

## **12% GST applicable on Printing of Content on the PVC Materials, Supply of Printed Trade Advertising Material: AAAR**

### **Fact of the Case**

- The applicant, M/s Macro Media Digital Imaging Private Limited is engaged in the printing of billboards, Building Wraps, Fleet Graphics, Window Graphics, Trade Show Graphics, Office Branding; In-store Branding; Banners; Free Standing Display Units and Signage Graphics, which are referred to as trade advertisement material.
- The AAR ruled that the primary part is the printed matter on Vinyl (Self Adhesive) when they serve as advertisement materials, the adhesive part is incidental to the primary use of the said goods and therefore in this case the outputs are classifiable under HSN 4911 as 'Trade Advertisements'. It was further held that the goods on which the applicant provides the printing activities 'Trade advertisements' are classifiable under Chapter 49 attracting GST at the rate of 12%.

The applicant has sought Advance Ruling on various issues that whether the transaction of printing of content provided by the customer, on polyvinyl chloride banners and supply of such printed trade advertisement material is the supply of goods. The other issue raised by the applicant was that what is the classification of such trade advertisement material if the transaction is a supply of goods.

### **Decision of the Case**

- The advance ruling was sought on the question of what is the classification and applicable rate of Central Goods and Services Tax on the supply of such trade advertisement material if the transaction is that of supply of services.
- The AAR ruled that the primary part is the printed matter on Vinyl (Self Adhesive) when they serve as advertisement materials, the adhesive part is incidental to the primary use of the said goods and therefore in this case the outputs are classifiable under HSN 4911 as 'Trade Advertisements'. It was further held that the goods on which the applicant provides the printing activities 'Trade advertisements' are classifiable under Chapter 49 attracting GST at the rate of 12%.

While upholding the AAR's ruling, the Coram observed that the activity of Printing of the content is the principal supply during which the property held by the appellant in the media of such print gets transferred to their client incidentally. The AAAR disagreed with the contention of the appellant that the supply of Trade advertisement material is the principal supply and therefore, even if the supply is considered as a composite supply, the Principal supply' is 'supply of goods, i.e., Trade advertising material and did not find any reason to deviate from the findings of the Lower Authority in this context.

***The Tamil Nadu Appellate Authority of Advance Ruling (AAAR) while upholding the AAR's ruling held that 12% GST applicable on Printing of content on the PVC materials, supply of printed trade advertising material.***