
	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
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BEFORE THE AUTHORITY OF: Shri. Sivaprasad.S, IRS &
: Shri. Senil A.K. Rajan.

Legal Name of the applicant	M/s Kerala Books and Publications Society
GSTIN	32AAATK2642L1ZR
Address	Kakkanad P.O, Kochi – 682030.
Advance Ruling sought for	<p>a. Whether our activity falls within the ambit of scope of ‘supply’ under GST?</p> <p>(i) printing text books for supply by the State Government to its allied educational institutions.</p> <p>(ii) printing of Lottery tickets for vending by the State Government to the general public.</p> <p>(iii) printing of stationery items like calendars, Diaries etc for supply by the State Government to its offices and other institutions.</p> <p>b. Whether, even though the said activity were to fall within the ambit of ‘supply’ under GST, are we eligible to avail the exemption from levy of GST under Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.</p> <p>c. Whether, we are liable to be registered under GST, if our activity does not fall within the ambit of ‘supply’ or if we are exempted by Notification 12/2017 as amended?</p> <p>d. Whether, we or our customer; i.e; are required to deduct TDS (under the GST provisions), if our activity does not fall within the ambit of supply or is exempted from tax liability under GST, even if we are required to be registered or are not registered under GST?</p>
Date of Personal Hearing	05.01.2021
Authorized Representative	Shri.K. Bindusaran, Consultant

ADVANCE RULING No. KER/125/2021 Dated 31-05-2021

M/s. Kerala Books and Publications Society (hereinafter referred to as the applicant) is a multicolour offset printing press established in 1978 by the Government of Kerala primarily in order to print and supply textbooks for

school children under the SCERT [State Council of Educational Research and Training] syllabus of Kerala State.

2. At the outset, the provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act) and the Kerala State Goods and Services Tax Act, 2017 (hereinafter referred to as KSGST Act) are same except for certain provisions. Accordingly, a reference hereinafter to the provisions of the CGST Act, Rules and the notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules and the notifications issued there under.

3. Brief facts of the case:

3.1. The applicant was constituted as a society by the Government of Kerala as per G.O. (P) No. 17/766/ H.Edn dated 17.02.1976 of the Higher Education Department. The society is registered under the Travancore Cochin, Literary, Scientific and Charitable Societies Registration Act, 1955. The said society is running the printing press till date. The Governing body of the society consists wholly by officers from the Government.

3.2. They have progressed into the printing of lottery tickets and stationery items like brochures, diaries, calendars etc in addition to the textbooks for school children. Their customer for the printed textbooks and the lottery tickets is solely the State Government. In respect of the printed stationery items, the customers vary from State Government and its allied educational institutions to other departments of the State Government. The State Government does not charge GST on the school textbooks supplied by it to the end customers; i.e. allied educational institutions. The school textbooks are supplied on a no-profit / no-loss basis to the said educational institutions. They have been incurring losses on the printing of the said school textbooks. In respect of all the above activity carried out by them the print content and its features that are to be printed is designed solely by the customer; i.e; the Government of Kerala. They only arrange the paper and then print the said content on the paper. They do not own the usage rights to the said content given to them.

4. Accordingly, they requested advance ruling on the following;

a. Whether our following activities fall within the ambit of scope of 'supply' under GST?

(i) printing text books for supply by the State Government to its allied educational institutions.

(ii) printing of Lottery tickets for vending by the State Government to the general public.

(iii) printing of stationery items like calendars, Diaries etc for supply by the State Government to its offices and other institutions.

b. Whether, even though if the said activity were to fall within the ambit of 'supply' under GST, are we eligible to avail the exemption from levy of GST under Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

c. Whether, we are liable to be registered under GST, if our activity does not fall within the ambit of 'supply' or if we are exempted by Notification 12/2017 as amended?

d. Whether, we or our customer; i.e Kerala Government are required to deduct TDS (under the GST provisions), if our activity does not fall within the ambit of supply or is exempted from tax liability under GST, even if we are required to be registered or are not registered under GST?

5. Contentions of the Applicant:

5.1. They are of the view that their activity of printing textbooks, lottery tickets, stationery and other items for supply to the Government of Kerala and its departments is not within the scope of definition of supply which is the taxable event under GST as envisaged under the GST Act. The definition of supply is given in Section 7 of the CGST Act and as per provisions of clause (b) of sub-section (2) of section 7 which is a non-obstante clause that specifically overrides sub-section (1); such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on recommendations of the Council, shall be treated neither as a supply of goods nor as a supply of services.

