

**KARNATAKA APPELLATE AUTHORITY FOR ADVANCE RULING
6TH FLOOR, VANIJYA THERIGE KARYALAYA, KALIDASA ROAD,
GANDHINAGAR, BANGALORE – 560009**

**(Constituted under section 99 of the Karnataka Goods and Services Tax Act, 2017 vide
Government of Karnataka Order No FD 47 CSL 2017, Bangalore, Dated:25-04-2018)**

BEFORE THE BENCH OF

SHRI. D.P.NAGENDRA KUMAR, MEMBER

SHRI. M.S.SRIKAR, MEMBER

ORDER NO.KAR/AAAR 14-A/2019-20

DATE:04-02-2020

Sl. No	Name and address of the appellant	M/S MANIPAL TECHNOLOGIES LIMITED 3rd Floor, 16 330, Udayavani Building, Tile Factory Road, Press Corner, Manipal, Udupi-576104
1	GSTIN or User ID	29AABCM9516H1Z8
2	Advance Ruling Order against which appeal is filed	KAR/ADRG 35/2019 Dated: 16 Sept 2019
3	Date of filing appeal	06-11-2019
4	Represented by	Sri. Chandrashekar Gaunekar, General Manager Taxation and DAR
5	Jurisdictional Authority- Centre	UDUPI - EAST RANGE
6	Jurisdictional Authority- State	LGSTO- 280 - UDUPI
7	Whether payment of fees for filing appeal is discharged. If yes, the amount and challan details	Yes. Payment of Rs. 20,000/- made vide CIN NO. HDFC19102900446831 Dated. 31-10-2019

PROCEEDINGS

(Under Section 101 of the CGST Act, 2017 and the KGST Act, 2017)

1. At the outset we would like to make it clear that the provisions of CGST, Act 2017 and SGST, Act 2017 are in *pari materia* and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

2. The present appeal has been filed under section 100 of the Central Goods and Service Tax Act 2017 and Karnataka Goods and Service Tax Act 2017 (herein after referred to as CGST Act, 2017 and SGST Act, 2017) by M/S MANIPAL TECHNOLOGIES LIMITED, 3rd Floor, 16 330, Udayavani Building, Tile Factory Road, Press Corner, Manipal, Udupi-576104 (herein after referred to as Appellant) against the advance Ruling No. KAR/ADRG 35/2019 Dated: 16 Sept 2019.

Brief Facts of the case:

3. The appellant is engaged in the business of printing books, magazines, calendars, dairies, bank pass books, bank account opening forms and various other stationary items required for banking industries, educational institutions and various other customers.

4. The appellant filed an application for Advance Ruling under section 98 of the CGST Act, 2017 and KGST Act, 2017 on the question as to whether Pattadar Pass Book cum Title Deed is a “**Document of Title**” classifiable under HSN 4907 or as a “**Passbook**” under HSN 4820.

5. It was decided by the Karnataka Advance Ruling Authority vide Ruling No. KAR/ADRG 35/2019 dated Sept 16th 2019 that Pattadar Pass book cum title deed is appropriately classifiable under HSN 4820.

6. Aggrieved by the said Ruling of the Authority (herein after referred to as ‘impugned order’), the appellant has filed an appeal under section 100 of the CGST Act, 2017 and KGST Act, 2017 on the following grounds.

7. Appellant was awarded a contract by the Government of Telangana through Telangana State Technology Services Ltd (hereinafter referred to as TSTS) for Secured Printing and Delivery of Pattadar Pass Book cum Title Deed to all Pattadars and landowners on behalf of Chief Commissioner Land Administration (hereinafter referred to as CCLA). The raw material required for the printing of Pattadar Pass Book cum Title Deed belongs to the appellant whereas the data/content for printing is supplied by the CCLA in electronic format.

8. Appellant submitted that this Pattadar Pass Book 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), Photo identity of Pattadar and changes of ownership subsequent to the issue of e-PPB cum TD. This PPB cum TD is issued by Revenue Department under the Law called Record of Rights Act (RR Act).

