paper is not the product of printing industry, but it is the cheques which is the product of the printing industry.

(c) The printing was the primary purpose and without it, the cheque paper on which the matter was printed, is of no use to the OPL's customer.

(d) The trade as well as in common parlance, treat these products as cheques and not cheque paper.

(e) The product wherever printed must be classified having regard to what it means and how it is understood in common parlance. Thus being the case, it is the printing on the cheque paper, which communicates the message to the buyer that the product supplied to him is "cheques" and not "cheque paper".

Thus, the OPL based on the above would prefer to the classification of the product which is printed by the OPL under the following Chapter heading as provided in Notification No. 2/2017-Central Tax (Rate), dated 28th June, 2017; Notification No. 2/2017- State Tax (Rate), dated 29th June, 2017 and Notification No. 2/2017-Integrated Tax (Rate), dated 28th June, 2017.

Sl. No.	Heading	Description of Goods,
118	4907	Cheques, loose or in book form

Accordingly, the rate of tax applicable to the product is NIL (i.e., NIL - Central Tax and NIL - State Tax or NIL - Integrated Tax).

4.2 OPL carries out the activity of printing on the paper in the above mentioned situations i.e. Physical inputs i.e., paper belonging to customer banks: -

OPL submits that Section 2(68) of the Central Goods and Service Tax ("CGST") Act, 2017 and the State Goods and Service Tax ("SGST") Act, 2017 provides the meaning of 'job work' which reads as under:

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

OPL submits that the process of printing of cheques undertaken by the OPL is on the input, i.e., paper, belongs to customer bank, who are registered persons. Hence, the process of printing undertaken by the OPL should be construed as "job-work".

Further, in terms of Entry No. 3 of Schedule II appended to the CGST Act, 2017, any treatment or process which is applied to another person's goods is a supply service, and accordingly printing of cheque by the OPL shall be construed to be supply of service.

OPL submits that the aforesaid activity of "job-work" carried out by the OPL will be taxable at the rate specified in Entry No. 26 with heading 9988(ii)(c) of Notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017 and Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017; Notification No.11/2017 -State Tax (Rate), dated 29th June, 2017 as amended by Notification G.O.Ms No.227, dated 05th October, 2017 and Notification No. 31/2017 - State Tax (Rate), dated 23rd November, 2017; Notification No. 8/2017- Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Integrated Tax (Rate), dated 22nd August, 2017 and Notification No. 39/2017-Integrated Tax (Rate), dated 13th October, 2017, which is as under:

Sl No	Heading	Description of Service	Rate (Per Cent.)	Condition
26	9988 (Manufacturing services on physical inputs (goods) owned by others)	(ii) Services by way of treatment or process on goods belonging to another person in relation to (c) printing of all goods falling under Chapter 48 or 49, which attract CGST @ 2.5% percent or NIL; SGST @ 2.5% percent or NIL; IGST @ 5% or NIL.	2.5	

Thus, OPL based on the above facts submits that the activity of printing of cheque, the goods being the cheque in the given case would fall under within the ambit of Chapter 4907. Such goods attract the rate of tax i.e., CGST, SGST and IGST as 'NIL'. Hence, the activity of printing of cheque carried out by the OPL will be liable to tax under GST as treatment of process on goods belonging to another registered person being in the nature job work at the rate of 5% (2.5% - Central Tax and 2.5% - State Tax or 5% - Integrated Tax.)

QUESTION: 3

As per the facts and circumstances as explained in Annexure II, what would be the classification and the GST rate, for the supply of services in the nature of printing of railway tickets in the below mentioned two cases, where the physical input of paper belongs to the OPL and where the physical inputs of paper belongs to the customer?

5. OPL's interpretation of Law:

Classification of supply

5.1 OPL carries out the activity of printing on the paper in the above mentioned situations i.e., input (paper) belonging to the OPL.

Hence the product which is generated from the activity should be treated as "Railway Tickets" and not "Railway paper", due to the following reasons:-

(a) The railway tickets being a product which is generated after printing activity is done on Railway paper. After the activity of printing, the end product shall accordingly be construed as "Railway Tickets" and not "Railway paper".

(b) The Railway tickets printed on the Railway paper should be classifiable as "products of the printing industry", which will be "Tickets". The Railway paper is not the product of printing industry, but it is the Tickets which is the product of the printing industry.