5.2. Though they may not be classifiable as Central Government, State Government, Union Territory or local authority they are a Governmental Authority / Government Entity as defined in the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.

5.3. The activity of printing carried out by them is a supply of service. The CBIC in Para 4 of Circular No. 11/11/2017 GST dated 20.10.2017 has clarified 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, which is the SAC of *Other manufacturing services; publishing, printing and reproduction services; material recovery*

services. In their case the entire content and its features that are to be printed are designed and given by the State Government in respect of all the activities of printing carried out by them and they only arrange the paper and then print the said content on the paper. They do not own the usage rights to the said content given to them and hence their activity is a supply of services.

5.4. Governmental Authority is defined in Para 2(zf) of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as;

“Governmental Authority” means an authority or a board or any other body, -

(i) set up by an Act of Parliament or a State Legislature; or

(ii) established by any Government,

with 90 per cent or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.

5.5. The functions entrusted to Panchayat under Article 243G [11th Schedule] of the Constitution are;

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.

22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

5.6. The functions entrusted to Municipality under Article 243W [12th Schedule] of the Constitution are;

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

5.7. They are a Governmental Authority as they have come into existence by virtue of being established by the State Government as a 100% State Government owned and controlled body. Their activity of printing school textbooks and lottery tickets are covered under the provisions of Article 243G and 243W of the Constitution. The primary activity undertaken by them is

purely on behalf of the State Government's public responsibility to directly provide and promote education / social development [Sl Nos. 17, 26 and 27 of Article 243G and Sl Nos. 9 and 13 of Article 243W] and indirectly contribute to the other stated functions including poverty alleviation as mentioned under Sl No. 16 of 243G and Sl No. 11 of 243W. The printing of the lottery tickets enables the State Government to fund the medical treatment of poor and deserving patients under the Karunya Lottery / Karunya Development Fund and to augment the revenue of the State Government through sale of lottery tickets for spending on other welfare measures including generation of employment for weaker section of the society in the State.

5.8. Considering the above, the printing activities undertaken by them are eligible for exemption under Sl Nos. 3, 4 and 5 of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

5.9. Further, "Government Entity" is defined in Para 2 (zfa) of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as "Government Entity" means an authority or a board or any other body including a society, trust, corporation,- (i) set up by an Act of Parliament or State Legislature; or (ii) established by any Government, with 90 per cent or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority. Therefore, additionally they are also a Government Entity and hence eligible for availing the exemption under Sl No. 3 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

5.10. The Kerala Government is not charging GST on the supply of the services to Government Departments, Educational Institutions and General Public. Therefore, the levy of GST on their activity would lead to disproportionate input tax credit accumulation in the account of the State Government. This disproportionate input tax credit accumulation would have to be redeemed by way of huge refunds from the funds of the State and Central Governments rendering the entire exercise revenue neutral.

6. Comments of the Jurisdictional Officer:

The application was forwarded to the jurisdictional officer as per provisions of Section 98(1) of the CGST Act. The jurisdictional officer submitted that the activities of the applicant come within the purview of supply as per Section 7 of the GST Act and is taxable. There is no specific exemption available that the activities performed by the applicant come neither as a supply of goods nor a supply of services. As the activities of the applicant are not specifically exempted the applicant is liable to pay tax as per the GST Act.

7. Personal Hearing:

The applicant was granted opportunity for personal hearing on 05.01.2021. Shri. K. Bindusaran, Consultant represented the applicant for personal hearing. He reiterated the contentions made in the application and subsequent to the hearing, forwarded detailed written submissions dated 07.01.2021. The contentions of the applicant in the application and in the Written Submission dated 07.01.2021 has already been extracted in detail in Para 5 above.

8. Discussion and Conclusion:

8.1. The matter was examined in detail. The issues to be determined are

(i) Whether the activities of the applicant come within the meaning and scope of the term “supply” under the GST Act?

(ii) If the activities fall under the meaning and scope of supply, whether it is a supply of goods or a supply of services?

(iii) Whether the applicant qualifies to be a “Governmental Authority” or a “Government Entity” as defined under Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended? and

(iv) Whether the activities undertaken by the applicant are exempted as per the entries at Sl Nos. 3,4 or 5 of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

8.2. Section 7 of the CGST Act regarding scope of supply is reproduced below;

“7. Scope of supply— (1) For the purposes of this Act, the expression – “supply” includes—

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

(b) import of services for a consideration whether or not in the course or furtherance of business; and

(c) the activities specified in Schedule I, made or agreed to be made without a consideration;

(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.

