



**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 Tax)**  
**Sri Sahil Inamdar, Additional Commissioner (Central Tax)**

**A.R.Com/14/2022**

**Date: 14.09.2022**

**TSAAR Order No. 55/2022**

**[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.]**

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- 1.** M/s. Dachepalli Printers, Plot No.121/5, IDA, Phase-2 Cherlapally, Hyderabad, Medchal, Malkajgiri, Telangana – 500 051(36AAQFD8935R1ZB) 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. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided by nor are pending before any authority under any provisions of the GST Act. The application is therefore, admitted.

**4. BRIEF FACTS OF THE CASE:**

- 4.1** The applicant M/s. Dachepalli Printers are in the business of printing text books for Government of Telangana as well as other private organizations where the content is supplied by the recipient of the service. They need a clarification regarding the percentage of CGST and SGST to be applied for the supply of their services. Hence this application.

**4.2 Company Background:**

M/s Dachepalli Publishers from the finest scholarly works to the higher education textbooks and from the best school courses to the unparalleled digital resources for teaching and learning. Their spectrum of academic and educational resources dates back to 1908.

5. **QUESTIONS RAISED:**

Q1. What is the rate of tax under CGST & SGST on the service of the printing in cases where content is supplied by the recipient along with raw materials such as paper & cover board?

6. **INTERPRETATION OF APPLICANT:**

M/s. Dachepalli Printers are one of the printers for Telangana print textbooks for Government of Telangana. They are seeking clarity over the percentage of GST. Which they should levy on the Textbook printing job work for the State of Telangana and other states.

As the Department is confused whether the GST is 5%, 12%, 18% or exempted. And even their other printers are unaware as there is no clarity on this kind of work. The Applicant is requesting the correct percentage of GST which they should levy for the job works of printing done by them for the State of Telangana textbook press. Since raw material like paper and cover board and content is provided by the Textbook press of Telangana. And rest of material required for printing like inks, chemicals, hot melt gum, pinning wire, packing straps, aluminium plates are purchased by them at the GST slab rate of 18% respectively.

The Applicant is requesting to clarify the rate of tax on the services offered by them. Hence this application.

7. **PERSONAL HEARING:**

The Authorized representatives of the unit namely Sri D. Vinod Kumar, Partner & Sri B. Venkat Reddy, Manager attended the personal hearing held on 25.08.2022. The authorized representatives reiterated their written statement and averred as follows:

1. That, they are in the business of printing books and receive two types of contracts where the content is supplied by the recipient of services:
  - a. The recipient of service supplies paper.
  - b. The recipient does not supply paper.
2. That, they are desirous of a clarification regarding the rate of tax in this two types of printing contracts as they have participated in a bid offered by the Telangana Government text book press. Copy of bid document submitted with application.

As seen from the bid document submitted by the applicant, the main work under discussion to be done are as under:

1.	Printers registered under State and Central Acts in Telangana State & Printing and binding machinery located in Telangana State, who are having their own machinery and having the capacity of printing and binding minimum 2 lakhs copies of a book upto 128 pages of centre pinning and one lakh copies of a book of more than 128 pages of side pinning with Perfect binding per month are eligible to submit the tender. The Director, Telangana Govt. Text Book Press, Mint Compound, Hyderabad-500063, Telangana State, India will verify printing and binding capacity of the tenderer / printer qualified.
11.	The paper will be supplied to the tenderer by the Paper Mills in following sizes.
	(a) For Text Printing: (i) A4 size — 70 GSM Map litho Paper shall be supplied in Reel in 79 cms.
	(b) For Cover Printing: (ii) A4 size — 200 GSM White Art card in Sheets in 59 c.m. X 86 c.m.
	In case of any unavoidable circumstances, the printer has to lift small quantities of paper/cover paper at his own cost from the Godown of Text Book Press as per the instructions of the Director, Text Book Press to avoid delay of printing.

8. **DISCUSSION & FINDINGS:**

8.1 The applicant is seeking clarification on the taxability of transactions which is effected by him, which are as under:

1. Where content as well as physical inputs are supplied by the recipient of printing services.
2. Where only content is supplied by the recipient of printing services.