9. Appellant submitted that the activity of printing involves both supply of goods and services which is recognized as ‘composite supply’ in terms of the definition of under Section 2(30) of the CGST Act, 2017. Further, Section 8 of the CGST Act, 2017 determines taxability of composite supply which states that ‘*a composite supply comprising two or more taxable supplies, one of which is a principal supply, shall be treated as a supply of such principal supply*’. Thus, classification of composite supply, as goods or service would depend on which supply is the principal supply. The appellant relied upon the Circular No. 11/11/2017-GST dated 20.10.2017 issued by the CBEC wherein it is 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 [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services. Rate of tax on supply of service is provided in **Notification No.11/2017-Central Tax (Rate) dated 28.06.2017**, as amended. The relevant portion of the Notification is extracted hereunder:

<i>Sl. No</i>	<i>Heading</i>	<i>Description of service</i>	<i>Rate (%)</i>
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 CGST @ 6 percent or 2.5 percent or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	6
		(ii) <i>Other manufacturing services; publishing, printing and reproduction services; materials recovery services, other than (i) above.</i>	9

10. Appellant submitted that as per entry 27(i) of the above Notification, the services under Heading 9989 by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books (including Braille books), journals and periodicals], which attract CGST @ 6% or 2.5% or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer, is chargeable to Central Tax @ 6%. Therefore, classification of Pattadar Passbook cum Title Deed has to be determined as per Customs Tariff Act, 1975 (CTA) and HSN.

11. Appellant submitted that the product Pattadar Pass Book cum Title Deed is not covered under any of the specific entries and hence its classification under Tariff Entry 4907 00 90 is appropriate. The appellant submitted the relevant portion of Chapter Heading 4907 of the CTA is extracted hereunder:

Tariff Item	Description of goods	Unit
4907	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title	
4907 00	- Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value;	

		stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title:	
4907 10	00	--- Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value	Kg.
4907 20	00	--- Bank notes	Kg.
4907 30	00	--- Documents of title conveying the right to use Information Technology software	Kg.
4907 90	00	--- Other	Kg.

12. Accordingly, appellant submitted that Chapter Heading 4907 of the CTA covers '*Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title*'; that the HSN Explanatory Note, in para 1 of page X-4907-1 provides that the characteristics of the products of this heading is that on being issued (if necessary, after completion and validation) by the appropriate authority, they have a fiduciary value in excess of the intrinsic value.

13. Appellant further submitted that the Pattadar Passbook cum Title Deed is issued by the Government of Telangana under the Andhra Pradesh Rights in Land and Pattadar Pass Books Act, 1971 as amended by Telangana Rights in Land and Pattadar Pass Books (Amendment) Act, 2017, read with Andhra Pradesh Rights in Land and Pattadar Pass Books Rules, 1989. This Pattadar Passbook is issued to owners, pattadars and occupant under Section 6A of the Telangana Rights in Land and Pattadar Passbook Act, 1971 on an application upon payment of prescribed fee. Further, Section 6B of the Telangana Rights in Land and Pattadar Passbook Act, 1971 provides that on or after coming into force of the Andhra Pradesh Record of Rights in Land and Pattadar Pass Books (Amendment) Act, 1994 registering officer shall make entries relating to a transaction in land, such as purchase or sale, mortgage, gift, lease or otherwise in the title deed and pass book and further every pass book holder acquiring a right by succession, survivorship, inheritance, partition, Government patta, court decree, or otherwise shall get necessary entries in respect of such right recorded in the title deed and in the pass book by the Mandal Revenue Officer. Appellant further submitted that Section 6C of the Telangana Rights in Land and Pattadar Passbook Act, 1971 provides that 'every loan granted by any credit agency on the Security of land or crop, every encumbrance of land for the grant of a loan and every repayment of such loan shall be recorded in the pass book by the concerned officer or authority under attestation by a competent officer of the credit agency, and also made an entry of the discharge after the repayment of the loan'. Therefore, appellant submitted that the Pattadar Passbooks cum title deed is essentially a book of records evidencing all transactions in the land to which the said passbook is attached to.

