

CHAPTER-III OTHER TAX RECEIPTS

A – STATE EXCISE

3.1 Tax Administration

The Secretary to Government (Excise) is the administrative head of the Excise Department at the Government level. The Department is headed by the Excise Commissioner (EC). The Department is divided into three⁴⁶ zones, which are headed by the Joint Excise Commissioners (JEC), South, Central and North zone. The divisions at the district level are working under the Deputy Excise Commissioners (DEC). Besides, Excise Circle Inspectors (ECI) and Excise Inspectors (EI) under the control of the DEC of the respective districts are deputed to oversee collection of excise duties, licence fees, etc.

3.2 Internal Audit

The IAW in the State Excise Department is under the direct control of the Excise Commissioner. The Wing consists of one Joint Commissioner of Excise assisted by one Assistant Excise Commissioner, three Superintendents, three Excise Inspectors and six Preventive Officers. Offices in districts in which more vehicles are seized, huge collectable arrears are pending and delay in collection noticed are prioritised in Internal Audit. During 2019-20, out of the 47 units planned for audit, the IAW audited 46 units and during 2020-21, out of the 59 units planned, 20 units were audited. During 2019-20, out of the 2,860 outstanding observations, the department cleared 1,486 audit observations (51.96 *per cent*) and during 2020-21, out of the 2,173 outstanding observations, the Department cleared 630 audit observations (28.99 *per cent*).

3.3 Results of Audit

There were 67 auditable units during 2019-20 and 347 auditable units during 2020-21 in the State Excise Department. Out of these, 20 units during the year 2019-20 and seven units during the year 2020-21 were selected for audit. Scrutiny of the records of these units during 2019-21 disclosed 35 cases of non/short realisation of excise duty and licence fee and other irregularities involving ₹4.11 crore. These cases are illustrative only as these are based on the test-check of records. Audit pointed out some of the similar omissions in the earlier years also. Not only do these irregularities persist, but they also remain undetected till the next Audit is conducted. The Government needs to improve the internal control system including strengthening of Internal Audit so that occurrence/ recurrence of the lapses can be avoided. Underassessment

⁴⁶ South zone (Alappuzha, Kollam, Kottayam, Pathanamthitta and Thiruvananthapuram), Central zone (Ernakulam, Idukki, Palakkad and Thrissur) and North zone (Kannur, Kasaragod, Kozhikode, Malappuram and Wayanad).

of tax and other irregularities involving ₹4.11 crore in 35 cases fall under the following categories are given in **Table - 3.1**.

Table - 3.1
Details of underassessment of tax and other irregularities

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1	Non/ short levy of Excise duty/ fine/ penalty	5	0.18
2	Non-levy of fee and fine on unauthorised reconstitution of Board of Directors of Companies	18	2.33
3	Others	12	1.60
Total		35	4.11

During the course of the year, the Department accepted under-assessment and other deficiencies involving ₹1.79 crore in 41 cases pointed out by Audit. The Department realised an amount of ₹0.55 crore in 22 cases during the year 2019-21.

A few illustrative Audit observations involving ₹1.60 crore is mentioned in the succeeding paragraphs.

3.4 Unauthorised reconstitution of Board of Directors of companies holding Foreign Liquor Licences

Non-imposition of fine for unauthorised reconstitution and non-collection of fee for regularisation resulted in non-realisation of revenue of ₹0.88 crore from 17 companies during the period from 2018-19 to 2019-20.

Under Rule 19(iii) of Foreign Liquor Rules, reconstitution of partnership/directors of a company may be allowed on payment of Rupees one lakh. As per Section 67(2) read with 67(3) of Abkari Act, the Excise Commissioner (EC) may impose a fine of Rupees three lakh each on any person or persons holding a licence or permit for violation by reconstitution, alteration or modification without the permission of the EC of any deed on the strength of which any licence is granted and the EC may regularise such irregular reconstitution on payment of fine and application from the licensee.

Audit cross verified (May 2019 and September 2020) the data on reconstitution of Board of Directors of companies in different offices under Excise Department⁴⁷ with the data in the website of Ministry of Corporate Affairs, Government of India. The test check was conducted on the data of 161 companies holding FL3/FL11⁴⁸ Licences out of the 1,802 licences issued/renewed during the period from 2018-19 to 2019-20. Audit observed that out of the 161 companies test-checked, 17 companies modified/ reconstituted Board of Directors on 22 occasions by addition/ deletion of directors/ partners without permission from the EC. The EC also failed to find out these cases of unauthorised reconstitution and impose fine. Details are given in **Appendix - XXII**.