(c) The printing was the primary purpose and without it, the Railway paper on which the matter was printed, is of no use to the OPL's customer.

(d) The trade as well as in common parlance, treat these products as Tickets and not Railway paper.

(e) The product wherever printed must be classified having regard to what it means and how it is understood in common parlance. Thus being the case, it is the printing on the Railway paper, which communicates the message to the buyer that the product supplied to him is "Railway Tickets" and not "Railway paper". The printing of the Railway Tickets communicates to the Indian Railway about the product and this serves a definite purpose of the Indian Railways.

(f) The printed railway ticket assumes a fiduciary value once it has been printed with the monetary value of the journey to be undertaken by the passenger. The printed ticket without its monetary value is just a piece of paper. OPL supplies printed tickets to its customers.

Thus, the OPL based on the above would prefer to the classification of the product which is printed by the OPL under the following Chapter heading as provided in Notification No. 2/2017-Central Tax (Rate), dated 28th June, 2017; Notification No. 2/2017- State Tax (Rate), dated 29th June, 2017 and Notification No. 2/2017-Integrated Tax (Rate), dated 28th June, 2017, in absence of an entry specifically covering the railway tickets under the mentioned notifications.

Sl. No.	Heading	Description of Goods,
115	4907	Railway tickets

Accordingly, the rate of tax applicable to the product is NIL (i.e., NIL - Central Tax and NIL - State Tax or NIL - Integrated Tax).

5.2 Physical inputs i.e., paper belonging to customers:-


OPL submits that Section 2(68) of the Central Goods and Service Tax ("CGST") Act, 2017 and the State Goods and Service Tax ("SGST") Act, 2017 provides the meaning of 'job work' which reads as under:

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

OPL submits that the process of printing of railway tickets undertaken by the OPL is on the input, i.e., paper, belongs to railways, who are registered persons. Hence, the process of printing undertaken by the OPL should be construed as "job-work".

Further, in terms of Entry No. 3 of Schedule II appended to the CGST Act, 2017, any treatment or process which is applied to another person's goods is a supply service, and accordingly printing of railway tickets by the OPL shall be construed to be supply of service.

OPL submits that the aforesaid activity of "job-work" carried out by the OPL will be taxable at the rate specified in Entry No. 26 with heading 9988(ii)(c) of Notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017 and Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017; Notification No.11/2017 -State Tax (Rate), dated 29th June, 2017 as amended by Notification G.O.Ms No.227, dated 05th October, 2017 and Notification No. 31/2017 - State Tax (Rate), dated 23rd November, 2017; Notification No. 8/2017- Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 20/2017-Integrated Tax (Rate), dated 22nd August, 2017 and Notification No. 39/2017-Integrated Tax (Rate), dated 13th October, 2017, which is as under:



Sl. No	Heading	Description of Service	Rate (Per Cent.)	Condition
26	9988 (Manufacturing services on physical inputs (goods) owned by others)	(ii) Services by way of treatment or process on goods belonging to another person in relation to (c) printing of all goods falling under Chapter 48 or 49, which attract CGST @ 2.5% percent or NIL; SGST @ 2.5% percent or NIL; IGST @ 5% or NIL.	2.5	

Thus, OPL based on the above facts submits that the activity of printing of railway tickets, the goods being the railway tickets in the given case should fall under within the ambit of Chapter 4907. Such goods attract the rate of tax i.e., CGST, SGST and IGST as "NIL".

Hence, the activity of printing of railway tickets carried out by the OPL will be liable to tax under GST as treatment of process on goods belonging to another registered person being in the nature job work at the rate of 5% (2.5% - Central Tax and 2.5% - State Tax or 5% - Integrated Tax.)

6. To sum up, OPL submits their interpretation of the law in all the above questions as below -

Sr. No.	Transaction	Inputs belonging to	Tax Rate	Notification reference
1	Printing of question papers, OMR sheets, Answer booklets	OPL	NIL	Entry No. 66 of Notification No. 12/2017 - CT(Rate) as amended from time to time
2	Printing of marks card, grade card, certificates	OPL	NIL	Entry No. 66 of Notification No. 12/2017 - CT(Rate) as amended from time to time