14. Further, Appellant submitted that as per the Section 6D(1) of the Telangana Rights in Land and Pattadar Pass Books Act, 1971, it is obligatory on the part of any person having interest or right in land to produce the title deed and pass book before the registering authority

appointed, under the Registration Act, 1908 along with the documents he proposes to get registered and it shall be obligatory on the part of such registering authority to make entry of every transaction of sale, gift, purchase, mortgage, lease or exchange in such title deed and pass book at the appropriate place or places under his signature and official seal. Further, Section 6D (2) provides that notwithstanding anything contained in the Registration Act, 1908, the registering authority shall not register any document relating to a transaction of the nature referred to in sub-section (1) without the production of the title deed and pass book by both the parties to the transaction. From the above provisions, it can be inferred that transfer of title can be registered only on production of the title deed and pass book by transferor as well as transferee.

15. Appellant relied on the case of *K.J. Nathan v. Maruthi Rao and others AIR 1965 SC 430* where the question as to what a document of title is came up for consideration. It was held that the document or documents which shows prima facie or apparent title in depositor to the property or to some interest therein is/are the document of title or title deed. In that context appellant submitted that if a person claims title by way of purchase, in that event the deed of purchase would be the document of title because it would prima facie show acquisition of title by the purchaser. Same will be the case of a gift. Under Section 123 of the Transfer of Property Act a gift or transfer of an immoveable property for a price over 100 rupees can be made by a registered instrument signed by or on behalf of the donor and attested by at least two witnesses. So, when a gift deed is brought on record it would prima facie establish that a donor or someone on behalf of the donor had executed the registered instrument in presence of two attesting witnesses. This being the position, a gift deed may be a deed of title. A sale deed is also a deed of title as it proves sale under Section 54 of the Transfer of Property Act. Similarly, the entries in the passbook are presumed to be correct and can be relied on unless proved contrary and are essentially in the nature of document of title. The document of title in India are presumptive in nature and pattadar passbook is also one such presumption to the title and qualifies to be a document of title.

16. Further appellant relied on the case of *Rajeshwari Home Developers India v. The District Revenue Officer, MANU/TN/0199/2019* where the Hon'ble Madras High Court in the context of Patta Passbook issued under Tamil Nadu Patta Pass Book Act, 1983 held that the patta is a document of title and that the entries in patta or certified copy of entries in patta pass book shall be presumed to be true and correct until the contrary is proved or a new entry is lawfully substituted, as per Section 4 of the Act.

17. Further, in the case of *Masina Sriramulu v. Pasagadagalu Pydaiah & Ors. MANU/AP/0154/2011* the Andhra Pradesh High Court held the pattadar passbook was proof of title of the plaintiff and observed as follows in Para 37 of the judgment,

“Under the A.P. Records of Rights Act, the pattadar passbook and title deed are more or less the ultimate authority regarding the title of the property in respect of agricultural lands. When the Plaintiff produced the original pattadar passbook, itself it would be redundant to ask the Plaintiff to produce No. 10(1) account or the adangal

or to ask the Plaintiff to prove the pattadar passbook by examining revenue official. As the first Defendant is disputing Ex. A.4, it is for the first Defendant to disprove Ex. A.4."

18. Appellant submitted that Pattadar Passbook cum Title Deed is a document that is used to establish ownership of the property as held it in the case of ***G. Sathyanarayana v. Government of Andhra Pradesh, 2014(4) ALD 358***. In the said decision, the petitioners had to prove ownership for receiving compensation from the Government. Petitioners submitted pattadar passbook and title deed and 10(1) Register to prove ownership as against the Re-settlement Register (RSR) entries produced by the respondent. The Court held that the petitioners have established ownership by placing reliance on the documents produced, namely pattadar passbook and title deed.

19. Appellant also placed reliance on ***Salapu Ramana and Others v. Salapu Sanyasi and Others, 2013 SCC Online AP 648***, wherein it was held that Pattadar Passbooks are prima facie evidence for proof of possession as it conveys possessory title and as long as such passbook is available, presumption deserves to be drawn towards the title of the disputed piece of land.

20. Appellant further emphasized that the nomenclature 'Pattadar Passbook cum Title Deed' itself represent that the documents in question confer title in the property and are indicative of such title. Appellant concluded that Pattadar Passbook cum Title Deed confers ownership of or entitlement to certain financial interests or benefits named in such deed and hence the same merits classification under Chapter Heading 4907.

