

Circular No. 1057/06/2017-CX

F. No. 116/23/2015-CX.3
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi, dated the 7th July, 2017

To

The Principal Chief Commissioners/ Chief Commissioners/Principal Commissioners of
Central Tax & Central Excise (All)

Madam/ Sir,

**Sub: Classification of Printed Workbooks, Exercise books etc. under erstwhile CETA
1985-reg.**

Representations have been received from the members of the trade requesting clarification regarding classification of printed workbooks, exercise books, children's drawing book etc. The issue raised in these representations is whether the aforesaid goods are classifiable under Chapter 48 or Chapter 49 of the erstwhile Central Excise Tariff Act (CETA), 1985. Issue was also litigated before the Hon'ble High Court of Delhi. The Hon'ble High Court directed Board to examine the matter and pass appropriate order at its earliest convenience.

2. The issue has been examined. Exercise Books have been explained in HSN under explanatory note (2) to Heading 48.20 as, "*These may simply contain sheets of lined paper but may also include printed examples of handwriting for copying in manuscript*". Such exercise Books are specifically classified under heading 4820 of the erstwhile CETA, 1985. These are nothing but stationary items having blank pages with lines for writing and may also include printed texts for copying manually. In common parlance they are more akin to handwriting "note books" for practicing rather than "work books" containing printed exercise. This definition of Exercise Books is in harmony with other items specified under Chapter Heading 4820 of erstwhile CETA, 1985 such as registers, note books, diaries, letter pads etc. where printing is incidental to their primary use i.e. writing. **The fact that printing is incidental to their primary use is the guiding principle for classification of Exercise Books under heading 4820 of erstwhile CETA, 1985.**

3. Printed work books on the other hand are books where printing is not merely incidental to the primary use. HSN Explanatory notes (A) to the heading 49.01 reads as, "*Books and booklets consisting essentially of textual matter of any kind, and printed in any language or characters...include...textbooks (including educational workbooks sometimes called writing books), with or without narrative texts, which contains questions or exercises (usually with*

spaces for completion in manuscript)....” Thus, printed work books containing questions followed by spaces for writing or other exercises would fall within the scope of Chapter 49. The said goods are different from Exercise Books falling under Chapter 48 which are stationary items with blank pages with lines for writing and some time may also include printed texts for copying manually, as explained in the preceding para. Further, since printing in case of printed workbooks is not merely incidental to the primary use of the goods, such goods are classifiable under Chapter 49, in terms of chapter note 12 to chapter 48 of erstwhile CETA, 1985.

4. Similarly, HSN Chapter note (6) to Chapter 49 read with HSN explanatory note under heading 49.03 covers children’s workbooks consisting essentially of pictures with complementary texts, for writing or other exercises, and children’s drawing or colouring books, provided the pictures form the principal interest and are not subsidiary to the text. **Thus, children’s drawing books which are in harmony with said HSN Chapter note (6) and HSN Explanatory note to heading 4903 would fall under Chapter 49.**

5. Past cases may be decided in terms of instructions issued as above. Difficulty faced, if any, in implementing the circular should be brought to the notice of the Board. Hindi version will follow.

(ROHAN)

Under Secretary to the Government of India