

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND
ADVANCE RULINGS, BANGALORE**

Present: **1. Sri. M.D. Jain,**
Additional Commissioner of
Commercial Taxes
(Head-Quarters)-1, Bangalore.

..... Chairman.

2. Sri. H.D. Arunkumar,
Additional Commissioner of
Commercial Taxes
(Policy & Law), Bangalore.

..... Member.

3. Sri. R. Jagadeesh Prasad,
Additional Commissioner of
Commercial Taxes
(Goods & Service Tax), Bangalore.

..... Member.

No. AR.CLR.CR-54/12-13

Dated: 25-09-2013

Name and Address of the Applicant	M/s. Lavanya Mudrana, No.19, 15 th Cross, Vidya Peeta Circle, B.S.K. 1 st Stage, Bangalore-560050.
TIN	29380102720
Jurisdictional LVO on whose files the Applicant is borne	LVO-100
Nature of activity of the Applicant	Engaged in printing and sale of books
Represented by	B.S. Ramesh Babu, Authorised Representative

ORDER UNDER SECTION 60(4) OF THE KVAT ACT, 2003

The Applicant, M/s. Lavanya Mudrana is a registered dealer under the provisions of the KVAT Act, 2003 with TIN 29380102720, borne on the rolls of the Assistant Commissioner of Commercial Taxes, LVO-100, Bangalore. The applicant is engaged in the business of printing and sale of printed books. He has sought clarification on the following issues on which he has also given *his understanding*

- (i) The rate of tax applicable on the sale of text books to Government of Karnataka and other State Governments. The applicant's understanding is that such sales fall under Sl.No.11 of the First Schedule to the KVAT Act, 2003 and hence exempted from tax.

- ii) Rate of tax applicable on printing and supply of magazines and periodicals to various agencies. The applicant's understanding is that such transaction falls under Sl.No. 11 of First Schedule to the KVAT Act, 2003 and hence exempted from tax.
- iii) The rate of tax applicable on printing of periodicals on job work basis, where the required paper is supplied by the customers. The applicant's understanding is this transaction falls under Sl.No.8 of Sixth Schedule to the KVAT Act, 2003.
- iv) The rate of tax applicable on printing of magazines and periodicals on job work basis, where required paper and ink is supplied by the customers. The understanding of the applicant is that this is purely a job work and exempted from tax.

2. The applicant's representative Sri B.S. Ramesh Babu, appeared before this authority on 22-08-2009 and was heard.

3. The matter is examined.

- (i) As far as the issue of printing and supply of text books is concerned, the crucial issue would be whether the copy rights of such text books vested in the applicant or not. If the copyrights never vested with the applicant, then his transaction would be works contract of printing and supplying of printed materials that liable to tax. However, as the applicant has not furnished the copies of the relevant agreement, This Authority is not in a position to clarify the exigibility of such transaction to tax.
- (ii) Similarly, in order to analyse the transaction of printing and supply of magazines and periodicals, The verification of the relevant agreement/contracts is necessary to determine whether it amounts to sale of magazines and periodicals or works contract of printing and supply of magazines and periodicals. Even in respect of these transactions, the applicant has not furnished the copies of the relevant agreement/contracts. Hence, this Authority is not in a position to clarify the exigibility of such transaction to tax.

