

**THE AUTHORITY ON ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560009**

Advance Ruling No. KAR ADRG 35/2019

Date : 16-09-2019

Present:

1. Sri. Harish Dharnia,
Additional Commissioner of Central Tax, Member (Central Tax)
2. Dr. Ravi Prasad M.P.
Joint Commissioner of Commercial Taxes Member (State Tax)

1.	Name and address of the applicant	M/s Manipal Technologies Ltd., 3rd Floor, 16 330, Udayavani Building, Tile Factory Road, Press Corner, Manipal, Udupi – 576 104.
2.	GSTIN or User ID	29AABCM9516H1Z8
3.	Date of filing of Form GST ARA-01	02-07-2018
4.	Represented by	Sri. Chandrashekara Gaunekar, Authorised Signatory
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Mangalore Commissionerate
6.	Jurisdictional Authority – State	LGSTO- 280, Udupi
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/-each under CGST Act & KGST Act vide CIN SYNB8072900001071 dated: 02-07-2018

ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS & SERVICES TAX ACT, 2017 AND UNDER 98(4) OF THE KARNATAKA GOODS & SERVICES TAX ACT, 2017

M/s Manipal Technologies Limited (hereinafter referred to as 'Applicant'), bearing GSTIN number 29AABCM9516H1Z8 filed an application for Advance Ruling under Section 97 of the CGST Act, 2017 & KGST Act 2017 read with Rule 104 of CGST Rules, 2017 & KGST Rules 2017, in form GST ARA-01 by discharging the fee of Rs.5,000/- each under the CGST Act, 2017 and the KGST Act, 2017.

2. The applicant, having its registered office at 3rd Floor, 16 330, Udayavani Building, Tile Factory Road, Press Corner, Manipal, Udupi, is part of The Manipal Group which is involved in providing services in the fields of Media, Printing, Publishing, Financial services and Information Technology. They are engaged in the business of supplying the services of printing books, magazines, calendars, diaries, bank passbooks, bank account opening forms and various other stationery items required for banking industry, educational institutions and various other customers.

3. The Government of Telangana, through Telangana State Technology Services Ltd., (hereinafter referred to as TSTS), invited bids for Secured Printing and Delivery of Pattadar Passbook cum Title Deed (hereinafter referred to as PPB cum TD) to all Pattadars and landowners vide Tender No. TSTS/CSCCLA-PPB-TD/2017 dated 23-02-2018 on behalf of Chief Commissioner, Land Administration (hereinafter referred to as CCLA). The applicant participated in the said tender process and being the successful bidder was awarded the contract.

4. The applicant procured the material required for printing as per the prescribed security features and specifications. The data/content for printing provided by CCLA to the Applicant in electronic format. The Applicant printed and supplied the PPB cum TD.

5. The Central Board of Indirect Taxes and Customs (hereinafter referred to as CBIC) at para 4 of its Circular No. 11/11/2017-GST dated 20.10.2017 has clarified that in printing activity, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing is the principal supply and therefore such supplies would constitute supply of service. Relying on said circular of CBIC, applicant submitted that activity of printing of PPB cum TD fall under the heading 9989 of the scheme of classification of services. In order to arrive at correct GST rate for the said supply it was necessary to identify the classification of PPB cum TD.

6. The applicant submitted that Pattadar Passbook cum Title deed (PPB cum TD) is a document in the form of a small bound book containing the details of land owned by a person (Pattadar). This PPB cum TD is issued by Revenue department under the law called Record of Rights Act. (R R Act). PPB cum Title deed will have others details like:

- a) Land ownership details
- b) Photo identity of Pattadar
- c) Changes of ownership subsequent to the issue of e PPB cum TD

7. The applicant further submitted that from the scope of work it can be inferred that the PPB cum TD is document of title since it provides ownership details and will serve as document of title from a legal perspective. The applicant also examined the relevant provision of Telangana Rights in Land and Pattadar Passbooks Act, 1971 (hereinafter referred to as the PPB Act) read with Telangana Rights in Land and Pattadar Passbooks Rules, 1989 (hereinafter referred to as the PPB Rules) to arrive at classification of PPB cum TD as document of title. The applicant accordingly decided to classify printing of PPB cum TD as document of title under HSN 4907 attracting IGST rate of 12% in view of Notification No.8/2017 Integrated Tax (Rate) dated 28-06-2017, as amended. Relevant portion of the Notification is reproduced below:

Sl. No.	Heading	Description of Service	Rate (%)
27	Heading 9989	(i) Services by way of printing of all goods falling under Chapter 48 or 49[including newspapers, books(including Braille books), journals and periodicals], which attract IGST @ 12 per cent or 5 per cent or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	12
		(ii) Other manufacturing services; publishing, printing and reproduction services; materials recovery services, other than (i) above	18

8. As per entry no. 27(i) of the said Notification, services under Heading 9989 by way of printing of all goods falling under Chapter 48 or 49 which attract IGST @ 12 % or 5 % or Nil rate, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer is chargeable to IGST at 12 %. The applicant supplied printed PPB cum TD vide Invoice No. KAA8104318 dated 19.05.2018 charging IGST @ 12% for SAC 9989.

