M/s Sree & Co

Authority for Advance Ruling — Andhra Pradesh

AAR No. 32/AP/GST/2019 dated: 09.12.2019 Dated **09.12.2019**

Q Questions Before the Authority

- Whether supply of print on flex is classifiable as supply of goods or service?
- If yes, whether it falls under HSN 4911 under entry no. 132 of Schedule II of Notification 1/2017-CTR?
- If the answer to question 2 is yes, whether supply of print on flex for non-commercial purpose is also classifiable under HSN 4911 under entry no. 132 of Schedule II of Notification 1/2017-CTR?

F Facts

The applicant runs a flex banner printing business in Vizianagaram. It buys flex material and ink, prints customer-supplied or applicant-designed artwork on flex (described as HSN 3921), and bills per square foot. Where the applicant also designs the artwork, it charges design and print together as a single composite value. The banners are used for both commercial and non-commercial purposes such as birthdays, marriages and political events.

H Ruling

Q1: Is print on flex a supply of goods or service?	**Goods only, under Section 7 of the CGST Act read with Schedule II, Sl. No. 1(a)**	Reached because the applicant transfers title in the printed flex. The order does not separately address the design-service element.
Q2: Does it fall under HSN 4911 at entry 132 of Schedule II of Notification 1/2017-CTR?	**Yes. HSN 4911, Sl. No. 132 of Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017. Rate 12% (CGST 6% + SGST 6%).**	Answered on the basis that the applicant procures all materials and the printed item is sold as printed goods.
Q3: Does non-commercial use change the classification under HSN 4911?	**No. The classification and the rate are unchanged.**	The authority noted the applicant gave no specific details on what counts as commercial or non-commercial use.

The authority held that the supply of print on flex is a supply of **goods only** , because the applicant transfers title in the printed flex to the customer. It held that the supply falls under HSN 4911 at entry 132 of Schedule II of Notification 1/2017-CTR(Rate) and attracts **12% GST (CGST 6% and SGST 6%)** . It further held that non-commercial use does not change the classification or the rate.

R Reasoning

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

The authority applied the definition in Section 7 of the CGST Act, which treats any transfer of title in goods as a supply of goods. It found that title in the printed flex passes to the customer whether the artwork is customer-supplied or applicant-designed, and that the applicant procures all materials. It then relied on Circular No. 11/11/2017-GST (para 5), which treats printing on goods made from the printer's own inputs as a supply of goods, with the printing of content as ancillary. It also relied on FAQ Sl. No. 59 in F.No. 332/2/2017-TRU, which places posters printed on synthetic media under HSN 4911 at 12%. The discussion does not refer to the Telangana ruling the applicant cited.

P Provisions Relied On

- Section 7, CGST Act, 2017, read with Schedule II, Sl. No. 1(a) (transfer of title in goods is a supply of goods)
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 132, HSN 4911
- Circular No. 11/11/2017-GST (F.No. 354/263/2017-TRU, dated 20.10.2017), para 5 on printing contracts
- FAQ Sl. No. 59, F.No. 332/2/2017-TRU (December 2017) on posters printed on digital printers
- Section 97 and Section 98, CGST Act / APGST Act, 2017 (advance ruling procedure)

! For the Practitioner

The ruling settles that flex printing, where the printer buys the material and transfers title, is a supply of goods under HSN 4911 at 12%, and that non-commercial end use does not change this. A printer in the same position can cite it for its rate. It does not decide how a separately charged design fee should be treated, nor the position where the customer supplies the flex or where a composite value needs apportioning. Its binding effect is limited to the applicant.

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 -> aar_no.32-2019_sree_co.pdf

Prepared 15-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com