

12% GST to be levied on printing of cheque books as per specifications and paper given by banks: The AAR, Telangana

Fact of the Case

The applicant was engaged in printing of cheque books in name of specific bank name and customer name as per specification given by banks. It filed an application for advance ruling to determine applicable GST rate for the supply of printing of cheque books to the banks

Decision of the Case

The Authority for Advance Ruling observed that Notification No. 2/2017(Rate) exempts supply of Cheques, loose or in book form at HSN Code 4907. But the applicant would not supply cheques to bankers and it would be the bankers who would be supplying cheques to their customers. The content of the cheque book would be supplied by the banker and the banker shall be the person who owns usage rights to such intangible property. The applicant would be printing cheques as per the directions of the Bankers and the applicant shall use its own physical input, i.e., paper. Therefore, the applicable rate of GST would be 12% as per serial No. 27 of Notification No. 11/2017(Rate).