Non-imposition of fine for unauthorised reconstitution and non-collection of fee for regularisation resulted in non-realisation of revenue of ₹0.88 crore⁴⁹ from 17 companies during the period from 2018-19 to 2019-20.

The issue of unauthorised reconstitution of Board of Directors of companies holding Foreign Liquor Licences has been persisting in the Department and was already pointed out in the previous Audit Reports for the years ended March 2018, March 2017, March 2016 and March 2015. The Committee on Public Accounts had discussed the observations and directed the Department

⁴⁷ Excise Divisional Offices at Ernakulam, Kottayam and Kollam and the Office of the Commissioner of Excise, Thiruvananthapuram.

⁴⁸ FL3: Licence issued for the promotion of Tourism to hotels of three star and higher classification and to Heritage, Heritage Grand and Heritage Classic hotels having approval of the Ministry of Tourism, Government of India; FL11: Beer/ Wine Parlour licence.

⁴⁹ 22 occasions at the rate of Rupees four lakh each (fee of Rupees one lakh each and fine of Rupees three lakh each).

to take action. The Department thereby levied fees and fine in most of the cases pointed out by Audit. The data on reconstituted companies are available on the website of the Ministry of Corporate Affairs. The Government may take action to devise a system of cross-check to plug the revenue loss.

The cases were reported to the Government (February 2021). The Government replied (December 2021) that out of the 17 cases pointed out, objections with respect to 15 cases were accepted and notices are being issued in these cases;

- i. In two cases out of the 15 cases accepted by the Government, an amount of ₹14 lakh was recovered.
- ii. In the remaining two cases out of the 17 cases, reply will be furnished after detailed verification.

It is recommended that the Department may periodically cross verify the data available with the website of the Ministry of Corporate Affairs or other institutions to identify the unauthorised reconstitutions.

3.5 Unauthorised reconstitution of Board of Directors of Companies of Hotels holding Foreign Liquor Licences but not having two-star classification or above

Non-imposition of fee and fine of ₹0.46 crore for reconstitution of Board of Directors of Hotels not having two-star classification or above and holding Foreign Liquor Licences from April 2012 to March 2018.

As per proviso substituting the second proviso to Rule 19 of Foreign Liquor Rules, vide SRO.258/2012 dated 18 April 2012, the constitution/reconstitution of a partnership or Director Board of a company of a hotel which does not have two-star classification will be allowed on payment of Rupees two lakh for each partner/ director opted out of the partnership or Director Board of the company and on payment of ₹20 lakh for each partner inducted into the partnership or Director Board of the company, as the case may be. The proviso inserted vide SRO.258/2012 was omitted w.e.f. 01 April 2018 vide SRO.351/2018 dated 01 June 2018. Thus, ₹20 lakh was in force as fee for reconstitution during the interim period from 18 April 2012 to 31 March 2018. As per Section 67(2) read with 67(3) of Abkari Act, the EC may impose a fine of Rupees three lakh each on any person or persons holding a licence or permit for violation by reconstitution, alteration or modification without the permission of the EC of any deed on the strength of which any licence is granted and the EC may regularise such irregular reconstitution on payment of fine and application from the licensee.

The Hotel Companies with Foreign Liquor Licences, but without two star and above classification are permitted to reconstitute Board of Directors on

payment of the requisite fee to the State Excise Department. The data on reconstitutions are available in the website of Ministry of Corporate Affairs, Government of India. Audit cross verified (May 2019) the details in the website with the files/ records in the Excise Division Offices in Ernakulam and Kottayam districts. The test-check was conducted on the data of 19 companies holding FL11 licences out of 120 licences issued/ renewed during the year 2017-18. It was observed that two companies running hotels having no star classification certificate had not applied for permission from EC for reconstitution by addition of partners by paying the requisite fee. The Companies had not applied for regularisation of unauthorised reconstitution by paying the requisite fine also. Non-imposition of fee/ fine for the above reconstitutions resulted in non-realisation of revenue amounting to ₹0.46 crore⁵⁰ as detailed below in **Table – 3.2**.

