

CHAPTER III REGISTRATION & STAMPS

There are 321 auditable units in the Department of Registration & Stamps. Of these, audit test-checked records in 113 units (35.20 *per cent*) during 2019-21. Audit brought out instances of non-levy or short levy of duties/ fees, etc., in 479 cases involving an amount of ₹21.44 crore.

Significant cases of non-compliance with the provisions of the Acts/ Rules by the Registering Authorities (RA) as detailed in the following paragraphs resulted in short realisation of Stamp Duty and Registration Fees of ₹14.27 crore. The Department/ Government has accepted audit observations involving ₹11 lakh and recovered an amount of ₹5 lakh.

3.1 Short collection of Registration fee on instruments creating *Paripassu* charge

Registration fee of ₹7.27 crore was not levied due to non-consideration of ‘*Paripassu*’ charge created on Deposit of Title Deeds (DoTD).

As per definition of ‘Charge’ under Section 100 of Transfer of Property Act, 1882, where an immovable property of one person is shown as security for payment of money to another, the latter is said to have a charge on the property.

Government, in their orders¹⁰⁴ (August 2013) prescribed registration fee of 0.5 *per cent* on the amount of loan secured on instruments creating charge on ‘*Paripassu*’¹⁰⁵ basis. Commissioner and Inspector General of Registration and Stamps (CIGRS) in his proceedings¹⁰⁶, clarified that the ‘*Paripassu*’ agreements come into existence when an industrial firm/ company obtains credit facilities from more than one financial institution by offering securities on ‘*Paripassu*’ basis in the form of ‘Simple Mortgage’, ‘Mortgage by DoTD’ and ‘Hypothecation of movable properties’.

Scrutiny of records (February and October 2018, March 2020) in four offices¹⁰⁷ revealed that in four cases the borrowers had deposited title deeds of immovable property in favour of different banks and secured loans by creating charge on ‘*Paripassu*’ basis on their properties. However, the registering authorities levied registration fee of ₹10,000 in two cases, ₹40,000 in one case and ₹60,000 in other case by treating the documents as DoTD instead of ‘*Paripassu*’ (charging fee at 0.5 *per cent* on the amount of loan secured) basis. This resulted in short collection of registration fee of ₹7.27 crore.

¹⁰⁴ G.O. Ms. No. 463 of Revenue (Regn-I) Department, dated 17 August 2013

¹⁰⁵ As per Companies Act, when a security is shared between two or more lenders in proportion to their outstanding loan amount it is called *Paripassu* charge

¹⁰⁶ CIGRS Proceedings No. S2/24846/82, dated 15 October 1982

¹⁰⁷ DR: Nellore, SRs: Jaggaiahpet, Kovvuru and Nakkapalli

The matter was referred to the Government (December 2020 and January 2021). Their reply has not been received (August 2022).

3.2 Short levy of duties and fees due to misclassification of transactions in registered documents

Misclassification of transactions in 57 registered documents resulted in short levy of stamp duty and registration fee of ₹2.10 crore.

Schedule I-A to the Indian Stamp Act, 1899 (IS Act) provides rates of duties and fees to be adopted based on classification of documents. Further, CIGRS had issued instructions¹⁰⁸ that the Sub-Registrars should scrutinise the recitals of the documents presented for registration so as to arrive at the correct classification of the document for adoption of the applicable rates of duties and fees.

Audit test-checked (between September 2018 and March 2020) the registered documents in nine District Registrar (DR) offices and 22 Sub-Registrar (SR) offices and noticed that in 57 registered documents, there was short levy of duties and fees due to misclassification of transactions, amounting to ₹2.10 crore as detailed in **Table-3.1**.

Table-3.1: Misclassification of documents

(₹ in lakh)

Sl. No.	Registering Authority	No. of cases	Details of transactions	Documents registered as	Documents actual classification	Stamp duty/ fee short levied
1	SR, Kothapeta SR, Samalkota SR, Kovvuru	1 1 1	Deeds containing features of gift deeds such as transfer of property from donor to donee voluntarily without any consideration	Settlement deed	Gift deed	10.72
2	DR, Machilipatnam	1	Misclassification of Settlement as Rectification deed	Rectification deed	Settlement	2.40
3	DR, Rajamahendravaram SR, Madhurawada SR, Penugonda	1 1 5	Misclassification of Sale deed as sale of undivided share of land and construction agreements	Sale of undivided share of land and construction agreements	Sale deed	53.40
4	DR, Bhimavaram	1	Misclassification of Conveyance as Gift deed	Gift deed	Conveyance	1.34