3	Printing of cheques and chequebooks	OPL	NIL	Entry No. 118 of Notification No. 2/2017 - CT(Rate) as amended from time to time
4	Printing of cheques and chequebooks	Customers (Banks)	5%	Entry No. 26 of Notification No. 11/2017 - CT(Rate) as amended from time to time
5	Printing of railway tickets	OPL	NIL	Entry No. 115 of Notification No. 2/2017 - CT(Rate) as amended from time to time
6	Printing of railway tickets	Customers (Railway)	5%	Entry No. 26 of Notification No. 11/2017 - CT(Rate) as amended from time to time

03. CONTENTION - AS PER THE CONCERNED OFFICER

The submission, as reproduced verbatim, could be seen thus-

With reference to above subject M/s. Orient Press Ltd. has filed application for Advanced Ruling in respect of questions raised by him in his application.

I view of above I submit my comments to each question raised as follows.

Question :- Whether supply of service of

(i) Printing of Pre-examination items like question papers, OMR sheets (Optical Mark Reading), answer booklets;

(ii) Printing of Post- examination items like marks card, grade cards, certificates to the educational boards of up to higher secondary.

to be treated as exempted supply of service.

Comments :

With respect to above questions / submit that Applicant has sought whether such services are exempted by virtue of Notification No.12/2017- Central Tax (rate), dated 28th June 2017 and as amended by Notification No.2/2018- Central Tax (rate), dated 25th January 2018; Entry No:66 of Notification No.12/2017- State Tax (Rate), dated 29th June 2017 and Entry No.69 of the Notification No:9/2017- Integrated Tax(Rate), dated 28th June 2017 as amended by Notification No.2/2018-Intergrated (Rate), dated 25th January 2018.

Applicant relies on description at b(iv) in below table.

Sr.No	Heading	Description of Service
66	9992 (Education Services)	Services Provided - (a) by an educational institution to it's (aa) by an educational institution by way of (b) to an educational institution, by way of (i) Transportation (ii) Catering (iii) Security or Cleaning (iv) Services relating to admission to or conduct of

	examination by such institution.
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However above entry relates to the services for conduct of examination, whereas applicant is supplier of question paper, answer booklets which is nothing but the supply of printed material & hence taxable under heading 4911.

Question:

iii) What would be the classification and the applicable GST rate, for the supply of printing of cheque book/railway tickets.

As regards to tax rate on supply of Cheque I submit that the 'Cheque' is not an ordinary paper but it's an financial instrument which promises to pay to bearer or payee certain amount. I reproduce here definition of cheque under the negotiable instruments Act 1881.

"Cheque" :-

A "cheque" is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a truncated cheque and a cheque in the electronic form.

"Bill of exchange" :

A "bill of exchange" is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument.

Cheque is statutory declaration wherein bank is under obligation to pay mentioned amount to payee. Thus it replaces 'Money' & therefore it is intention of legislature to exempt supply of cheque vide notification.

Thus 'Cheque' receives its value as a cheque only when it is issued by any bank which is authorized by RBI to do so. Unless and until such authorization is there cheque will be nothing but a printed paper and therefore unless it is issued by Bank it will be classifiable as "Product of the printing industry" & therefore will not be exempted under heading 4907.

Similarly railway ticket is something which accrues its meaning as ticket only when it is sold by railway or its authorised representative. It is promise made by railway to allow Journey as mentioned on ticket. I would also like to draw your attention towards S.143 of Railways Act which is reproduced here for your ready reference.

143. (1) If any person, not being 'a railway servant or an agent authorised in this behalf,--

(a) carries on 'the-business of 'procuring and supplying tickets for travel -On -a railway or for reserved accommodation for journey in a train; or

(b) purchases or sells or attempts to purchase or sell tickets with a view to carrying on any such business either by himself or by any other person

he shall be punishable with imprisonment for a, term which may extend to 'three years 'or with fine which may extend to ten thousand rupees, or with both, and shall also forfeit the tickets which he so procures, supplies, purchases, sells or attempts to purchase or sell:

Thus sale of railway ticket as such can be undertaken by only railways or by its authorised representative.

With reference to above provision I submit that the service provided by applicant is towards printing services & it can not be exempted merely on the fact that the product so manufactured is exempted.

Further I submit that the intermediate supply of goods or services can not be claimed to be exempted only on the basis of fact that resultant commodity is exempted.