(2) Notwithstanding anything contained in sub-section (1) —

(a) activities or transactions specified in Schedule III; or

(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council,

shall be treated neither as a supply of goods nor a supply of services.

(3) Subject to the provisions of sub-sections (1), (1A) and (2), the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as—

- (a) a supply of goods and not as a supply of services; or
- (b) a supply of services and not as a supply of goods.

8.3. The taxable event in GST is the supply of goods or services or both. The term “supply” has been inclusively defined under Section 7 of the CGST Act and accordingly any transaction involving goods and / or services made for a consideration in the course or furtherance of business will come under the scope and meaning of supply unless it is listed under Schedule III or notified by Government on recommendations of the Council to be treated neither as a supply of goods nor services. From the facts as stated in the application, the activities / transactions undertaken by the applicant squarely fall within the scope and meaning of ‘supply’ as defined in clause (a) of sub-section (1) of Section 7 of the CGST Act and the activities / transactions is neither specified in Schedule III nor notified in terms of clause (b) of sub-section (2) of Section 7 of the CGST Act. Therefore, the activities / transactions performed by the applicant constitute supply as defined in Section 7 of the CGST Act and accordingly are liable to GST unless specifically exempted by notification.

8.4. Having concluded that the activities undertaken by the applicant fall within the meaning and scope of supply and accordingly are liable to GST, the next issue to be determined is whether it constitutes a supply of goods or a supply of services. Admittedly, the applicant is engaged in printing of textbooks, lottery tickets and stationery items like Diary and Calendars etc for the State Government and the entire content and its features that are to be printed are designed and given by the State Government. They only arrange the paper and print the said content on the paper. They do not own the usage rights to the said content given to them. The CBIC in Para 4 of Circular No. 11/11/2017 GST dated 20.10.2017 has clarified 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,

which pertains to other manufacturing services; publishing, printing and reproduction services; material recovery services. On the basis of the discussion above, we conclude that the activities performed by the applicant is a supply of services falling under Heading - 9989 - Other manufacturing services; publishing, printing and reproduction services; material recovery services - 998912 - Printing and reproduction services of recorded media, on a fee or contract basis and attracts GST at the rate of 12% [6% - CGST + 6% - SGST] or 18% [9% - CGST + 9% - SGST] as per the respective description of the entries at item nos. (i) and (ii) of Sl No. 27 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 as amended.

8.5. The next issue to be determined is whether the applicant is a Governmental Authority or a Government Entity as defined in the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended. As per Para 2(zf) of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended;

“Governmental Authority” means an authority or a board or any other body, -

- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government,

with 90 per cent or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.

8.6. On a plain reading of the above definition of “Governmental Authority” it can be seen that the first condition to be satisfied by any person to qualify as a “Governmental Authority” is that the person should be either; (i) set up by an act of Parliament or a State Legislature; or (ii) established by any Government and the common condition applicable for both the above categories of persons are that they should have been set up or established with 90 per cent or more participation by way of equity or control to carry out any function entrusted to a Municipality under article 243W or to a Panchayat under article 243G. Admittedly, the applicant is not set up by an act of Parliament or State Legislature; but the applicant is established by G.O.(P) No. 17/766/H.Edn dated 17.02.1976 of the Higher Education Department of the Government of Kerala and accordingly falls under the second category above. Now it is to be examined whether the applicant satisfies the second condition-ie. Whether they are established to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution. The relevant portion of the G.O.(P) No. 17/766/H.Edn dated 17.02.1976 is reproduced below;

“The Government Presses in the State are able to print only about 30% of the requirements of School Text Books. The major portion of the work is therefore being entrusted to private printers. Thus, the need for a Government owned modern book printing press was keenly felt. Government have therefore decided to establish a modern Text Book Printing Press at Thrikkakara, Ernakulam District.

2. Government have considered, how best the Text Book Printing Press can be run as a commercial unit and what should be the type of the organisation. The practice followed in the other States, was also taken into consideration. After considering all aspects Government are pleased to order that the Text Book Printing Press should be established and run as a separate unit on commercial basis by a Society to be constituted and registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955.

3. Government are therefore pleased to constitute a society by name “The Kerala Books and Publications Society” to be registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 to establish and run the proposed printing press at Thrikkakara.”