¹⁰⁸ vide Memo No. FR1/1A/4946/94, dated 16 October 2000

Sl. No.	Registering Authority	No. of cases	Details of transactions	Documents registered as	Documents actual classification	Stamp duty/ fee short levied
5	DR, Kurnool SR, Tenali	1 1	GPA among others misclassified as GPA among family members	GPA among family members	GPA among others	3.12
DR, Tenali in respect of transaction of SR, Tenali replied (July 2021) that since the principal was residing in USA, he executed the GPA in favour of the developer who was his son's father-in-law, to do some maintenance, repair or construct something in the structure with funds of the Principal. Hence, the case cannot be treated as power of attorney given for development and chargeable accordingly. The reply is not acceptable as the principal's son's father-in-law does not come under 'Family' as per the IS Act and which is the basic concept for charging stamp duty and registration fee. As per Article 6 of IS Act, the deed should have been got registered as power of attorney to other than family members and charged accordingly.						
6	SR, Sabbavaram	3	Misclassification of Settlement among others as settlement among family members	Settlement among family members	Settlement among others	1.24
7	DR, Visakhapatnam DR, Kurnool SR, Kadiri SR, Peddapuram	2 1 2 1	Gift deed to other than relatives misclassified as Gift to relatives	Gift to relatives	Gift to other than relatives	17.02
In response, DR, Visakhapatnam replied (August 2020) that the donee is the niece/ nephew of the donor and the relationship between donor and donee falls in the ambit of Section 56(2) of Income Tax Act, 1961 and duties were levied accordingly. The reply is not acceptable as the relationship is not listed out in the Section 56 (2) <i>ibid</i> . As such, the cases are to be treated as gift in favour of others and deficit duties to be collected accordingly.						
8	DR, Machilipatnam DR, Kurnool DR, Eluru DR, Hindupur DR, Guntur DR, Proddatur SR, Koretipadu SR, Kadiri SR, Mogaltur SR, Chodavaram SR, Adoni SR, Nunna SR, Gopalapatnam SR, Peddakakani SR, Mangalagiri SR, Addanki SR, Anandapuram SR, Tadepalligudem SR, Kothapeta SR, Pidimgoyya SR, Achanta	5 4 2 2 1 1 1 1 2 2 1 1 1 1 1 1 1 2 2 1 1	Transactions involved sharing of self acquired properties merging with ancestral property, not having co-ownership on the properties, sharing a portion of the property, etc., which were treated as Partition instead of Settlement deed	Partition deed	Settlement deed	120.29
SR, Nunna accepted (November 2020) the audit observation and assured to collect the amount in due course of time. DR, Guntur replied that (October 2020) the scheduled property was owned by all the four members jointly who became co-owners of the schedule property and are competent for partition of the property to be constructed proportionately as per their joint share in the property. The reply is not acceptable as 20 <i>per cent</i> of the property was sold out to other parties and 80 <i>per cent</i> of land was left with land owners. Thus, there was no point of co-ownership of both the parties on the 100 <i>per cent</i> land and treatment of the transaction as partition was irregular. In respect of SR Kothapeta and SR Pidimgoyya, the CIGRS accepted (October 2020) the audit observations and agreed to collect the deficit amounts.						

The matter was referred to the Government (March 2021). Their reply has not been received (August 2022).

3.3 Short levy of stamp duty on documents involving distinct matters¹⁰⁹

Stamp duty on distinct matters, i.e., having more than one transaction in a document amounting to ₹1.61 crore was short levied.

Schedule I-A to the IS Act, provides the rates for levy of stamp duty based on the classification of transaction in the instruments. As per Section 5 of IS Act, any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of duties with which separate instruments would be chargeable under the Act.

As per CIGRS circular¹¹⁰ (November 2001), if rights on terrace were exclusively given to the developer, the stamp duty shall be levied on 70 *per cent* of the site value corresponding to the area of open terrace.

During test check of records in seven District Registrar (DR) offices and 15 Sub-Registrar (SR) offices¹¹¹, Audit observed¹¹² that 28 documents¹¹³ contained distinct matters and details are given in **Appendix-3.1**. The registering officers did not take these into consideration for levy of duties as per the provisions, resulting in short levy of duties of ₹1.61 crore.

The matter was referred to the Government (April 2021). Their reply has not been received (August 2022).

