

IMPORTANT GST UPDATES



Issued in case of M/s. Y S Hitech Secure Print Private Limited by Telangana State Authority For Advance Ruling
TSAAR Order No. 08/2023 | Date: 12-04-2023

Ruling

Supply of printing services like question papers, OMR sheets, marks card etc. to an educational institution is exempted from GST.

Observations & Findings

M/s. YS Hitech Secure Print Pvt. Ltd., the Applicant is primarily involved in printing various products, including question papers for examinations, barcodes, OMR answer booklets, OMR sheets, certificates, marks memos, and MICR cheque books for educational institutions.

The Applicant emphasized that their products are custom-designed and printed according to each customer's specific requirements. These products incorporate security features, to prevent misuse or replication by unauthorized individuals. As a result, the Applicant cannot deliver these specialized products to any other person. Seeking clarity on the applicability of the exemption on their printing services, the Applicant filed an application for an advance ruling.

The AAR, Telangana, noted that the printed question papers do not fall under any of the Customs Tariff Headings from 4901 to 4910. Therefore, they are classified under Heading 4911, which covers "Other printed matter, including printed pictures and photographs," attracting a GST rate of 12%.

While exemptions are granted to services, not goods, the supply of printing services for test question papers, OMR sheets, certificates, marks memos, and MICR cheque books, using the Applicant's own paper and ink, qualifies for exemption.

In the present case, the services provided to educational institutions, which involve printing papers/question papers, OMR sheets, certificates, marks memos, MICR cheque books, etc., form a composite supply. The printing service is identified as the principal supply, and the entire supply is classified under printing services (SAC 9989).

Consequently, the principal supply makes the entire supply exempt from GST payment, in accordance with Sr. No. 66(b)(iv) of the Service Exemption Notification.