

GIB/JK/TATA STEEL/30.05.2018/AAR-273

Advance Ruling Category : Classification

State : Jharkhand

Order No.: GIB/JK/TATA STEEL/30.05.2018/AAR-273

Name of Entry :

TATA STEEL LIMITED, JAMSHEDPUR

Date : 30-05-2018

Breif Issue :

Facts & Issue of the case

- i. Whether the printed advertisement materials classifiable as supply of goods?
- ii. If yes, whether it is classifiable under chapter heading 4911 of first schedule to Customs Tariff Act, 1975?
- iii. Applicant manufactures printed trade advertising material like banner flex using various inputs namely ink, paper etc.
- iv. Preparation of such printed material would be undertaken as per the customer specification wherein customers specify the sizes of the advertising material, location of the advertising material to be displayed etc.
- v. Except specifying the specifications and designs to be printed, clients/customers of Applicant does not provide any materials and all required materials for the preparation of the advertisement materials are procured by Applicant only.
- vi. Applicant also recovers the cost incurred towards transportation, installation, packing etc.
- vii. In pre-GST regime, Applicant had been paying applicable VAT and filed returns accordingly.

Applicant understands that the activity undertaken by Applicant falls within the scope of the „supply? as defined under Section 7 of CGST Act, 2017 (which was made applicable to IGST) and also under Section 7 of TGST Act, 2017.

Applicant submits that TRU Circular No. 11/11/2017-GST dated 20-10-2017 clarified the taxability of printing contracts wherein vide Para 5 it was clarified that printing contracts similar to the instant case constitute Supply of goods?.

Decision of Advance Ruling Authority :

Decision:

As per Section 7 of CGST Act, 2017 read with Schedule-II Sl. No. 1(a) of CGST Act, “any transfer of the title in goods is a supply of goods”.

Applicant supplies the printed trade advertising materials (i.e. Banner flex), which is freely movable from one place to another thereby it becomes „movable property? and consequently falls under the ambit of „goods? under Section 2(52), ibid. Once anything falls under the ambit of „goods? as defined under Section 2(52) of CGST Act, 2017 it does not become „services? defined under section 2 (102) of CGST Act, 2017 and vice-versa. The above is further supported from:

- a. Sl. No. 1(a) of Schedule-II to the CGST Act, 2017 providing that any transfer of title in goods is „supply of goods?.
- b. Para 5 of the TRU clarification vide circular No. 11/11/2017-GST dated 2010-2017 that printing contracts similar to the instant case constitute “Supply of goods? Hence, instant case of supplying printed advertisement materials shall be treated as ‘supply of goods’.

The instant case of printed advertisement materials is being used for trade advertising and not covered under any other heading of Chapter 49 thereby falls under the chapter heading 4911 of Customs Tariff Act, 1975 (made applicable for GST classification). The chapter note 5 to Chapter 49 also supports the same.

Hence, instant case of supplying printed advertisement materials classifiable under Chapter Heading 4911 and liable for GST at the rate of 12% as per the sl. 132 of Schedule-II to the Notification No. 01/2017-CT(R) dated 28-06-2017 as amended read with Telangana State Notification No. 01/2017 – State Tax (R) dt. 29-06-2017 as amended.