3.4 Short levy of duties and fees due to undervaluation of properties

Valuing the properties at lesser rate than applicable market rate, incorrect adoption of structure rates, considering acreage rate instead of sq. yd. rate/ lesser area of properties by the registering authorities resulted in short levy of duties of ₹1.10 crore.

As per, the provisions of Article 47-A of Schedule I-A of IS Act, read with Government Order¹¹⁴ (November 2014), stamp duty on sale deeds have to be charged at five *per cent* of market value of the property or consideration, whichever is higher and registration fee is to be levied at one *per cent* on the chargeable value. Further, transfer duty¹¹⁵ at

¹⁰⁹ Transactions which were not interdependent and stand distinctly by themselves embodied in one document

¹¹⁰ DIGRS Proceedings No. MV1/30324/2000, dated 02 November 2001

¹¹¹ DRs: Bhimavaram, Eluru, Hindupur, Kakinada, Kurnool, Machilipatnam and SPSR Nellore SRs: Addanki, Amalapuram, Anandapuram, Gopalapatnam, Kadiri, Koretipadu, Kovvuru, Kota, Mangalagiri, Pendurthi, Penugonda, Tadepalligudem, Undi, Vissannapeta and Vizianagaram West

¹¹² between May 2018 and March 2020

¹¹³ registered between April 2016 and March 2019

¹¹⁴ G.O. Ms. No. 394, Revenue (Registration 1) Department, dated 26 November 2014

¹¹⁵ G.O. Ms. No. 150, 151, 152, 153 of Municipal Administration & Urban Development (TC) Department, dated 06 April 2013 and G.O. Ms. No. 226, Panchayati Raj & Rural Development (PTS-1) Department, dated 06 April 2013

1.5 per cent in respect of urban and rural properties and 0.5 per cent¹¹⁶ on gift deeds in respect of rural areas is also to be levied.

Section 27 of IS Act stipulates that an instrument should contain details like consideration, market value (MV) of the property and all other facts and circumstances affecting the levy of duty on it without any suppression. Rule 7 of AP Revision of Market Value Guidelines Rules 1998, prescribed the formats for registers relating to market values fixed (in accordance with Rule 6) for urban properties (Form I and Form II) and rural properties (Form III and Form IV).

During test check¹¹⁷ of records in the offices of four DR and 11 SR offices¹¹⁸ we noticed that undervaluation of properties had taken place in 27 documents due to declaring the value of the properties at lesser rate than applicable market rate, incorrect adoption of structure rates, considering acreage rate instead of sq. yd. rate/ lesser area of the properties by the registering authorities as detailed in **Appendix-3.2**. Undervaluation of properties in these cases thus resulted in short levy of duties of ₹1.10 crore.

DR, Nellore accepted (November 2020) the audit observation and stated that notice would be served to collect the deficit duties.

DR, Chittoor replied (April 2021) that the location of the property was mistakenly entered as Industrial Estate and there were no commercial activities on the site. The SR and an inspecting officer inspected the site and concluded that it was residential property and thus, the rate for residential purpose is applicable in this case. The reply is not acceptable as no documentary evidence was furnished to audit to prove categorization of the land in question as residential.

SR, Nuzividu replied (September 2019) that the scheduled property in the document no.337/ 2018 RS No. 332 of Sinkollu village was not fixed with separate rate and is not included in Form IV by the market value committee in the year 2017. Hence, the document was registered by adopting the value of ₹9.00 lakh per acre as per Form III. The reply is not acceptable. As per classification of land (Form III), rate for land abutting to road was fixed at ₹18.50 lakh per acre and one of the boundaries to the property as observed from the recitals of the document, was Nuzividu – Mylavaram general road. Hence, the rate of ₹18.50 lakh per acre was applicable and duties to be levied accordingly.

The matter was referred to the Government (March, June 2021). Their reply has not been received (August 2022).

¹¹⁶ G.O. Ms. No. 463, Panchayati Raj & Rural Development (PTS-1) Department, dated 19 December 2013

¹¹⁷ between September 2018 and March 2020

¹¹⁸ DRs: Bhimavaram, Chittoor, Kurmool and Nellore

SRs: Addanki, Adoni, Koritepadu, Madanapalle, Mogalthur, Nandigama, Nuzividu, Pamarru, Pedana, Penugonda and Vizianagaram West

3.5 Short levy of duties and fees due to non-inclusion of structure value

Non-inclusion of value of structure by the registering authorities while computing the value of properties resulted in short levy of duties amounting to ₹92.39 lakh.

