M/s Chhattisgarh Text Book Corporation (through Shri Ashok Chaturvedi, General Manager), Pension Bada, Raipur, GSTIN 22AAAJC0421F1Z8

Authority for Advance Ruling — Chhattisgarh

No. STC/AAR/08/2018, Raipur, dated 24.12.2018 (the signature block rea… Dated **24.12.2018**

Q Questions Before the Authority

- Whether the books the applicant supplies on the instruction of the School Education Department, Chhattisgarh (Loksikshan Sanchnalay), after printing the syllabus decided by the SCERT, are a supply of goods or a supply of service, and whether they fall under HSN 4901 as zero-rated goods.
- Whether the same books, if a supply of service, fall under Services Accounting Code 9989 and are taxable at 12 per cent.
- Whether the books the applicant supplies on the instruction of various School Education Department agencies (Rajiv Gandhi Siksha Mission, SCERT, District Education Officer, etc.) are a supply of goods falling under zero-rated goods.
- Whether the same books, for those agencies, are a supply of service under SAC 9989 taxable at 12 per cent.

F Facts

The applicant is a society registered under the Chhattisgarh Society Registration Act, 1973, run by government and non-government members, and engaged by a School Education Department order to prepare, print and distribute school textbooks. The syllabus and content come from the SCERT, for which the applicant pays royalty. The applicant buys paper, supplies it with the SCERT content and its own layout to job printers, and distributes the books through depots and online sales, mainly to government schools and Rajiv Gandhi Siksha Mission. Its books are priced by the Board with a built-in margin, and it writes off unsold stock.

H Ruling

Q1: Supply of books on School Education Department instruction after SCERT syllabus printing: goods or service?	**Supply of goods, HSN 4901, treated as zero-rated**	The order's ORDER section contains no separate RULING heading. The answer is a single operative paragraph covering Q1 to Q4. The reasoning describes serial 119 as a nil-rate entry, while the operative answer says zero-rated; the order does not reconcile the two wordings.
Q2: Same books as a service under SAC 9989 at 12 per cent	**Not separately answered. Implicitly rejected, since the order holds the supply to be one of goods**	The order does not expressly address SAC 9989 or the 12 per cent rate.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Q3: Books on instruction of agencies such as RGSM, SCERT and DEO: goods, zero-rated?	**Supply of goods, HSN 4901, zero-rated**	Answered in the same operative paragraph as Q1, on the basis that the syllabus is set by the SCERT.
Q4: Same books for those agencies as a service under SAC 9989 at 12 per cent	**Not separately answered. Implicitly rejected**	The applicant itself said Q3 and Q4 were tied to Q1 and Q2 and pressed only Q1 and Q2.

The authority held that the supply is a supply of goods, namely specified printed educational books, and that this is the principal supply in the arrangement. It therefore treated the books as "printed books" under serial 119 of the notification and answered that the supply merits consideration as zero-rated supply under HSN 4901. The same answer was given for the instructions of the School Education Department and of the other agencies.

R Reasoning

The authority read the arrangement as a single composite-type supply, applying the principal-supply test in section 2(30). It found that the applicant owns the printed books at all times, does not transfer ownership to the department, and computes its sale price from its own sales. It distinguished a printer-only job, where the printer's service would be the principal supply, and found that the applicant itself supplies the paper and layout. On that basis the principal supply is goods, and the books fall under serial 119 of notification 2/2017-State Tax (Rate), dated 28.06.2017.

P Provisions Relied On

- Section 97 of the Chhattisgarh GST Act, 2017 (application for advance ruling, as cited in the order)
- Section 98 of the Chhattisgarh GST Act, 2017 (proceedings of the Authority, as cited in the order)
- Section 2(30) of the Chhattisgarh GST Act, 2017 (definition of composite supply, quoted in the order)
- Notification No. 2/2017-State Tax (Rate) No. F-10-43/2017CT/V/70 dated 28.06.2017, serial 119 (printed books, including Bra…

! For the Practitioner

The ruling is useful for state textbook bodies and similar publishers that print syllabus-based books on government instruction and retain ownership and pricing. It supports treating such books as goods under HSN 4901 at the rate in serial 119, not as a printing service. It does not expressly decide the SAC 9989 or 12 per cent question, and it is binding only on the applicant and the state tax authorities. Because the reasoning describes serial 119 as nil-rated while the answer says zero-rated, the rate wording should be checked against the notification before reliance.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> chhtgrh-08_2018-24.12.18-ctbc.pdf

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