21. The Appellants submit that the Pattadar Passbook cum Title Deed cannot be classified under Chapter Heading 4820 as this chapter covers items such as registers, account books, notebooks etc. Chapter 4820 is extracted herein below for ease of reference:

<i>Tariff Item</i>	<i>Description</i>
<i>4820</i>	<i>Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles [exercise books], blotting pads, binders (loose-leaf or other), folders, file covers, manifold business forms interleaved carbon sets and other articles of stationery, of paper or paper board; albums for samples or for collections and book covers, of paper or paperboard</i>
<i>4820 10</i>	<i>- Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles</i>
<i>4820 10 10</i>	<i>--- Registers, account books</i>
<i>4820 10 20</i>	<i>--- Letter pads</i>
<i>4820 10 90</i>	<i>--- Other</i>
<i>4820 20 00</i>	<i>- Exercise books</i>
<i>4820 30 00</i>	<i>- Binders (other than book covers), folders and file covers</i>
<i>4820 40 00</i>	<i>- Manifold business forms and interleaved carbon sets</i>
<i>4820 50 00</i>	<i>- Albums for samples or for collections</i>
<i>4820 90</i>	<i>- Other</i>
<i>4820 90 10</i>	<i>--- Blotting paper cut to size</i>
<i>4820 90 90</i>	<i>--- Other</i>

22. The Appellants submitted that the Chapter Heading 4820 deals with general use of stationery and therefore cannot include fiduciary documents like Pattadar passbooks cum Title

Deeds. The secure documents which is used by the Government of Telangana and supplied to pattadars for recording title in land cannot be construed as articles of stationery. The Pattadar passbooks cum Title Deeds are not possible to be used by any other person or that it would be sold by the purchaser as stationery for further printing or writing. These are for the specific use of recording transactions and as a document of title and cannot be construed as stationery. The Appellants submit that pass books are the documents having fiduciary value containing confidential information and therefore, the value of these documents is much more than the intrinsic value. Further, the Pattadar Passbooks which are issued by Government of Telangana mainly to agricultural owners and pattadars demonstrate evidentiary value of the title in the land possessed by them. This goes on to prove that passbooks have fiduciary value in excess of its intrinsic value.

23. The Appellants further rely on Chapter Note 12 of Chapter 48 wherein it mentions as follows:

“12. Except for the goods of heading 4814 or 4821, paper, paperboard, cellulose wadding and articles thereof, printed with motifs, characters or pictorial representations, which are not merely incidental to the primary use of the goods fall under Chapter 49.

Chapter Note 12 of Chapter 48 clearly mentions that if printing is only incidental to the primary goods, then the goods shall not be classified under Chapter 48. In this regard Appellant submitted that the activity undertaken by the Appellants on passbooks is printing keeping in view the security guidelines issued by the Government of Telangana as per the Tender document. Without these details, passbooks cannot be used for the purpose of recording transactions. Therefore, printing on pass books cannot be considered incidental. Thus, Appellant submitted that printing on passbooks cannot be considered as incidental to the primary use of the products. Thus, according to Chapter Note 12 of Chapter 48, passbooks are liable to be classifiable under Chapter Heading 4907 and Pattadar Passbooks cum title deed cannot be reduced to a mere passbook of general use and classified under Entry 4820.

24. Appellant submitted that finding of the Authority of Advance Ruling is that the pattadar passbook is not a document of title in as much as the record of rights in the office of the Mandal Revenue Officer is the actual record of title and ownership of land; that the passbook 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. In this regard, Appellant submitted that the understanding of the Authority of Advance Ruling is misplaced in as much as the Records of Rights maintained by the Mandal Revenue Officer is merely a record and not a document of title. Ideally, a document of title is the document in possession of the holder of the land, be it in the capacity of owner, tenant or otherwise.