Schedule I-A to IS Act provides the rates for levy of stamp duty based on the classification of transaction in the instruments. CIGRS in the circular memo¹¹⁹ (October 2000) had instructed the registering authorities to verify the recitals of the document presented for registration so as to arrive at the correct classification of the document.

Under the provisions of Article 47-A of Schedule I-A, read with Government Order¹²⁰ (November 2014), instruments of stamp duty on sale deeds have to be charged at five *per cent* of the market value of the property or consideration whichever is higher, registration fee at one *per cent* and transfer duty at 1.5 *per cent* has to be levied on the chargeable value¹²¹.

As per provisions of Article 6(B) of Schedule I-A to IS Act, read with Government Order¹²² (November 2013), stamp duty on Development Agreements-cum-General Power of Attorney (DGPA) has to be charged at one *per cent* of the market value of the property or consideration whichever is higher.

Scrutiny¹²³ of records in DR, Visakhapatnam and SR, Adoni offices revealed that in two¹²⁴ documents the registries had not included the structure value while computing the value of the properties which resulted in short levy of duties amounting to ₹92.39 lakh. In the case of DR, Visakhapatnam, it was observed that while determining the value of the property, the structure value of ₹12.05 crore was not included along with the value of undivided share of land (₹19.42 crore) for calculation of duty. This resulted in short levy of duty of ₹88.11 lakh¹²⁵.

In the case of SR, Adoni, it was observed that the value of cost of property worked out to ₹5.67 crore (cost of land ₹2.42 crore and cost of structure: ₹3.25 crore) and duty to be levied at one *per cent* works out to ₹5.67 lakh whereas duty levied was ₹1.39 lakh only. This resulted in short levy of duty of ₹4.28 lakh.

In response, it was replied (August 2020) that DR, Visakhapatnam had issued¹²⁶ (September 2018) clarification regarding the chargeability of stamp duty wherein it was clarified that there was no need to levy stamp duty on the value of construction made by the vendee and hence, there was no short levy of stamp duty and registration fee in this case.

¹¹⁹ Memo No. FR1/IA/4946/94 dated 16 October 2000

¹²⁰ G.O. Ms. No. 394, Revenue (Registration-I) Department, dated 26 November 2014

¹²¹ chargeable value is the value taken for levying the stamp duty. The value taken for charging stamp duty shall be the value for registration fee.

¹²² G.O. Ms. No. 581, Revenue (Registration-I) Department, dated 30 November 2013

¹²³ in the months of August and September 2019

¹²⁴ One Sale deed and one DGPA

¹²⁵ Leviable: (₹19.42 crore (land value) + ₹12.05 crore (structure value)) X 7.5 *per cent* = ₹2.36 crore
Levied: ₹19.72 crore (land value as declared by the parties) X 7.5 *per cent* = ₹1.48 crore Short levied:
₹2.36 crore - ₹1.48 crore = ₹0.88 crore

¹²⁶ Memo no. G1/968/2018, dated 04 September 2018

The above clarification was, however, issued considering the Government memo¹²⁷ of December 2003 which is about payment of stamp duty and registration fee on the structures constructed by the societies/ members with their own funds/ loans/ advances from banks and financial institutions. As the instant case was not related to society/ members, the reply is not acceptable. In the other case it was replied (September 2019) that the matter would be examined and reply would be furnished at the earliest.

The matter was referred to the Government (March 2021). Their reply has not been received (August 2022).

3.6 Short levy of duties due to omission of joint share of property

Non-inclusion of joint shares of properties by the registering authorities for arriving at the value of properties partitioned resulted in short levy of duties of ₹51.19 lakh.

As per Article 6(B) of IS Act, read with Government Orders¹²⁸, stamp duty shall be levied at one *per cent* on the market value of the property including cost of site and cost of construction made or proposed to be made in respect of documents relating to construction/ development of immovable properties combined with General Power of Attorney (GPA).

As per Article 40 of Schedule I-A to IS Act read with Government Order¹²⁹ (November 2014), stamp duty for partition¹³⁰ of immovable property among family members is to be charged at one *per cent* and for others at two *per cent* on the 'Value of Separated Share' (VSS). Further, as per Standing Orders¹³¹, properties set apart for common enjoyment, whether the respective shares are specified or not and whether agreed to be divided in future or not, have to be treated as one distinct share.

During the test check of records in one DR and seven SR offices¹³², it was noticed from the recitals of nine documents that joint shares of properties valuing ₹86.44 crore were not considered for arriving the cost of the properties partitioned. The omission to include the value of the joint shares of properties resulted in short levy of duties of ₹51.19 lakh.

Commissioner & Inspector General of Registration and Stamps replied (July 2022) that the deficit stamp duty of ₹4.78 lakh in the case of SR, Gopalapatnam, has been collected from the party.

¹²⁷ Memo No. 19659/Rgn-I (2)/2002, Revenue (Regn-I) Department, dated 08 December 2003

¹²⁸ G.O. Ms. No. 1481, Revenue (Registration-I) Department, dated 30 November 2007 and G.O. Ms. No. 581, Revenue (Registration-I) Department, dated 30 November 2013

¹²⁹ G.O. Ms. No. 395, Revenue (Registration-I) Department, dated 26 November 2014

¹³⁰ Section 2(15) of Indian Stamp Act, 1899 defines 'partition' as an instrument whereby co-owners of any property divide or agree to divide such property in severalty

¹³¹ SO 405(g) of Andhra Pradesh Registration Manual S.No.W/7761/61, dated 19 March 1962, L.D is No.7354/61, dated 12 February 1962

¹³² DR: Kurnool; SRs: Addanki, Bheemunipatnam, Gopalapatnam, Hindupur, Kothavalasa, Penugonda and Vinukonda

The matter was referred to the Government (January and June 2021). Their reply has not been received (August 2022).

3.7 Short levy of duties in lease deeds

Registering authorities did not take into account the taxes payable by the lessee on behalf of the lessor for computation of average annual rent for levying stamp duty and registration fee which resulted in short levy of duties of ₹34.05 lakh.

As per Article 31 of Schedule I-A to IS Act read with Government Orders¹³³ the rates of stamp duty on lease deeds are to be decided on the basis of tenure of lease and lease rentals. Further, as per explanation to the Article *ibid*, if the lessee undertakes to pay any recurring charge on behalf of the lessor including taxes/ fees due to the Government, it shall be taken to be part of the rent and duties levied accordingly. Besides stamp duty, registration fee is also to be levied at the rates applicable on the value of average annual rent (AAR) according to the provisions of Registration Act, 1908.

During test check of records, Audit observed¹³⁴ that in five lease deed cases relating to one DR and four SR offices¹³⁵, the registering authorities did not take into account the taxes payable by the lessee on behalf of the lessor for computation of AAR for levying the stamp duty and registration fee which resulted in short levy of duties of ₹34.05 lakh.

The matter was referred to the Government (January and June 2021). Their reply has not been received (August 2022).

3.8 Short levy of duties in Deposit of Title Deeds/ Simple Mortgage transactions

Registration authorities short levied stamp duty of ₹26.72 lakh in deposit of title deeds (DoTD)/ simple mortgage transactions.

Section 58(a) of Transfer of Property Act, 1882 (TP Act) defined mortgage as the transfer of an interest in specific immovable property for the purpose of securing the payment of money advanced or to be advanced by way of loan, an existing or future debt, or the performance of an engagement which may give rise to a pecuniary liability. As per the provisions of Section 58(f) of the TP Act, where a person delivers to a creditor or his agent, documents of title to immovable property with an intent to create a security thereon, the transaction is called a mortgage by deposit of title deeds. Further, as per Section 96 of TP Act, the provision which applies to a simple mortgage shall also apply to a mortgage by DoTD.

As per Article 7(B)(ii) of Schedule I-A to IS Act stamp duty on DoTD is to be levied at the rate of 0.5 *per cent* of loan amount subject to a maximum of ₹50,000 and Registration fees at the rate of 0.1 *per cent* of the loan amount subject to a maximum

¹³³ G.O. Ms. No. 588, Revenue (Registration-I) Department, dated 04 December 2013 and G.O. Ms. No. 463, Revenue (Registration-I) Department, dated 17 August 2013

¹³⁴ between October 2018 and September 2019

¹³⁵ DR: Kurnool; SRs: Anandapuram, Bheemunipatnam, Gudivada and Kadiri

of ₹10,000. However, if the loanee produces a ‘Small Scale Industry’ (SSI) certificate issued by the District Industrial Manager, stamp duty is to be levied at concessional rate of ₹1,000 only.

