

**Printing of Pre examination items and Post examination items are exempted supply as per entry No. 66 of Notification No. 12 /2017-Central Tax (Rate) dated 28.06.2017 as amended and entry 69 of Notification No.9/2017-Integrated Tax (Rate) dated 28.06.2017 as amended.**

The appeal against the Advance Ruling No. AAR No.07/AP/GST/2022 dated 30 05.2022 of AAR, Andhra Pradesh filed by the Principal Commissioner.

### **Background of the case**

M/s. Universal Print Systems is engaged in the business of printing including high end security printing products from the year 2011. The main products produced by the Applicant include:

- a) Bar Coded OMR Answer Booklets, OMR Sheets, Certificates and Marks Memos, etc;*
- b) Printing of MICR Cheque books, Fixed Deposit Receipts, Tags and Bonds; and*
- c) Variable/ Digital/ Personalized Printing of books and certificates.*

The M/s. Universal Print Systems (Applicant) submits that before the onset of Goods and Services Tax, the activity of the Applicant was treated as manufacture by classifying the products under Chapter 49/48 of the First Schedule to the Central Excise Tariff Act, 1985. Simultaneously, the clearance was treated as sale within the meaning of AP VAT Act, 2005.

The applicant further submits that, with the onset of Goods and Services Tax in 2017, a different connotation has been accorded by treating the said activity as supply of service instead of supply of goods in as much as the Applicant does not own the goods at any stage in view of the security features or the nature of the goods which cannot be sold to any other person due to fiduciary value. In view of the above, the services rendered in printing industry, particularly in cases where the design/data/pattern is provided by the customer, are recognized to be a service.

In connection with the above product, the Appellant sought clarification with regard to classification of the product and the rate payable thereon. The Appellant had filed an application for Advance Ruling before the Authority for Advance Ruling on the following questions.

- a- Whether 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 in terms of Serial Number 66 of Notification No. 12/2017-CGST [Rate] dated 28-6-2017 as amended?*
- b- Whether 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 in terms of Serial Number 66 of Notification No.12/2017-CGST[Rate] dated 28-6-2017 as amended?*

- c-** *Whether scanning and processing of results of examinations be treated as exempted supply of service by virtue of in terms of Serial Number 66 of Notification No. 12/2017-CGST [Rate] dated 28-6-2017 as amended?*

*The Answer of all three questions is **affirmative***

## **Ground of Appeal**

The Principal Commissioner of Central Tax, Guntur CGST Commissionerate (Appellant) submits that the Order of the AAR is verified and found to be not correct for the following reasons and needs to be appealed against with reference to the following questions-

*a) whether 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 in terms of serial Number 66 of Notification No.12/2017-CGST [Rate] dated 28-6-2017 as amended.*

*b) whether 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 in terms of serial Number 66 of Notification No.12/2017- CGST [Rate] dated 28-6-2017 as amended.*

*c) Whether scanning and processing of results of examinations be treated as exempted supply of service by virtue of in terms of Serial Number 66 of Notification No.12/2017-CGST (Rate) dated 28-6-2017 as amended.*

The notification No.12/2017- CGST [Rate] exempts **only Intra-state supply** of services from levy of Central tax under sub section 1 of Section 9 of CGST ACT 2017.

The appellant submits that on perusal of the **AAR No. 07/AP/GST/2022 dated 30.05.2022** passed by the Authority for Advance Ruling (AAR), APGST it is observed that, M/s. Universal Print Systems is providing/ intending to provide services of printing of examination material to the following educational institutions:

- i) Andhra university, Vishakapatnam, A.P.
- ii) Satavahana University, Karimnagar, Telangana
- iii) Board of secondary education, Andhra Pradesh
- iv) Krishna University, A.P.
- v) Board of higher secondary examination government of Kerala

vi) Dr. B.R. Ambedkar open university, Hyderabad.

The appellant further submits that some of the above-mentioned educational institutions are falling under different states other than Andhra Pradesh. However, the notification No 12/2017-CGST (Rate) Dated 28-06-2017 deals with intra-state supply of services only.

In this regard we invite the attention of the appellant to Entry 69 of Notification No.9/2017-Integrated Tax (Rate) dt: 28.06.2017, which exempts interstate supply of certain services, whose description is specified under column 3 of the table in the above said notification.

Therefore, the Intra-State supplies made by M/s. Universal Print Systems that is providing/intending to provide services of printing of examination material to the educational institutions are exempted vide entry 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended. Inter-State supplies made by M/s. Universal Print Systems that is providing/intending to provide services of printing of examination material to the educational institutions are actually not covered under Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 as amended, as the said Notification is issued under CGST Act and is having limited jurisdiction over intra-state supplies only. However, a similar and equivalent exemption is available to Inter State Supplies vide entry 69 of Notification No.9/2017-Integrated Tax (Rate) dated 28.06.2017, as amended.

### **Order**

We hear by modify the order passed by the Authority for Advance Ruling vide **AAR No.07/AP/GST/2022 dated 30.05.2022** and hold that, the services rendered by M/s. Universal Print Systems to educational institutes with reference to the products associated with the conduct of examinations falls within the ambit of entry 66 of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 as amended and entry 69 of Notification No.9/2017-Integrated Tax (Rate) dated 28.06.2017 as amended.