8.2 In the first case, Where content as well as physical inputs are supplied by the recipient of printing services, i.e., Government of Telangana, this would amount to a job work in which the applicant provides the manufacturing services on the physical inputs (goods) owned by recipient and is covered under Entry No. 26 of the Notification No. 11/2017 – Central Tax (Rate), dt. 28-06-2017, which reads as under:

SI No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
26	<b>Heading 9988</b> (Manufacturing services on physical inputs (goods) owned by others)	(i) Services by way of job work in relation to- (a) Printing of newspapers; (b) Textiles and textile products falling under Chapter 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975); (c) all products [, other than diamonds, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975); (d) Printing of books (including Braille books), journals and periodicals; (da) printing of all goods falling under Chapter 48 or 49, which attract TGST @ 2.5per cent. or Nil; (e) [xxx] (ea) <b>[xxx]</b> (f) all food and food products falling under Chapters 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975); (g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975), except dog and cat food put up for retail sale falling under tariff item 23091000 of the said Chapter; (h) <b>[xxx]</b> (i) manufacture of handicraft goods.  <b>Explanation.</b> - The expression "handicraft goods" shall have the same meaning as assigned to it in the notification issued in G.O.Ms No. 266 Revenue (CT-II) Department, dt. 29-11-2017 and as amended from time to time.  <b>[xxx]</b>	2.5	-
		(ia) Services by way of job work in relation to- (a) manufacture of umbrella; (b) printing of all goods falling under Chapter 48 or 49, which attract TGST @ 6per cent.	6	-
		(ib) Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);	0.75	-
		(ic) Services by way of job work in relation to bus body building;	9	-
		(ica) Services by way of job work in relation to manufacture of alcoholic liquor for human consumption.	9	-
		(id) Services by way of job work other than (i), (ia), (ib), (ic) and (ica) above;	6	-
		(ii) Services by way of any treatment or process on goods belonging to another person, in relation to- (a) printing of newspapers; (b) printing of books (including Braille books), journals and periodicals. (c) printing of all goods falling under Chapter 48 or 49, which attract TGST @ 2.5 per cent. or Nil.	2.5	-
		(iia) 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 TGST @ 6per cent.	6	-

		[(iii) Tailoring services	2.5	-
		(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (ica), (id), (ii), (iia) and (iii) above.	9	-
27	<b>Heading 9989</b>	(i) <b>xxx</b>	<b>xxx</b>	<b>xxx</b>
		(ii) Other manufacturing services; publishing, printing and reproduction services; material recovery services;	9	-

**8.3** Now we proceed to discuss the activities covered under entry 26(i)(d), entry 26(ia)(b), entry 26(ii)(b) and entry 27(i) and entry 27(ii) in detail:

- a. Entry No. 26(i)(d) – deals with Services by way of jobwork in relation to Printing of books (including Braille books), journals and periodicals and hence the pure activity of printing of books, journals and periodicals in which the contents are not supplied by the customer gets covered under this entry and here the paper and other materials must be provided by the customer.
- b. Entry No. 26(ia)(b) – Services by way of jobwork in relation to printing of all goods falling under Chapter 48 or 49, which attract CGST @ 6 per cent – this involves printing as a job work on the base materials provided by the customer and these materials should fall under Chapter 48 and 49.
- c. Entry 26(ii)(b) – Services by way of any treatment or process on goods belonging to another person, in relation to printing of books (including Braille books), journals and periodicals – this includes processes other than printing like book binding, edge cutting etc on the goods belonging to others.
- d. Entry No. 26(iv) - Manufacturing services on physical inputs (goods) owned by others other than (i) and (ii) above.
- e. Entry No. 27 is not applicable to these type of transactions as the base material on which printing is done is not belonging to the applicant.

Since the nature of activity of the applicant is printing, entry 26(ii)(b) is not applicable.

If the final printed material is a book or a journal or a periodical and if the materials on which the printing is done are provided by the customers, then the activity would be covered under entry 26(i)(d) and would be liable to tax at 2.5% CGST plus 2.5% SGST.

But if the final printed material is other than a book or a journal or a periodical but the involves the jobwork of printing of all goods falling under Chapter 48 or 49, which attract CGST @ 6%, then the activity is liable to tax at 6% CGST plus 6% SGST.

But, if the jobwork of printing made on the materials belonging to other is not covered by the above two items, then the same is liable to be covered under Entry 26(iv) and is liable to tax at 9% SGST.

**8.4** Similarly, in the Second case, the applicant is effecting the supply of printed materials where only content is supplied by recipient and paper and other materials belongs to applicant himself. There are two supplies merged into one for a single consideration, which are supply of paper and relevant materials and the supply of the service of printing. These supplied being made conjoint as a naturally bundled supply and for a single consideration, the same would amount to a composite supply as per clause (30) of Section 2 of CGST Act, which reads as under:

*“(30) “composite supply” means a supply made by a taxable person to a recipient consisting of two or more 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”.*

And the “principal supply” is defined in clause (90) of section 2 of the CGST Act as under :

*“(90) “principal supply” means a supply means the 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”.*

As already discussed in this type of composite supply, printing would be the predominant element, the principal supply of the composite supply would be the supply of paper or paperboard. This is also made clear in the Circular No. 11/11/2017-GST issued by the Government of India, dt. 20-10-2017.

