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GST Exemption on Printing Services for Educational Institutions: An Analysis

[In re Y S Hitech Secure Print Private Limited \(GST AAR Telangana\)](#)

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 exempt from GST.

Introduction

Security printing is a crucial aspect of the educational sector, providing indispensable materials like test papers, certificates, and MICR cheque books. In a landmark case, Y S Hitech Secure Print Private Limited, a company engaged in this business, sought an advance ruling on the applicability of GST on their services supplied to educational institutions.

Analysis

In their application for a GST advance ruling, the key query posed by Y S Hitech Secure Print was whether the supply of printing services like question papers, OMR sheets, and other educational documents was exempt from GST.

Upon careful examination, the supply by Y S Hitech Secure Print could not be classified as selling of question papers. This was primarily because the content for printing was provided by the educational institutions, thereby making it a composite supply involving printing services and the paper owned by Y S Hitech Secure Print.

While the paper was a necessary part of the supply, it was not the principal component. The educational institutions contracted with the applicant not for paper, but for the printing services, making this the principal supply, as clarified in [Circular No. 11/11/2017-GST dated 20.10.2017](#).

Further, it was determined that this composite supply's principal service, printing of test papers/question papers, falls under heading 9989 of the service classification scheme. This clarified that the supply would be exempt from GST payment according to serial number 66(b)(iv) of [Notification No. 12/2017- CT\(R\) dated 28.06.2017](#), which pertains to services provided to an educational institution.



Conclusion

In conclusion, the supply of printing services, such as test papers, OMR sheets, and other documents, to educational institutions is a composite supply. The principal component of this supply is the printing service. As per Sr. No. 66(b)(iv) of [notification No. 12/2017-Central Tax \(Rate\) dated 28.06.2017](#), this supply, as provided by Y S Hitech Secure Print Private Limited, is exempt from GST. This case highlights the nuances of GST application on composite supplies in the educational sector.

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