Table - 3.2
Details of non-realisation of revenue

(₹ in crore)

Sl. No.	Name of the Company holding FL11 licences	District	No. of occasions	Date of reconstitution	Non levy of fee	Non levy of fine	Total short levy of fee & fine
1	M/s Alankar Elite Inns and Hotels Pvt Ltd	Ernakulam	1	31.08.2017	0.20	0.03	0.23
2	M/s Malayalam Industries Ltd (Mermaid Hotels)	Ernakulam	1	20.10.2017	0.20	0.03	0.23
Total					0.40	0.06	0.46

The Department is required to periodically cross verify the data available with the website of the Ministry of Corporate Affairs or other institutions to identify the unauthorised reconstitutions and impose fee/ fine as per rules.

On this being pointed out (April 2021), the Government replied (February 2022) that an amount of ₹0.23 crore has been remitted by M/s Alankar Elite Inns and Hotels Pvt. Ltd. with respect to their FL11 licence at Chelakkara as per the directions of the Hon'ble High Court. The Department is examining the scope of imposing fees/ fine with respect to the FL11 licence at Aluva also. The Government also stated that the application for the regularisation of reconstitution given by M/s Malayalam Industries Limited is under the consideration of the EC.

⁵⁰ Two occasions at the rate of ₹23 lakh each (fee of ₹20 lakh each and fine of Rupees three lakh each).

It is recommended that the Department may periodically cross verify the data available with the website of the Ministry of Corporate Affairs or other institutions to identify the unauthorised reconstitutions.

3.6 Loss of revenue due to irregular transfer of Foreign Liquor Licences

Irregular transfer of licences due to misuse of rules by the Department resulted in loss of revenue of ₹0.26 crore.

As per Para 18 of Chapter XIX of the Kerala Excise Manual Vol. II, ordinarily, fixed fee licences shall not be transferred from the name of one person to another. Such transfers will help the pernicious habit of trading in licences and have to be discontinued, except for very strong reasons. If there is a need for a change in the case of such fixed fee licences, the proper procedure for the holder is to surrender the licence and to treat the case of the proposed transferee as a fresh applicant.

According to Rule 19(ii) of the Foreign Liquor (FL) Rules, reconstitution of partnership by addition or deletion of members or reconstitution of Board of Directors in a Company, resulting in change of ownership which owns/manages or operates any licence issued under this Rule shall be deemed to be transfer of licence. As per Rule 19(iii) of the FL Rules, reconstitution of partnership/ Directors of a company may be allowed on payment of Rupees one lakh only. Change of name of licensee is allowed on payment of Rupees two lakh vide Rule 19(iv) of the above Rules. As per Rule 13(3) of the FL Rules, the licence fee for FL3 (Bar) licence to hotels (three star and above) was ₹28 lakh during 2018-19 and as per Rule 13(11), that of FL11 (Beer/Wine Parlour) licence was Rupees four lakh.

Audit checked all the 16 files of reconstitution in the Office of the Deputy Commissioner of Excise, Thrissur for the period from 2018-19 to 2019-20 during February/ March 2021. In two cases, it was noticed that the EC accorded sanction for the transfer of licences held by an FL3 licensee and an FL-11 licensee to the persons to whom the hotel/ partnership firm was sold. Only the fee for reconstitution as per Rule 19(iii) and change of name as per Rule 19 (iv) of the Foreign Liquor Rules were imposed by the EC.

Misuse of rules by the EC, thereby allowing irregular transfer of licences resulted in loss of revenue of ₹0.26 crore as detailed in **Appendix - XXIII**.

The cases were reported to the Government (September 2021). The Government stated (February 2022) that the transfer of licence and ownership are legal under the provisions of Foreign Liquor Rules and Excise Manual. It was also stated that the issue of fresh licence after surrendering the existing one is not practical. Department may not be in a position to grant such licence,

if a new objectionable institution like school, temple etc., started functioning near the existing hotel.

The reply is not acceptable as it is improper to change the name of licensee with the name of a person outside the Board of Directors by invoking Rule 19(iv) of the FL Rules as this is meant for change of name within the Board of Directors. The Rules 19(ii) to 19 (iv) can only be invoked when the reconstitution of members/ Directors is done within a partnership/ company. However, in these two cases the persons who sold/ acquired the licences were distinct individuals and will not come under the purview of the above rule. Instead of directing the licensees to surrender the licence and issue a new licence treating the buyer of the firm as a fresh applicant, the EC allowed trading of licence by levying the fee for transfer and change of name.

It is recommended that during transfer of Foreign Liquor Licences the Department may verify whether to issue fresh licence after surrendering the existing one invoking provisions of Rule 19(ii) to 19(iv).