It is evident from the above that the applicant was established by the State Government for the purpose of printing school text books, which is an integral part of the function of Education including primary and secondary schools entrusted to a Panchayat under Article 243G as per entry at Sl No. 17 of 11th Schedule of the Constitution and also the function of Promotion of cultural, educational and aesthetic aspects entrusted to a Municipality under Article 243W as per entry at Sl No. 13 of 12th Schedule of the Constitution. Further, from the constitution of the governing body of the applicant it is evident that the applicant is fully owned and controlled by the State Government. Hence, the second condition prescribed in the above definition is also satisfied. Therefore, we conclude that the applicant is a “Governmental Authority” as defined in Para 2 (zf) of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017. Since it is concluded that the applicant is a “Governmental Authority” we do not consider it necessary to examine whether the applicant is a “Government Entity” as it is not relevant for answering the questions raised in the application.

8.7. Since, we have already concluded that the activities undertaken by the applicant namely the printing of textbooks, lottery tickets and stationery items come within the meaning and scope of supply and is a supply of services, the next issue to be determined is whether the services supplied by the applicant is exempted as per entries at Sl Nos. 3, 4 or 5 of the Notification No. 12/2017

Central Tax (Rate) dated 28.06.2017 as amended. The entries at Sl Nos. 3, 4 and 5 of the said notification reads as follows;

“3 – Chapter 99 - Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution – Nil

4 – Chapter – 99 - Services by governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution – Nil

5 – Chapter – 99 - Services by governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the Constitution – Nil”

8.8. The exemption provided under the entry at Sl No. 3 is in respect of pure services not involving supply of any goods provided to the Central Government, State Government, Union Territory or local authority or a Governmental authority or a Government entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G or a Municipality under article 243W of the Constitution. The exemption under the entry at Sl No. 4 is in respect of services by a governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243W and the exemption under the entry at Sl No. 5 is in respect of services by a governmental authority by way of any activity in relation to any function entrusted to a panchayat under article 243G. The exemption under Sl No.3 of the said notification is in respect of specified services provided to the Central Government, State Government, Union Territory or local authority or a Governmental authority or a Government entity and the exemptions at Sl Nos. 4 and 5 are in respect of specified services provided by a Governmental Authority.

8.9. We have already concluded that the services of printing of text books is integral to the function of Education- including primary and secondary schools entrusted to a Panchayat under Article 243G as per entry at Sl No. 17 of 11th Schedule of the Constitution. Therefore, the service of printing of textbooks supplied by the applicant to the State Government is exempted as per entry at Sl No. 3 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended, being pure service provided to the State Government by way of an activity in relation to a function entrusted to a Panchayat under Article 243G of the Constitution.

8.10. Regarding the service of printing of lottery tickets to the State Government the contention of the applicant is that the organising and conduct of lottery by the State Government is a function covered under Sl No. 16-Poverty alleviation programme of 243G and Sl No. 11-Urban poverty alleviation of 243W as the proceeds of sale of lottery is used by the State Government to fund the medical treatment of poor and deserving patients and for other welfare measures for the weaker section of the society. The use of proceeds of sale of the lottery by the State Government for funding social welfare schemes; ipso facto will not make the activity of conducting lottery an activity in relation to poverty alleviation as mentioned in 11th and 12th Schedule to the constitution and hence the service of printing of lottery tickets supplied by the applicant to the State Government cannot be considered as an activity in relation to any function entrusted to a Panchayat under article 243G or a Municipality under article 243W of the Constitution and accordingly is not eligible for exemption under any of the entries under Sl Nos. 3, 4 or 5 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

8.11. The printing of stationery items like Diaries, Calendars etc cannot be considered as an activity in relation to any function entrusted to a Panchayat under article 243G or a Municipality under article 243W of the Constitution and accordingly the service of printing of Stationery items like Diary and Calendar etc provided by the applicant to the State Government is not eligible for exemption under any of the entries under Sl Nos. 3, 4 or 5 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

9. On the basis of the discussion above it is concluded that the service of printing of Text Books supplied by the applicant to the State Government is exempted from GST as per entry at Sl No. 3 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended. The service of printing of Lottery tickets supplied by the applicant to the State Government is liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as per entry at item (ii) of Sl No. 27 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 as amended. The service of printing of Diary and other stationery articles supplied by the applicant to the State Government is liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as per entry at item (ii) of Sl No. 27 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 as amended. The service of printing of Calendar supplied by the applicant to the State Government is liable to GST at the rate of 12% [6% - CGST + 6% - SGST] as per entry at item (i) of Sl No. 27 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 as amended.