04. HEARING

Preliminary hearing in the matter was held on 12.12.2018. Sh. R.P.Mody, Advocate and Sh. Prakash Maheshwari, Director appeared and requested for admission of application as per details in their application. During hearing Jurisdictional Officer was not present at the time of Preliminary hearing. Hearing was held again on 10.01.2019, Sh. R.P.Mody, Advocate and Sh. Prakash Maheshwari, Director appeared and made oral and written arguments. Jurisdictional Officer Sh. B.K. Galkwad was present at the time of hearing.

The application was admitted and called for final hearing on 06.02.2019. Sh. R.P.Mody, Advocate and Sh. Prakash Maheshwari, Director appeared made oral and written submissions. Jurisdictional Officer was not present at the time of hearing but has made written submissions.

05. OBSERVATIONS

5.1 We have gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the jurisdictional office. The applicant is engaged in the business of providing the services of printing of security documents to various clients like Government Authorities and agencies, Banks, Educational Boards / Institutions and Private Companies. We find that the applicant has raised 3 questions in respect of supply of services executed by them and the main issue is whether the said supply is exempted under the GST Act. We therefore take up the issues individually as under:-

5.2 **ISSUE NO 1 :** (i) Whether supply of service of Printing of examination items like question papers, OMR sheets (Optical Mark Reading), Answer booklets for conducting of an examination by the educational boards or institutions can be treated as exempted supply of service by virtue of the Notification No. 12/2017 - CT (Rate), dated 28th June, 2017 as amended and (ii) whether supply of service of Printing of Post examination items like marks card, grade card, certificates to educational boards (up to higher secondary) after scanning of OMR Sheets and processing of data in relation to conduct of an examination can also be treated as exempted supply of service by virtue of the same notification.

5.3 As per under Entry No. 66 of the Notification No. 12/2017 - C T (Rate), dated 28th June, 2017 as amended, services provided to an educational institution, by way of Services relating to admission to, or conduct of examination by, such institution falls under Heading 9992 (Education Services and exempted from payment of GST. Such services are exempted only if they are, in the subject case, related to conduct of examination by such institution.

5.4 We find that question papers, OMR sheets (Optical Mark Reading), answer booklets are very essential and necessary requirements to conduct any examination. To print question papers the content i.e. the questions will be provided by the institution conducting the



examination. The contents of the OMR sheets and answer sheets will also be provided accordingly by the institution. Para No 4 of Circular No. 11/11/2017-GST dated 20.10.2017 issued vide F. No. 354/263/2017-TRU by the Board states that *"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"* . Hence we find that in the subject case there is a supply of services and since the same are provided to educational institutions, the same shall be classified under Heading 9992 and will be exempted from payment of GST vide Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 as amended.

5.5 Coming to the second part of the question i.e. whether supply of service of Printing of Post examination items like marks card, grade card, certificates to educational boards (up to higher secondary) after scanning of OMR Sheets and processing of data are also exempted under the said Notification, we are of the opinion that conduct of any examination by an educational institute includes both pre examination works, actual conduct of the exams and post-examination works. Hence for reasons mentioned in para no. 5.4 above we hold that such supply is also a supply of services and classifiable under Heading 9992 and will be exempted from payment of GST vide Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 as amended. We do not agree with the jurisdictional officer who has opined that the said supply is a supply of goods and not services.

5.6 **ISSUE NO 2** : What would be the classification and the GST rate, for the supply of services in the nature of printing of Railway Tickets where (i) the physical inputs of paper belongs to the applicant and (ii) the physical inputs of paper belongs to the Railways.?

5.7 The applicant has submitted that in both the cases, they perform the work of printing on such papers, presumably with content which is given by the Railways. According to their submissions the product that is generated from their activities is 'Railway Tickets' and not 'Railway Paper'. The applicant has submitted that the subject product which is printed by the applicant is covered under Chapter Heading 4901 (as railway Tickets) as provided in Sr. No. 118, Notification No. 2/2017-Central Tax (Rate), dated 28th June, 2017 and exempted under GST. The jurisdictional office has submitted that a railway ticket is something which accrues its meaning as ticket only when it is sold by railway or its authorised representative. Hence the service provided by applicant is towards printing services & it cannot be exempted.