25. In support of this Appellant relied upon the ***Gurunath Manohar Pavaskar and Ors. v. Nagesh Siddappa Navalgund and Ors. AIR 2008 SC 901***, wherein the Hon'ble Apex Court held that a revenue record is not a document of title. It merely raises a presumption in regard

to possession. Presumption of possession and/or continuity thereof both forward and backward can also be raised under Section 110 of the Evidence Act. Further, Appellant submitted that in the case of *State of Himachal Pradesh v. Keshav Ram and others (1996) 11 SCC 257*, the Supreme Court held that the entries made in revenue record cannot form basis for declaration of title. In *Corporation of the City of Bangalore v. M. Papaiah and another (1989) 3 SCC 612*, the Apex Court held that it is firmly established that the revenue records are not documents of title. In *G. Satyanarayana v. Government of Andhra Pradesh 2014(4) ALD 358*, the Hon'ble High Court of Andhra Pradesh in the context of Telangana Right in Land and Pattadar Passbook Act, 1971 held that even if the entries in the Record of Rights carry evidentiary value, that itself would not confer any title on the plaintiff on the suit land in question and the Plaintiffs have to show, independent of those entries, that the plaintiffs predecessors had title over the property in question and it is that property which they have purchased.

26. Therefore, the finding of the Authority for Advance Ruling that revenue documents are actuals documents of title is completely misplaced and are not within the boundaries of settled legal position.

27. Appellant further submitted that the finding of the Authority for Advance Ruling that the title deed and the passbook enable the passbook holder to avail several government schemes without having to resort to obtain certificates from the Revenue Officer at frequent intervals, the passbook and title deed in the hand of the owner is not the ultimate document of title. In this regard Appellant submitted that in Telangana Rights in Land and Pattadar Passbooks Act, 1971 read with the allied Rules, the Pattadar Passbooks cum Title Deed serve as the evidentiary value for securing loans and other credit facilities. The printed Pattadar Passbooks cum Title Deed cannot be referred to as an ordinary document conferring certain facilities alone. In such circumstances, the relevance of the Pattadar Passbooks cum Title Deed as enacted under Telangana Rights in Land and Pattadar Passbooks Act, 1971 will be completely redundant. However, such is not the intention of the legislature in as much as such Pattadar Passbooks cum Title Deed have been specifically introduced to curb the hassle of the agricultural holders of the land to prove their title over the land.

28. Further Appellant submitted that the Hon'ble Authority for Advance Ruling has erred in concluding that document of title is the document registered with the authority under the Registrations Act, 1908 and the title deed and passbooks are mere reflections of the same. Appellant submitted that as per Section 6B of the Telangana Rights in Land and Pattadar Passbooks Act, 1971, every pass book holder presenting a document of title deed before a registering officer appointed under the said Act, relating to a transaction in land, such as purchase or sale, mortgage, gift, lease or otherwise shall get the necessary entries in respect of such transaction recorded in the title deed and pass book by such registering officer. Therefore, the entries in the passbook are validated and entered by the registering officer himself and accordingly the Pattadar Passbooks cannot be held to be reflections of document of title and are by itself documents of title. Appellant submitted that the Authority for Advance Ruling has failed to read the provisions of Telangana Rights in Land and Pattadar Passbooks Act, 1971 in its entirety and has resorted to selective reading of the law to conclude the classification of such

Pattadar Passbooks cum Title Deeds under HSN 4820. The finding of the Authority for Advance Ruling is based on incorrect appreciation of facts vis-à-vis the legal position and accordingly deserves to be set aside in toto.

PERSONAL HEARING

29. The appellant was called for a personal hearing on 24/12/2019 as well as on 10/01/2020 and was represented by the Sri. Chandrashekar Gaunekar, General Manager Taxation and DAR of M/s Manipal Technologies Limited. During the hearing the appellant reiterated the grounds of appeal and argued that Pattadar Passbook cum Title Deed is a document in the form of a small bound book containing the details of land owned by a person (Pattadar). This Passbook cum Title Deed is issued by Revenue department and it contains details of land ownership, photo, and change of ownership. Therefore, the Pattadar Passbook cum Title Deed merits classification under Chapter Heading 4907 and is not classifiable under entry 4820.

DISCUSSIONS AND FINDINGS

30. We have gone through the records of the case and considered the submissions made by the Appellant in their grounds of appeal as well as at the time of personal hearing. The issue before us is regarding the classification of “Pattadar Passbook cum Title Deed” – whether it is a “Document of Title” classifiable under HSN 4907 as claimed by the Appellant or it is an article of stationery classifiable under HSN 4820 as held by the Authority for Advance Ruling.