B – STAMP DUTY AND REGISTRATION FEE

3.7 Tax Administration

Receipts from Stamp Duty and Registration Fee are regulated under the Indian Stamp Act, 1899 (IS Act), Indian Registration Act, 1908 (IR Act) and the Rules framed thereunder as applicable in Kerala and are administered at the Government level by the Secretary to Government, Taxes Department. The Inspector General of Registration (IGR) is the head of the Registration Department who is empowered with the superintendence and administration of registration work. He is assisted by the District Registrars (DR) and Sub-Registrars (SR).

3.8 Internal Audit

The IGR monitors the functioning of the IAW of the Department at State level and the Zonal Deputy Inspector Generals are responsible for monitoring it at the district level. The District Registrars (Audit) of the respective districts conduct the internal audit of Sub Registrar Offices (SROs). The internal audit team consists of one District Registrar and three senior clerks for each district. The auditee offices are selected giving higher weightage to the pendency of internal audit and anticipated retirement of staff in the respective offices. During 2019-20, out of the 324 units planned for audit, the IAW audited 242 units and during 2020-21, out of the 254 units planned, 164 units were audited. During 2019-20, out of the 5,166 outstanding observations, the Department cleared 1,663 audit observations (32.19 *per cent*) and during 2020-21, out of the 4,343 outstanding observations, the Department cleared 1,299 Audit observations (29.91 *per cent*).

3.9 Results of Audit

Out of the total 334 offices in the Registration Department, 73 offices including 63 SROs during 2019-20 and 41 offices including 37 SROs during 2020-21 were test-checked. During the years 2019-21 non/ short levy of Stamp Duty and Registration Fee and other irregularities amounting to ₹ 11.07 crore were detected in 146 cases, which fall under the following categories as given in **Table - 3.3**.

Table - 3.3

Details of non/ short levy of Stamp Duty and Registration Fee and other irregularities
(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
1	Short levy of Stamp Duty and Registration Fee due to incorrect Fair value/ classification by use	74	1.22
2	Short levy due to non-registration of sale agreements, ATM and Mobile tower installations, etc.	34	4.50
3	Other lapses	38	5.35
Total		146	11.07

During the course of the year, the Department accepted under-valuation and other deficiencies involving ₹1.01 crore in 66 cases. An amount of ₹0.12 crore pointed out in 41 cases was realised during the years 2019-21.

A few illustrative cases involving ₹1.54 crore are given in the following paragraphs.

3.10 Short levy of Stamp Duty and Registration Fees due to improper valuation of Flats

Non-adoption of valuation criteria set forth by CPWD resulted in short levy of Stamp Duty and Registration Fees amounting to ₹1.51 crore.

As per Section 28(2) of the Kerala Stamp (KS) Act 1959, in case of instruments relating to immovable property chargeable with ad valorem duty on the fair value of the land and property and not on the value set forth in the instrument or consideration, such instruments shall fully and truly set forth the value of all other properties including building, if any, in the land involved with effect from 01 April 2013. As per Section 28B of the KS Act, 1959, with effect from 13 November 2016, an instrument transferring land including flat/apartment chargeable with duty shall fully and truly set forth the value of flat/apartment therein and shall furnish the Valuation Certificate (VC) of flat/apartment conforming to the criteria approved by the Central Public Works Department (CPWD) for determining the value of the flat/ apartment issued by the competent authority. The registering officer shall, before registering an instrument, verify the certificate issued by the Competent Authority⁵¹ to ensure that the value of such flat/ apartment set forth in instrument is not less than the value assessed by the Competent Authority. As per the Guidelines for Valuation of Immovable Properties issued by the Income Tax Department (Valuation Cell) in 2009, Plinth area rates (PAR) are used prospectively and not retrospectively. CPWD issued PAR in the year 2012 and later updated it in the year 2019 only. Therefore, CPWD PAR 2012 is to be used for the valuation of flats which were completed in the year 2018. The Taxes Department vide Circular No. E2/281/2016/Taxes dated 10 August 2016 prescribed format for the Valuation Certificate to be issued under Section 28B of the Act. The certificate of the valuer details the rate per sqmt as per CPWD rates which is taken for valuation of the flat/ apartment to arrive at the final value of the flat/ apartment. The PAR published by CPWD is being used for valuation of flats/ apartments after taking into account the cost index for the city under consideration where the building is constructed. PAR for

⁵¹ Assistant Engineer of the Engineering wing of LSGD, PWD or Irrigation Department or the Kerala Water Authority or Chartered Engineers, Approved Valuers, