



**TELANGANA STATE AUTHORITY FOR ADVANCE RULING**  
**CT Complex, M.J Road, Nampally, Hyderabad-500001.**  
**(Constituted under Section 96(1) of TGST Act, 2017)**

**Present:**

**Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Taxes)**  
**Sri Sahil Inamdar I.R.S., Additional Commissioner (Central Taxes)**

**A.R.Com/18/2022**

**Date:12.04.2023**

**TSAAR Order No. 08/2023**

**[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017  
AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT,  
2017.]**

\*\*\*\*\*

1. M/s. Y S Hitech Secure Print Private Limited, 7b and 8a Type III, Y.S.Hitech, Prasantinagar I.E., Kukatpally, Medchal Malkajgiri, Telangana-500 072 (36AAACY1137H1ZH) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT as it involves determination of the liability to pay tax on goods or services and classification of goods or services. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- under SGST and Rs. 5,000/- under CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided nor are pending before any authority under any provisions of the CGST/TGST Act'2017. The application is, therefore, admitted after examining it and the records called for and after hearing the applicant as per section 98(2) of TGST Act'2017.
4. **Brief facts of the case and averments of the applicant:**

4.1 The applicant M/s. YS Hitech Secure Print Pvt.Ltd., is engaged in the business of Security printing products like, question papers for conducting examinations, barcode, OMR answer booklets, OMR sheets, Certificates, Marks Memo, MICR cheque books and other books and certificates.

They have contended in their submissions that they provide printing services to various educational institutions based on their requirements using the paper and ink of the applicant. That the products are designed and printed as per the requirements of particular customer and that such products cannot be delivered to any other person as printing in the applicant case is combined with security features in many products like cheque books so as to prevent misuse by forgery/replication by unauthorized persons.

The applicant further submitted that they also provide the customer's specific documents like invoices to be issued by the clients, consignment notes, letter heads, annual reports/brochures, which are specific to particular customer and cannot be used in general or cannot be supplied at large.

The applicant seeks classification of the products and applicability of exemption given under notification 12/2017, dt.28.06.2017 at serial no. 66(b)(iv), hence this application.

#### **4.2 Company Background**

Y.S.Hitech Secure Print Private Limited is a Private incorporated on 11 March 1999. It is classified as Non-govt company and is registered at Registrar of Companies, Hyderabad. Its authorized share capital is Rs. 100,000,000 and its paid up capital is Rs. 70,940,000. It is involved in Manufacture of other chemical products

Y.S.Hitech Secure Print Private Limited's Annual General Meeting (AGM) was last held on 30 November 2021 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2021.

Directors of Y.S.Hitech Secure Print Private Limited are Mannem Chandra Sekhar, Sankeerth Yellinedi, Yellinedi Sandeep, Yellinedi Rao Sambasiva, Yellinedi Rani Sudha, Venkatesh Chowdary Yellinedi and .

Y.S.Hitech Secure Print Private Limited's Corporate Identification Number is (CIN) U24220TG1999PTC031306 and its registration number is 31306. Its Email address is hitechroc@gmail.com and its registered address is PLOT NO. 7B & 8A, TYPE-III, Prasanthi Nagar Industrial Estate, Kukatpally Hyderabad Rangareddy TG 500072 IN .

Current status of Y.S.Hitech Secure Print Private Limited is - Active.

#### **5. Questions raised:**

Is the supply of printing services like question papers, OMR sheets, Answer sheets, marks card etc to an educational institution exempt from GST?

#### **6. Personal Hearing:**

The Authorized representatives of the unit namely M.Ramchandra Murthy, CA attended the personal hearing held on 15.12.2022. The authorized representatives reiterated their averments in the application submitted.

#### **Opinion expressed by Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Member), on the issues raised by the applicant.**

#### **7. Discussion & Findings:**

The applicant has sought clarification regarding the applicability of the exemption for the services classified at serial no. 66(b)(iv) of Notification No. 12/2017 dt: 28.06.2017.

In this connection, it is to inform that the CBIC has issued a Circular No. 151/07/2021-GST CBIC- 190354/36/2021 dated:17.06.2021 and issued clarification regarding activities falling under serial no. 66 of Notification No. 12/2017.

Accordingly, the following services supplied by an educational institution are exempt from GST vide sl. No. 66 of the notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017, Services provided -

(a) by an educational institution to its students, faculty and staff;

(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;

Similarly, services provided to an educational institution, relating to admission to, or conduct of examination is also exempt from GST [sl. No. 66 (b)(iv)-12/2017-CT(r)].

Educational institutions are defined at 2(y) of the said notification as follows-

“(y) educational institution” means an institution providing services by way of, -

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;
- (iii) education as a part of an approved vocational education course;”

Further, clause (iv) of Explanation of said notification reads as below:

“(iv) For removal of doubts, it is clarified that the Central and State Educational Boards shall be treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students”

Therefore it was clarified that GST is exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards under S. No. 66 (b) (iv) of Notification No. 12/2017-CT(R).

As seen from the averment of the applicant they claim to supply services which are related to conduct of examination. And the Sl.No.66 of Notification No.12 of 2017-Central Tax (Rate), dt: 28-06-2017 provides for exemption for services related to admission to or conduct of examination by such institution. Therefore if the applicant is providing any service in relation to conduct of examination by an educational institution i.e., a Central or a State educational boards as defined under the Act in the notification then such services qualified to be exempt under Entry No.66 of Notification No.12/2017.

**Opinion expressed by Sri Sahil Inamdar, Additional Commissioner, (Central Member) on the issues raised by the applicant.**

**8. Discussion & Findings:**

8.1 The applicant has sought clarification regarding the applicability of the exemption for the services classified at serial no. 66(b)(iv) of Notification No. 12/2017 dt: 28.06.2017.

8.2 The applicant submitted that Sr. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (tax free services) refers to Heading 9992 – Educational services, which includes pre-primary education services, primary education services, secondary education services, higher education services, specialized education services and also other education and training services and education support services. The applicant submitted that its services are covered at Sr. No. 66(b)(iv), which covers “Services provided to an educational institution, by way of, services relating to admission to, or conduct of examination by, such institution, upto higher secondary”.

The word “upto higher secondary” have been omitted at aforesaid Sr. No. 66 vide Notification No. 2/2018-Central Tax (Rate) dated 25.01.2018.

8.3 The applicant submitted that all services which they are providing to “educational institution” as defined at Sr. No. (y) of definition provided in Notification No. 12/2017Central Tax (Rate) are exempt services under GST law.

8.4 Printed Question Paper are not covered under any of the Headings from 4901 to 4910, it is classifiable under Heading 4911 covering “Other printed matter, including printed pictures and photographs”, with applicable GST Rate of 12% (6% + 6%) if the Printed Question Papers are sold as goods.

8.5 Sr. No. 27 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended, covers services falling under Heading 9989. In view of the above, the supply made by the applicant may either be considered as supply of goods falling under HS Code 4911 9990, attracting 12% GST or be considered as supply of service covered under Heading / Service Code 9989, attracting 12% GST.

8.6 The issue to be decided in this case is whether the supply of test papers/question papers by the applicant for educational institutes should be treated as supply of goods or supply of service as the applicant makes the supply using the paper and ink owned by him.

8.7 The supply made by the applicant cannot be classified as selling of question papers to the educational institutes as the content to be printed on them is given by the latter to the applicant. The supply of Printed Question Papers cannot be in toto categorised as supply of goods to the educational institutes, as this is not a case where readymade printed material is bought by recipient who does not own the content in the material to be bought, but it is a composite supply of providing printing services on the papers owned by him. This composite supply involves both supply of printing services and supply of the paper owned by him on which the printing is done as per the content given by the educational institutes.

8.8 Printing of test papers/question papers is the Principal supply of the composite supply, made by the applicant, which involves goods and services i.e. papers and printing services.

8.9 The definition of 'composite supply' as per Section 2(30) of CGST/TGST Act'2017 is produced below:

*"(30) — 'composite supply' means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;*

*Illustration.— Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;"*

8.10 Notwithstanding that the supply of papers is an integral part of the composite supply, without which the content of the test papers/question papers cannot be printed, but the same cannot be called as Principal supply as the purpose for which the educational institutes contracted with applicant is not for buying papers but for the printing services. The content to be printed is based on the specifications given by the educational institutes and the applicant has no role in deciding the same. Therefore supply of printing [of the content supplied by the recipient of supply] is the principal supply and the same is clarified by Circular No. 11/11/2017-GST dated 20.10.2017.

8.11 Relevant extract of Circular No. 11/11/2017-GST dated 20.10.2017 is produced below:

*"2. In the above context, 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.*

*3. Principal supply has been defined in Section 2(90) of the Central Goods and Services Tax Act as supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.*

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.”

8.12 Therefore it is clear from the above that Printing of test papers/question papers is the Principal supply of the composite supply and HSN classification of the entire supply should be done based on Principal supply. Supply of test papers/question papers would constitute supply of service falling under heading 9989 of the scheme of classification of services as the usage rights of the manuscript material of Question Papers/test papers (intangible inputs) are owned by the Educational Institutes and the physical inputs used for printing the same belong to the applicant.

8.13 The next issue to be examined is applicability of Sr. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended vide clause (o) of Notification No. 2/2018-Central Tax(Rate) dated 25.01.2018, read with Sr. No. 27 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended,

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
	Heading 9992	<p>Services provided –</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;</p> <p>(b) to an educational institution, by way of,-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any midday meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or housekeeping services performed in such educational institution;</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 :</p>	NIL	NIL

		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 (ii) education as a part of an approved vocational education course.		
--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

8.14 "Educational Institution" has been defined in the Notification No. 12/2017-Central Tax (Rate) as follows :-

- (y) "educational institution" means an institution providing services by way of, -  
(i) pre-school education and education up to higher secondary school or equivalent;  
(ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;  
(iii) education as a part of an approved vocational education course;

8.15 Therefore, as per Sr. No. 66(b)(iv) of Notification No. 12/2017-Central Tax (Rate), as amended, 'services provided to an educational institution, by way of services relating to admission to, or conduct of examination by, such institution' is exempted from payment of Goods and Services Tax. It is to be noted that exemption is given only to services and not to goods in this Notification and the principal supply of the composite supply made by the applicant is printing services.

8.16 Sr. No. 27 of Notification No. 11/2017-Central Tax (Rate) reads as follows:

Sl. No.	Chapter, Section or Heading	Description of Services	Rate (per cent.)	Condition
27	Heading 9989	(i) Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers books (including Braille books), journals and periodicals], which attract 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.	6	-
		(ii) Other manufacturing services; publishing, printing and reproduction services; materials recovery services, other than (i) above.	9	-

8.17 The service of printing of question papers, if supplied by the applicant to other than 'educational institutions' would attract Goods and service tax at rate as specified under Sr. No. 27(i) of Notification No. 11/2017Central Tax (Rate), as amended, at rate of 12% (CGST 6% + SGST 6% or IGST 12%).

8.18 In this connection, it is to inform that the CBIC has issued a Circular No. 151/07/2021-GST dated 17.06.2021 issued vide F.No.CBIC- 190354/36/2021 and has clarified regarding activities falling under serial no. 66 of Notification No. 12/2017.The relevant portion is reproduced below-

"3.1 the following services supplied by an educational institution are exempt from GST vide sl. No. 66 of the notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017, Services provided -

- (a) by an educational institution to its students, faculty and staff;  
(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;

3.2 Similarly, services provided to an educational institution, relating to admission to, or conduct of examination is also exempt from GST [sl. No. 66 (b)(iv)-12/2017-CT(r)].

3.3 Educational institutions are defined at 2(y) of the said notification as follows-  
 "(y) educational institution" means an institution providing services by way of, -  
 (i) pre-school education and education up to higher secondary school or equivalent;  
 (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;  
 (iii) education as a part of an approved vocational education course;"

4(ii) GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under S. No. 66 (b) (iv) of notif No. 12/2017CT(R)]."

8.19 Therefore it was clarified that GST is exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to educational institutions under S. No. 66 (b) (iv) of Notification No. 12/2017-CT(R). Therefore the suppliers of these services can avail the benefit of exemption from payment of GST on these services.

8.20 The applicant claims that he supplies Printing of test papers/question papers, OMR sheets, Certificates, Marks Memo, MICR cheque books etc. using his own paper and ink to educational institutions. This is a composite supply, of which Printing services is the principal supply, as defined under Section 2(90) of the Central Goods and Services Tax Act, which makes HSN classification of the supply to be done on printing services which falls under heading 9989. As it is a service done to educational institutions the exemption under S. No. 66 (b) (iv) of Notification No. 12/2017-CT(R) can be availed by him as the said Notification details the services provided to educational institution which are exempt. The same is clarified by Circular No. 151/07/2021-GST CBIC- 190354/36/2021 dated:17.06.2021 while dealing with the issue of supply of various services by National and State Boards..

9 From the above, the Authority for Advance Ruling concurred in the Ruling and has discussed it independently.

**10 In view of the foregoing, the ruling is given as under:**

In view of the above discussion, the questions raised by the applicant are clarified as per the below rulings:

Questions	Ruling
Is the supply of printing services like question papers, OMR sheets, Answer sheets, marks card etc to an educational institution exempt from GST?	Supply of Printing of test papers/question papers, OMR sheets, Certificates, Marks Memo, MICR cheque books etc. using his own paper and ink to educational institutions is a composite supply, of which Printing services is the principal supply which makes the supply exempt from payment of GST as per Sr. No. 66(b)(iv) of Notification No. 12/2017-CT(R) as detailed supra.

  
 (S.V. KASI VISWESWARA RAO)  
 ADDL. COMMISSIONER (STATE TAX)

  
 (SAHIL INAMDAR)  
 ADDL. COMMISSIONER (CENTRAL TAX)

**[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]**

To

M/s. Y S Hitech Secure Print Private Limited,  
7b and 8a Type III, Y.S.Hitech,  
Prasantinagar I.E., Kukatpally,  
Medchal Malkajgiri, Telangana-500 072

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax) Medchal Commissionerate, III Floor, Medchal GST Bhavan, 11-4-649/B, Lakdikapul, Hyderabad – 500 004

Copy to:

3. The Superintendent (Central Tax) Kukatpally Range.