31. The facts are that the Appellant is in receipt of an order from the Government of Telangana through Telangana State Technology Services Ltd for secured printing and supply of Pattadar Passbook cum title deed. The Appellant procures the required raw material for printing as per the prescribed security features and specifications. The data/content for printing is provided by the Chief Commissioner Land Administration to the Appellant in electronic format. The Appellant prints the Pattadar Passbook cum title deed as per the prescribed security features and specifications provided by Chief Commissioner Land Administration and supplies the same.

32. The question whether Pattadar passbook cum title deed printed and supplied by the Appellant as per the prescribed security features and specifications can be considered as a ‘document of title’ needs to be examined as per the provisions of The Telangana Records of Rights in Land and Pattadar Passbooks Act – 1971 (act no. 26 of 1971). The relevant Sections of the said Act (also referred to in this order as ‘Act 1971’) is reproduced below:

32.1. Section 2(6-b) of the Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 defines **“title deed and pass book”** *means the title deed and pass book issued under section 6-A.* As per Section 2(7) of the Act **“Pattadar”** *means includes every person who holds land directly under the Government under a Patta whose name is registered in land revenue accounts as Pattadar and who is liable to pay land revenue.* Section 2(9) defines **“record of**

right” means records prepared and maintained under the provisions, or for the purposes of this Act.

32.2. Section 3 of The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 reads as under:

(1) As soon as may be after the commencement of this Act in any area, there shall be 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.

32.3. Further, Section 4(1) of The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 provides that

4(1) Any person acquiring by succession, survivorship, inheritance, partition, Government patta, decree of a court or otherwise any right as, owner, pattadar of a land and any person acquiring any right as occupant of a land by any other method shall intimate in writing his acquisition of such right, to the Tahsildar within thirty days from the date of such acquisition. The Village Revenue Officer on noting the acquisition of rights in his jurisdiction shall intimate the Tahsildar within one (1) day as prescribed. The Tahsildar shall give or send a written acknowledgement of the receipt of such intimation to the person making it.

(2) Notwithstanding anything contained in the Registration Act, 1908, every registering officer appointed under the Act and registering a document relating to a transaction in land, such as sale, mortgage, gift, lease or otherwise shall intimate the Mandal Revenue Officer of the Mandal manually or electronically in which the property is situate of such transaction, as prescribed.

32.4. Section 5 of The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 provides that:

5 (1) On receipt of intimation of the fact of acquisition of any right referred to in section 4, the Mandal Revenue Officer shall determine as to whether, and if so in what manner, the record of rights may be amended in consequence thereof and shall carry out the amendment in the record of rights in accordance with such determination.

(2) Where the Mandal Revenue Officer has reason to believe that an acquisition of any right of a description to which section 4 applies has taken place and of which

an intimation has not been made to him under that section and where he considers that an amendment has to be effected in the record of rights, the Mandal Revenue Officer shall carry out the said amendment in the record of rights.

(3) The Mandal Revenue Officer shall, before carrying out any amendment in the record of rights under sub-section (1) or sub-section (2) issue a notice in writing to all persons whose names are entered in the record of rights and who are interested in or affected by the amendment and to any other persons whom he has reason to believe to be interested therein or affected thereby to show cause within the period specified therein as to why the amendment should not be carried out. A copy of the amendment and the notice aforesaid shall also be published in such manner as may be prescribed.

(6) The Tahsildar shall have the power to correct clerical errors, if any, on the request of the Pattadar or any person interested in the land in the Pass Books as prescribed.

32.5. Further Section 5-A of The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 reads as under

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:

(4) The Mandal Revenue Officer on deposit of an amount specified in sub-section (2), shall issue a certificate to the alienee or the transferee declaring that the alienation or transfer is valid from the date of issue of certificate and such certificate shall, notwithstanding anything in the Registration Act, 1908, be evidence of such alienation or transfer as against the alienor or transferor or any person claiming interest under him.

(5) The Mandal Revenue Officer shall on the production of the certificate issued under sub-section (2) make any entry in the pass book to the effect that the person whose name has been recorded as an occupant is the owner of the property.