As per Article 35(b)(ii) of Schedule I-A to IS Act, read with Government order¹³⁶ (November 2013) a mortgage without possession is liable to levy stamp duty at 0.5 *per cent* on the loan amount secured and as per Government Order¹³⁷ (August 2013), registration fee at 0.1 *per cent* is leviable on the chargeable value.

During test check of records in three DR and five SR offices¹³⁸, Audit observed¹³⁹ short levy of duties amounting to ₹26.72 lakh in 31 transactions due to (i) misclassification of simple mortgage as DoTD, (ii) incorrect adoption of chargeable value in mortgage without possession, (iii) incorrect SSI exemption from stamp duties to industrial units and (iv) incorrect levy of duties in simple mortgage.

The matter was referred to the Government (January and June 2021). Their reply has not been received (August 2022).

3.9 Non-levy of stamp duty and registration fees on conveyance in DGPA agreement

Non-inclusion of the cancelled DGPA agreement for construction and sale of flats, in which some flats were sold, while entering into a subsequent DGPA agreement resulted in non-levy of conveyance of ₹7.97 lakh.

Section 2(10) of IS Act states that conveyance includes every instrument by which property, whether movable or immovable, is transferred *inter vivos* (*i.e.*, between living people) and which is not specifically provided for by Schedule I, I-A as the case may be. As per Article 20 of Schedule 1-A, stamp duty at four *per cent* and registration fee at 0.5 *per cent* is to be charged on conveyance.

During test-check (May 2019) of records in DR, Kakinada office, we observed that a DGPA agreement¹⁴⁰ between land owners and a developer was concluded in February 2014 according to which 64 flats in four blocks (16 flats per block) were to be constructed in an area of 2,792.70 sq. yd. The agreement was, however, cancelled¹⁴¹ (September 2018) due to non-completion of flats as per agreed DGPA. On the same day the land owners concluded another DGPA agreement with another developer wherein it was mentioned that 13 (out of 64) flats were sold by previous developer to the prospective buyers and the remaining 51 flats were to be constructed as per previously approved plan.

¹³⁶ G.O. Ms. No. 583, Revenue (Regn.I) Department, dated 30 November 2013

¹³⁷ G.O. Ms. No. 463, Revenue (Regn.I) Department, dated 17 August 2013

¹³⁸ DRs: Ananthapuramu, Kakinada and Proddatur

SRs: Gopalapatnam, Jaggaiahpet, Penugonda, Pidimgoyya and Samalkota

¹³⁹ between August 2018 and March 2020

¹⁴⁰ vide document No. 370/2014 of SR, Razole

¹⁴¹ vide document No. 9386/2018, Joint Sub-Registrar, Kakinada

However, the fact of the sale of flats was not disclosed in the cancellation deed. As per the recitals of the cancellation deed, all aspects in the previous DGPA were cancelled. Thus, the sale transactions of 13 flats by previous developer were to be treated as conveyance as the right of the developer's share was extinguished due to non-completion of construction. This had resulted in non-levy of duty on the conveyance amounting to ₹7.97 lakh.

The matter was referred to the Government (June 2021). Their reply has not been received (August 2022).

3.10 Short levy of duties in rectification deed

Considering lesser area of 7,588.36 sq. yd. against total land of 14,520 sq. yd. in rectification deed resulted in short levy of duties amounting to ₹6.92 lakh.

A document which purports to be a deed of rectification to a previously registered document creates rights and if it is an instrument of the kind mentioned in Schedule I or Schedule I-A, it should be chargeable under the concerned Article of the Schedule. Further, if there is change in market value, the difference in value should be charged with duty.

During test check of records in DR, Kurnool office, Audit observed (August 2019) that a deed was executed in 2018 for rectification of acreage rate adopted in a sale deed registered in 2008. In the earlier sale deed, registration was done for 3.00 acres of land. In the rectification deed, registration was done for 7,588.36 sq. yd. and accordingly the registry had levied applicable duties. However, as the rectification deed was for rectification of acreage rate adopted, the rate was to be considered for entire 3.00 acres (14,520 sq. yd.)¹⁴² of land which was not done. Thus, non-inclusion of balance 6,931.64 sq. yd. in the rectification deed had resulted in short levy of duties of ₹6.92 lakh.

The matter was referred to the Government (January, June 2021). Their reply has not been received (August 2022).

¹⁴² 3 acres X 4,840 sq. yd./acre = 14,520 sq. yd.