**8.5** Further, regarding the tax liability in case of composite supply, section 8 of the CGST Act which deals with the issue reads as under:

*" 8. Tax liability on composite and mixed supplies. -*

*The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:-*

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and*
- (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax."*

From the above, since the printing would be the principal supply of the composite supply, in these cases, the entire composite supply would be treated as a supply of services by way of printing (principal supply) and the tax rate applicable to such printing would be applicable on the entire value of such supply.

**8.6** The applicable rate of tax is given vide Notification No. 11/2017-CT(R), dt. 28-06-2017, the relevant portion of which is extracted below:

SI No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
27	Heading 9989	Other manufacturing services; publishing, printing and reproduction services; materials recovery services.	9	-

Further, Entry No. 27 of Notification No. 20/2017 – Central Tax (R) dated 22.08.2017 was substituted to bring in the sub-entry (i) which reads as “Services by way of printing of newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer” which deals with printing of newspapers, books, journals and periodicals on the physical inputs of the printer himself, which is taxable at 12% (6% CGST + 6% SGST). If the printed item is not newspaper or book or journal or periodical, then the services of the applicant is covered under Entry No. 27(ii) which reads “other manufacturing services; publishing, printing

and reproduction services; materials recovery services, other than (i) above” and hence is liable to tax at 18% (9% CGST + 9% SGST).

(1)	(2)	(3)	(4)	(5)
"27	<b>Heading 9989</b>	"(i) Services by way of printing of newspapers, books (including Braille books), journals and periodicals, 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	-"

Notification No. 31/2017-C.T (Rate) dated 13.10.2017 amended entry 27 as under:

- (i) against serial number 27, for item (i), in columns (3), (4) and (5)and the entries relating thereto in, the following shall be substituted, namely: -

(3)	(4)	(5)
(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 TGST @ 6 per cent. or 2.5per 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	-"

However, vide Notification No. 6/2021-Central Tax (R) dt. 30-09-2021 amended entry 27 as under:

- (d) against serial number 27,-  
(A) item (i) and the entries relating thereto in columns (3), (4) and (5) shall be omitted;  
(B) for item (ii) and the entries relating thereto in columns (3), (4) and (5), the following entries shall be substituted, namely:-

(3)	(4)	(5)
"Other manufacturing services; publishing, printing and reproduction services; material recovery services.	9	-"

In the light of the above we conclude that:

- a) The classification of service of printing at Sl.No.26 of Notification 11 of 2017 enumerates 'Manufacturing services on physical inputs (goods) owned by others' under Heading 9988 of SAC. At Entry No.(i)(d) of Sl.No.26, 'Service by way of job work in relation to printing of books (including Braille books), journals and periodicals' is enumerated. Similarly at Entry No.(ii)(b), 'Service by way of any treatment or process on goods belonging to another person in relation to printing of books (including Braille books), journals and periodicals' is enumerated. For both these entries the rate of tax prescribed is 2.5% CGST & SGST respectively.

Therefore where the content and physical inputs are supplied by the recipient of printing service the rate of tax on the consideration received for supply of such services is 2.5% CGST & SGST respectively.

- b) The classification of service of printing at item (1) of Sl.No.27 of Notification No. 11/2017 enumerated "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 TGST @ 6 per cent. or 2.5per 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 the tax rate was 6 % under CGST and also SGST upto 30.09.2021.

However, this entry was substituted vide Notification No.6 of 2021, dt: 30.01.2021 with the entry "Other manufacturing services; publishing, printing and reproduction services; material recovery services" which is taxable @ 9% CGST and also SGST.

**9. THE RULING IS GIVEN AS BELOW:**

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

Questions	Ruling
What is the rate of tax under CGST & SGST on the service of the printing in cases where content is supplied by the recipient along with raw materials such as paper & cover board?	1. Where content as well as physical inputs are supplied by the recipient of printing services the rate of tax is 2.5% under CGST & SGST respectively
	2. Where only content is supplied by the recipient of printing services, i.e., the publisher and the physical inputs used belong to the printer, the rate of tax on such service is taxable upto 30.09.2021 – 6% and from 01.10.2021 onwards 9% under CGST & SGST respectively.

  
(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. Dachepalli Printers,  
Plot No.121/5, IDA, Phase-2 Cherlapally,  
Hyderabad, Medchal, Malkajgiri,  
Telangana – 500 051.

- Copy submitted to :
- 1. The Commissioner (State Tax) for information.
  - 2. The Commissioner (Central Tax), Secunderabad Commissionerate, GST Bhavan, L.B. Stadium Road, Basheerbagh, Hyderabad 500 004.
- Copy to:
- 3. The Superintendent (Central Tax) Kapra Range, H.No. 3-4-118/2, Elegant Edifice Building, Ramanthapur, Hyderabad- 500013.