10. The next question raised by the applicant is regarding their liability as well as the liability of the Government of Kerala to deduct TDS on the supplies made by them. As per Section 95(a) of the CGST Act "advance ruling" means a

decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant. As per Section 97(2) of the CGST Act the question on which the advance ruling can be sought are in respect of;

- (a) classification of any goods or services or both;
- (b) applicability of a notification issued under the provisions of this Act;
- (c) determination of time and value of supply of goods or services or both;
- (d) admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) determination of the liability to pay tax on any goods or services or both;
- (f) whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

10.1. As per Section 103 of the CGST Act the advance ruling pronounced by the Authority or the Appellate Authority shall be binding only on the applicant who had sought it in respect of any matter referred to in sub-section (2) of section 97 and the jurisdictional officer in respect of the applicant.

10.2. The relevant portion of Section 51 of the CGST Act is reproduced below;

“51. Tax deduction at source— (1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate—

- (a) a department or establishment of the Central Government or State Government; or
- (b) local authority; or
- (c) Governmental agencies; or
- (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council, to deduct tax at the rate of one per cent from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees.”

It is evident from the above provisions of Section 51 of the CGST Act that it applies to prescribed and notified categories of persons receiving supplies of goods and / or services exceeding specified value and making payment to the supplier for the same and not to any supplier of goods and / or services. Admittedly, the applicant has preferred this application as a supplier of goods / services and accordingly it is not stated in the application whether the applicant is receiving goods or services exceeding the specified value and making payment to the supplier. In the absence of any information provided by the applicant

regarding the receipt of supply of goods and / or services by the applicant exceeding specified value and the payment thereon, no advance ruling can be issued regarding the applicability of the provisions of Section 51 of the CGST Act for the applicant.

10.3. The second part of the question pertains to the applicability of the provisions of Section 51 of the CGST Act to a third person namely; the Government of Kerala. As discussed above, the provisions of the CGST Act governing advance ruling does not provide for an applicant to seek a ruling regarding the applicability of the provisions of the Act or the notification issued there under to a third person other than the applicant. Hence, no ruling can be issued by this authority on the applicability of the provisions of Section 51 of the CGST Act to the Government of Kerala.

In view of the observations stated above, the following rulings are issued;

RULING

a. Whether our activity falls within the ambit of scope of 'supply' under GST?

(i) printing text books for supply by the State Government to its allied educational institutions.

(ii) printing of Lottery tickets for vending by the State Government to the general public.

(iii) printing of stationery items like calendars, Diaries etc for supply by the State Government to its offices and other institutions.

All the activities as mentioned above, undertaken by the applicant constitute supply as defined in Section 7 of the CGST Act. The activities constitute supply of services falling under Heading - 9989 - Other manufacturing services; publishing, printing and reproduction services; material recovery services - 998912 - Printing and reproduction services of recorded media, on a fee or contract basis of the Scheme of Classification of Services under GST notified as Annexure to Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017.

b. Whether, even though the said activity were to fall within the ambit of 'supply' under GST, are we eligible to avail the exemption from levy of GST under Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

The service of printing of Text Books supplied by the applicant to the State Government is exempted from GST as per entry at Sl No. 3 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

The service of printing of lottery tickets and stationery items like Diary, Calendar etc supplied by the applicant to the State Government are not exempted under Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 as amended.

c. Whether, we are liable to be registered under GST, if our activity does not fall within the ambit of 'supply' or if we are exempted by Notification 12/2017 as amended?

Not relevant in view of the answer to questions (a) and (b) above.

d. Whether, we or our customer; i.e; are required to deduct TDS (under the GST provisions), if our activity does not fall within the ambit of supply or is exempted from tax liability under GST, even if we are required to be registered or are not registered under GST?

No ruling can be issued by this authority on the question for the reasons as stated at Para 10 above.



Sivaprasad.S

Joint Commissioner of Central Tax
Member



Senil K. Rajan

Additional Commissioner of State Tax
Member

To,

M/s. Kerala Books and Publications Society,
Kakkanad P.O, Kochi – 682030.

Copy to;

- 1) The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin-682018. [E-mail ID: cccochin@nic.in]
- 2) The Commissioner of State Goods and Services Tax Department, Tax Tower, Karamana, Thiruvananthapuram – 695002.
- 3) The Deputy Commissioner, State Goods and Services Tax, Special Circle III, Ernakulam. [E-mail ID: acspl3ekm1@gmail.com]