32.6. Section 6 of the The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 reads as under

6. Every entry in the record of rights shall be presumed to be true until the contrary is proved or until it is otherwise amended in accordance with the provisions of this Act. Any mortgage or charge created earlier to a mortgage or charge created in favour of a credit agency shall lose its priority if it is not entered in the electronically maintained pattadar pass book.

32.7. Section 6-A of The Telangana Records of Rights in Land and Pattadar Passbooks Act – 1971 reads as under

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 passbook 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 passbook 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.

32.8. Section 6-B of The Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 states that:

(1) Notwithstanding anything contained in the Registration Act, 1908, every pass book holder presenting a document of title deed before a registering officer appointed under the said Act, on or after coming into force of the Andhra Pradesh Record of Rights in Land and Pattadar Pass Books (Amendment) Act, 1994 relating to a transaction in land, such as purchase or sale, mortgage, gift, lease or otherwise shall get the necessary entries in respect of such transaction recorded in the title deed and pass book by such registering officer.

(2) Every passbook holder acquiring a right by succession, survivorship, inheritance, partition, Government patta, court decree, or otherwise shall get necessary entries in respect of such right recorded in the title deed and in the pass book by the Mandal Revenue Officer.

32.9. Section 6-D of the Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 states that:

(1) It shall be obligatory on the part of any person having interest or right in land to produce the 50[title deed and pass book] before the registering authority appointed, under the Registration Act, 1908 along with the documents he proposes to get registered and it shall be obligatory on the part of such registering authority 51[to verify the Webland data maintained electronically and] to make entry of every transaction of sale, gift, purchase, mortgage, lease or exchange in such title deed and pass book at the appropriate place or places under his signature and official seal.

32.10. Section 7 of the Telangana records of Rights in Land and Pattadar Passbooks Act – 1971 states that:

7. Subject to such rules as may be made in this behalf, the record of rights shall be open to the inspection of the public at reasonable hours free of any charge and certified copies thereof or certified extracts therefrom shall be given to all persons including the credit agencies applying for the same on payment of such fees as may be prescribed.

33. It is observed from the above legal provisions that the Pattadar Pass Book cum Title Deed is a document containing the details of the land owned by a person. The entries in the Pattadar Pass Book are based on the Record of Rights which is prepared in terms of the provisions of the Record of Rights in Land Act, 1971. The legal provisions for issue of the Pattadar Pass Book were first introduced in the Amendment Act 11/1980 to the Andhra Pradesh Record of Rights in Land and Pattadar Pass Book, Act 1971. Prior to this the 'pahani' was the most basic textual land record in Telangana prepared by the Village Revenue Officer. It did not constitute a Record of Rights, but it recorded details like the owner of the land, how they came to be in ownership of the land, mutations and tenancies. The Amendment Act 1/89 to the Andhra Pradesh Record of Rights in Land and Pattadar Pass Book, Act 1971 provided for updating of Record of Rights under Section 3(1) of the Act and for the regularisation of unregistered transfers and alienations under section 5-A of the Act. The said Act subsequently amended and in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 vide. the Telangana Adaptation of Laws Order, 2016.

34. The procedure for updating the Record of Rights was laid down in the Telangana Rights in Land and Pattadar Passbook Rules, 1989. As per the said Rules, the Recording Authority, who is an officer of the Revenue Department, is entrusted with the functions of preparing or

updating the Record of Rights. In terms of the said Rules, the Recording Authority will conduct enquiry and collect information to prepare Record of Rights in Form-I. After completion of the enquiry, the Recording authority shall pass orders in respect of all cases requiring change of Registry. All disputed cases shall be referred by the Recording Authority to Mandal Revenue Officer for disposal. After passing orders by the Mandal Revenue Officer, the Recording Authority shall prepare draft Record of Rights, and there after publish notice in Form-III to the effect that draft Record of Rights has been prepared and the persons concerned shall furnish a statement on their claims for rectification. Completion of the preparation of the Record of Rights shall be notified in the District Gazette and the State Gazette in Form-IV. Within 7 days of the publication of the notification in Form-IV, the Mandal Revenue Officer shall arrange to recast Record of Rights information in Form I and other information available in the Mandal Revenue Office and Registrar's office in Form I-B and authenticate the entries in respect of each person. After the preparation of the Register in Form I-B the Mandal Revenue Officer shall arrange to get the Pattadar Pass Book prepared with reference to entries in Form I-B and deliver the same to the persons concerned.

35. In terms of Rule 25 of the Telangana Rights in Land and Pattadar Passbook Rules, 1989, the Record of Rights shall be open for inspection of the public free of charge. Certified copies or certified extracts of the Record of Rights shall be made available by the Mandal Revenue Officer on payment of a prescribed fee. It is evident from the above that the Pattadar Pass Book is issued based on the Record of Rights maintained by the Mandal Revenue Officer. The objective of the Pattadar Pass Book was to enable the ryots to secure loans based on the entries in the Pass Books without requiring them to approach the village level functionaries and others every time. Entries in Pass Book were treated as sufficient evidence to grant loans, without production of copies of village revenue records. Further, as per Rule 26 of the Telangana Rights in Land and Pattadar Passbook Rules, 1989, the Title Deeds shall be prepared only in respect of Pattadar owners 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 registered document registered by a Registrar of Assurances. The Pattadar Pass Books were given to owner-Pattadars, tenants, mortgagees, and occupants of Inam lands. The entries in the Pass Book shall be treated as sufficient evidence to grant loans without insisting on the production of copies of village revenue records. It is clear from the above provisions of law that the Pattadar Pass Book cum Title Deed only contain the information which is available in the updated Record of Rights. In other words, it has got only evidentiary value and does not have any fiduciary value to consider it as the document of title.

36. Further Section 6B of the Telangana Records of Rights in Land and Pattadar Passbooks Act, 1971 mandates that any person effecting transaction on the land such as sale or purchase or mortgage, such sale or purchase or mortgage document has to be registered before the registering authority by paying registration fee and stamp duty. Such registered document will have fiduciary value and is considered as document of title. Further, if any person effects any alienation or transfer of land without such registered document, either alienee or the transferee has to deposit registration fees and the stamp duty in accordance with the provisions of the Registration Act, 1908 and get the certificate from the Mandal Revenue officer. In such cases

the certificate issued by the revenue officer is considered as document of title. Therefore, either a registered document or certificate issued from the Mandal revenue officer after paying registration fee and stamp duty is considered as document of title and on the basis of such document of title the revenue authority updates the Record of Rights. The updated information in the Record of Rights is entered in the Pattadar Pass Book cum Title Deed. Therefore, the Pattadar Pass Book cum Title Deed is not a document of title as claimed by the Appellant and is not classifiable under Chapter Heading 4907 of the Customs Tariff Act, The Pattadar Pass Book cum Title Deed is classifiable under Chapter heading 4820 of the Customs Tariff Act.

37. The Appellant has relied on several case laws to buttress their case that Pattadar Pass Book qualifies as a document of title and that the Record of Rights maintained with the Mandal Revenue Officers is not a document of title. We find that all the relied upon case laws were rendered in the context of settling land disputes. The Courts in the said cases were concerned with the pleas regarding the title to the disputed property and in that background have held that the title to the property cannot be decided merely on the basis of the revenue records and the Pattadar Pass Book assumes significance as a document of title. We, however, are concerned with deciding the classification of the item 'Pattadar Pass Book' in terms of the Customs Tariff Act for which purpose the description of goods as contained in the Tariff read with the relevant Explanatory Notes of the HSN are of importance.

38. In view of the above discussion, we pass the following order


ORDER

We uphold the order NO.KAR ADRG 35/2019 dated 16/09/2019 passed by the Advance Ruling Authority and appeal filed by the appellant M/s Manipal Technologies Limited stands dismissed on all accounts.



(D.P.NAGENDRAKUMAR)

Member
Karnataka Appellate Authority
for Advance Ruling



(M.S. SRIKAR)

Member
Karnataka Appellate Authority
for Advance Ruling

To,

The Appellant

Copy to

1. The Member (Central), Advance Ruling Authority, Karnataka.
2. The Member (State), Advance Ruling Authority, Karnataka
3. The Commissioner of Central Tax, Mangalore Commissionerate
4. The Assistant Commissioner, LGSTO-280, Udupi
5. Office folder