5.8 Chapter Hdg 4802 deals with various types of paper like cheque paper, currency note paper, etc. and the GST rate for such paper is 12%. There is no doubt in our minds that Railway paper on which printing is done will fall under this Chapter Heading. However the 'Railway Ticket' as the applicant has stated is nothing but a product of printing industry and after the printing is done the said product will be covered under Chapter 49 of the Tariff. CH 4907 deals with "Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title [other than duty credit scrips]". The product which is supplied by the applicant to the Railways will fall under 4907 00 90 i.e 'Other' and will be attracted to GST @ 12%.

5.9 GST is applicable to all the supplies of goods and services made through the railways, including passenger tickets, commercial transports and catering services. The applicant is claiming exemption on its supply considering the same as 'Railway Tickets'. In a situation where the applicant does printing for Railway Tickets and uses their own physical input i.e. paper, in such a case it is very clear that the case is covered under under Heading 9989 of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended which covers "Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books physical inputs (including Braille books), journals (goods) owned and periodicals], which attract by others) CGST @ 6 per cent or 2.5 per cent, or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer" and is taxable at 12% GST.

5.10 In a situation where the applicant does printing for Railway Tickets and uses physical input i.e. paper supplied by the Railways then the same will be considered as a supply of printing services. This scenario will attract the services under Heading 9988 (iia) i.e. "Services by way of ant treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract CGST @ 6%".

5.11 ISSUE NO 3 : What would be the classification and the GST rate, for the supply of services in the nature of printing of cheques for their clients (i) the physical inputs of paper belongs to the applicant and (ii) the physical inputs of paper belongs to the concerned Banks?

We find that "cheques, loose or in book form, are covered under Chapter Heading 4907 00 90 and are subject to Nil rate vide Notification No. 2/2017-C.T. (Rate) dated 28.06.2017.

In a situation where the applicant does printing of cheques and uses their own physical input i.e. paper, in such a case it is very clear that the case is covered under under Heading 9989 (i) of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended which covers "Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books



physical inputs (including Braille books), journals (goods) owned and periodicals], which attract by others) CGST @ 6 per cent or 2.5 per cent, or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer" and is taxable at 12% GST.

In a situation where the applicant does printing of cheques where physical input i.e. paper is supplied by the client, then the same will also be considered as a supply of printing services. This scenario will attract the services under Heading 9988 (ii) (c) i.e. "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 CGST @ 2.5%", or Nil and will be taxable @ 2.5% CGST.

05. In view of the extensive deliberations as held hereinabove, we pass an order as follows :

ORDER

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 89/2018-19/B-

23

Mumbai, dt. 27/02/2019

For reasons as discussed in the body of the order, the questions are answered thus -

Question :- 1. Whether supply of service of:

(i) Printing of Pre-examination items like question papers, OMR sheets (Optical Mark Reading), answer booklets;

(ii) Printing of Post-examination items like marks card, grade card, certificates to the educational boards of up to higher secondary; and

(iii) What would be the classification and the applicable GST rate, for the supply of Printing of cheque book / railway tickets

be treated as exempted supply of service by virtue of Entry No. 66 of the Notification No. 12/2017 - Central Tax (Rate), dated 28th June, 2017 and as amended by Notification No.2/2018 - Central Tax (Rate), dated 25th January, 2018; Entry No. 66 of Notification No. 12/2017 - State Tax (Rate), dated 29th June, 2017; and Entry No. 69 of the Notification No. 9/2017 - Integrated Tax (Rate), dated 28th June, 2017 as amended by Notification No. 2/2018- Integrated Tax (Rate), dated 25th January, 2018?

Answer (i) & (ii): Answered in the affirmative.

Answer (iii) : In view of the discussions made above, in case of railway Tickets where the applicant uses their own physical input i.e. paper, then the case is covered under under Heading 9989 (i) of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended and is taxable at 6% CGST and where the applicant uses physical input i.e.

paper supplied by the Railways then the same will be considered as a supply of printing services and will attract the services under Heading 9988 (iia) and is taxable at 6% CGST.

In case of cheques where the applicant uses their own physical input i.e. paper, then the case is covered under under Heading 9989 (i) of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017 as amended and is taxable at 6% CGST and where the applicant uses physical input i.e. paper supplied by their client then the same will fall under Heading 9988 (ii)(c) and is taxable at 2.5% CGST.



sd
B. TIMOTHY
(MEMBER)

sd
B. V. BORHADE
(MEMBER)

CERTIFIED TRUE COPY

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint commissioner of State Tax, Mahavikas for Website.


MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai - 400021.