9. In light of the above, the applicant feels that being a good corporate entity it is necessary to avoid any future issues on the interpretation and hence decided to approach the Authority for Advance Ruling for the same. Therefore, the applicant seeks advance ruling on the question that *whether*



PPB cum TD is a "**Document of Title**" so as to classify under HSN 4907 or as a "**Passbook**" under HSN 4820.

STATEMENT OF FACTS AND APPLICANT'S INTERPRETATION

10. The applicant feels that the PPB cum TD satisfies all the criteria to be called as document of title and is rightly classifiable under HSN 4907. The applicant place following view to support the interpretation of the said classification.

10.1 PPB cum TD is document of title for purpose of PPB Act, 1971. The main object of PPB Act, 1971 is to consolidate law relating to the Rights in Land & Pattadar Passbooks in State of Telangana. The PPB cum TD is issued as per Section 6-A of the PPB Act, 1971. The Section 6-A of the PPB Act, 1971 is reproduced as below.

10.2 As per the section "6-A of the PPB Act 1971 every Owner, Pattadar, of any land shall apply for the issue of a passbook and title deed to the Mandal Revenue Officer on payment of such fee as may be prescribed. Provided further that where no application is made under this sub-section the Mandal Revenue Officer may *suo-moto* or mandatorily mutate and complete the process within a period of fifteen days and issue a Passbook after following the procedure prescribed under sub-section(2) and collect the fee prescribed there for.

10.3 On making such application, the Mandal Revenue Officer shall cause an enquiry to be made in such manner as may be prescribed and shall issue a title deed and Passbook in accordance with the Record of Rights with such particulars and in such form as may be prescribed: Provided that no such title deed and Passbook shall be issued by the Mandal Revenue Officer unless the Record of Rights have been brought up to date.

10.4 The entries in the title deed and passbook may be corrected either *suo moto* or an application made to the Mandal Revenue Officer in the Manner prescribed. The Government may prescribe by rules the manner in which the title deed and passbook may be issued to all owners, pattadars and to such other person in accordance with the record of rights.

10.5 The title deed issued under sub-section (1) and duly certified by the Mandal Revenue Officer, or such other authority as may be prescribed, shall be the title deed in respect of an owner-pattadar and it shall have the same evidentiary value with regard to the title for the purpose of creation of equitable mortgage under the provisions of the Transfer of Property Act, 1882(Central Act 4 of 1882) as a document registered in accordance with the provisions of the Registration Act, 1908(Central Act 16 of 1908) has under the law.

11. The applicant submitted that on a close scrutiny of the Section 6-A of the PPB cum TD it can be seen that it is mandatory for every owner or Pattadar to obtain PPB cum TD from the Mandal Revenue Officer on payment of fees as prescribed under the law. The sub Section (5) of Section 6A of the PPB Act, 1971 further state that PPB cum TD is title deed in respect of an owner-pattadar and it shall have the same evidentiary value with regard to the title for the purpose of creation of equitable mortgage under the provisions of the Transfer of Property Act, 1882(Central Act 4 of 1882) as a document registered in accordance with the provisions of the Registration Act, 1908 (Central Act 16 of 1908).

12. The applicant would further like to rely upon the provisions of Section 6-C & 6-D of the PPB Act, 1971. The Section 6-C makes it mandatory for every loan granted by credit agency to provide record of loans & encumbrances in the PPB cum TD. Further, Section 6-D of the PPB Act, 1971 makes it obligatory on the part of any person having right of interest or right in land to produce PPB cum TD before the registering authority appointed under the Registration Act, 1908.

13. The applicant submitted that on a conjoint reading of above provisions, it can be inferred that PPB cum TD confers ownership to the holder and that any transfer of title has to be recorded in the PPB cum TD and the transfer of title can be registered only on the production of the PPB cum TD by transferor as well as transferee. Therefore, it can be deduced that PPB cum TD is a document of title. Further A close reading of Rule 26 & 31 of the PPB Rules, 1989 establishes that the PPB cum TD is document of Title.

14. The applicant extracted that relevant portion of HSN Explanatory Note in Para (F) of Page X-4907 which states as: (F) Stock, share or bond certificates and similar documents of title. These are formal documents issued, or for issue, by public or private bodies conferring ownership of, or

entitlement to, certain financial interests, goods or benefits named therein. Apart from the certificates mentioned, these documents include letters of credit, bills of exchange, travellers' cheques, bills of lading, title deeds and dividend coupons. They usually require completion and validation.

15. Relying on HSN explanatory note applicant submitted that it is crystal clear that the PPB cum TD is a document of title since it is a formal document issued by a public authority under a law enacted by State legislature. Further, it conferred ownership of the land to its holder. Thus, Explanatory Note clearly demonstrates without any shadow of doubt that PPB cum TD can be classified as a document of title under HSN 4907.

16. The applicant also placed the reliance on the CROSS Ruling No. NY 184754 dated 05.08.2002, wherein it was held that the motor vehicle title certificates, imported from Mexico are classified under Tariff No. 4907.00.0000 of the Harmonized Tariff Schedule of the United States (HTS) which provides for classification of stock share or bond certificates and similar documents of title. In addition, Applicant is also placed reliance on CBIC Circular No.1052/01/2017-CX dated 23rd February, 2017 wherein Para 4 (b) explains classification of Mark sheets & certificates under 4907 by applying HSN Explanatory Note under 4907 (F). The relevant portion is reproduced below:

"Mark Sheets/ certificates: These are loose sheets, cut to size and therefore are not covered under heading 4820 and also provision of Chapter note 14 is inapplicable in the matter. The printing on these documents gives their essential character and on being issued (after completion and validation) by the appropriate authority they have fiduciary value in excess of the intrinsic value. In view of the explanatory notes to heading 4907(F) they are classifiable under heading 4907."

17. In view of the above applicant submitted that PPB cum TD is a document being issued (after completion and validation) by the appropriate authority and they have fiduciary value in excess of the intrinsic value. Hence it can be inferred that PPB cum TD is classifiable under the heading 4907. Further the Applicant is printing PPB cum TD and the printing activity is in the nature of supply of service. To determine the rate of tax for supply of such services applicant relied on entry 27(i) to Notification No.8/2017-Integrated Tax (Rate) dated 28-06-2017, as amended is pertinent. As per this entry, if the rate of IGST of goods falling under Chapter 48 or 49 is 12%, 5% or Nil, then the service is taxable @ 12%.

Hence the applicant is of a view that inter-state supply of services of printing PPB cum TD is chargeable to IGST @ 12% under Heading 9989.

PERSONAL HEARING: / PROCEEDINGS HELD ON 20.07.2018

18. Sri Chandrashekara Gaunekar, General Manager (Taxation) and authorised representative of the applicant appeared for personal hearing proceedings held on 20.07.2018 & reiterated the facts narrated in their application.

19. **FINDINGS & DISCUSSION:**

19.1 We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by Sri Chandrashekara Gaunekar, General Manager (Taxation) and authorised representative of the applicant during the personal hearing. We have also considered the issues involved, on which advance ruling is sought by the applicant, and relevant facts.

19.2 At the outset, we would like to state that the provisions of both the CGST Act and the KGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the KGST Act.

19.3 The applicant, have filed the instant application seeking for advance ruling on the question that *whether PPB cum TD is a "Document of Title" so as to classify under HSN 4907 or as a "Passbook" under HSN 4820.*

19.4 In order to determine whether the PPB cum TD is a document of title or a passbook, we examine the provisions of The Telangana State Rights in Land Pattadar Passbooks Act – 1971 (act no. 26 of 1971).

(a) Section 3 of the said Act provides as follows:

3. (1) *As soon as may be after the commencement of this Act in any area, there shall be 14[prepared and brought upto-date, from time to time, by the Recording Authority] in such manner, and thereafter maintained in such form, as may be prescribed, a record of rights in all lands in every village in that area and such record of rights shall contain the following particulars, namely:- (a) the names*



of all persons who are owners, pattadars, mortgagees, occupants or tenants of the lands; (b) the nature and extent of the respective rights or interests of such persons and the conditions or liabilities, if any, attaching thereto; (c) the rent, revenue or other amount, if any, payable by, or to any of such persons; (d) such other particulars as may be prescribed.

This Section provides that the Recording Authority shall prepare and update record of rights in certain prescribed format.

(b) 5-A. (1) Notwithstanding anything contained in this Act, the Transfer of Property Act, 1882, the Registration Act, 1908 or any other law for the time being in force, where a person is an occupant by virtue of an alienation or transfer made or effected otherwise than by registered document, the alienee or the transferee may, within such period as may be prescribed, apply to the Mandal Revenue Officer for a certificate declaring that such alienation or transfer is valid.

(2) On receipt of such application the Mandal Revenue Officer shall, after making such enquiry as may be prescribed require the alienee or the transferee to deposit in the office of the Mandal Revenue Officer an amount equal to the registration fees and the stamp duty that would have been payable had the alienation or transfer been effected by a registered document in accordance with the provisions of the Registration Act, 1908 as fixed by the registering officer on a reference made to him by the Mandal Revenue Officer on the basis of the value of the property arrived at in such manner as may be prescribed:

(c) Further Section 6A of the Act provides as follows:

6-A. (1) Every Owner, Pattadar, of any land shall apply for the issue of a pass book to the Mandal Revenue Officer on payment of such fee as may be prescribed. The owner-pattadar shall apply for the issue of a title deed in addition to a pass book provided that an occupant of an inam land is also eligible to apply for the issue of a pass book and title deed as an occupant provided further that where no application is made under this sub-section the Mandal Revenue Officer may suomotu or mandatorily mutate and complete the process within a period of fifteen days issue a Pass Book after following the procedure prescribed under sub-section (2) and collect the fee prescribed therefor.

(2) On making such application, the Mandal Revenue Officer shall cause an enquiry to be made in such manner as may be prescribed and

shall issue a title deed and pass book in accordance with the Record of Rights with such particulars and in such form as may be prescribed: Provided that no such title deed and pass book shall be issued by the Mandal Revenue Officer unless the Record of Rights have been brought upto date.

(3) The entries in the title deed and pass book may be corrected either suo-motu or on an application made to the Mandal Revenue Officer in the manner prescribed.

(4) The Government may prescribe by rules the manner in which the title deed and pass book may be issued to all owners, pattadars and to such other person in accordance with the record of rights.

(5) The title deed issued under sub-section (1) and duly certified by the Mandal Revenue Officer or such other authority as may be prescribed, shall be the title deed in respect of an owner pattadar and it shall have the same evidentiary value with regard to the title for the purpose of creation of equitable mortgage under the provisions of the Transfer of Property Act, 1882 as a document registered in accordance with the provisions of the Registration Act, 1908 has, under the law.

The aforementioned provision states that a title deed and passbook shall be issued in accordance with the record of rights and shall have the same evidentiary value with regard to the title for the purpose of creation of mortgage under the provisions of Transfer of Property Act, 1882 as a document registered in accordance with the provisions of the Registration Act, 1908.

19.5 Section 3, as reproduced above, provides that a record of rights shall be created. Section 6A(2) provides that on the basis of the records of rights the Mandal Officer shall issue a title deed and pass book. This shows that the record of rights in the Office of the Mandal revenue Officer is the actual record of the title and ownership of the land. The pass book and the title deeds prepared by the Mandal Officer and given to the beneficiaries are only records which convey the legal position as in existence in the record of rights maintained by the Revenue Officer. While the title deed and the pass book enable the pass book holder to avail several government schemes without having to resort to obtain certificates from the Revenue Officers at frequent intervals the pass book and title deed in the hand of the owner is not the ultimate document of title. This is evident from the provisions of Section 5A enumerated above. It provides that if a person is an occupant by



virtue of alienation or transfer effected otherwise than by a registered document, then the person has to pay an amount equal to the registration fees and the stamp duty that would have been payable had the alienation or transfer been effected by a registered document in accordance with the provisions of the Registration Act, 1908 as fixed by the registering officer on a reference made to him by the Mandal Revenue Officer on the basis of the value of the property arrived at in such manner as may be prescribed. This shows the document of title is the document registered with the authority under the Registration Act, 1908 and the title deed and pass book are mere reflections of the same.

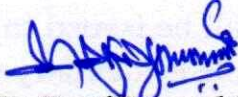
19.6 On the basis of the examination of the provisions of The Telangana State Rights in Land Pattadar Passbooks Act - 1971 (Act no. 26 of 1971) this aaaaaaaAuthority is of the considered view that the Tile deed and Passbook qualify to be classied under CHSN 4820 and not under HSN 4907.

20. In view of the foregoing, we pass the following

R U L I N G

The Pattadar Passbook cum Title Deed is appropriately classifiable under HSN 4820.


(Harish Dharnia)
Member


(Dr. Ravi Prasad.M.P.)
Member

Place : Bengaluru,

Date : 16-09-2019

To,

The Applicant

Copy to :

The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.

The Commissioner of Commercial Taxes, Karnataka, Bengaluru.

The Commissioner of Central Tax, Mangalore Commissionerate, Mangalore.

The Asst. Commissioner, LGSTO - 280, Udupi.

Office Folder

Manipal Technologies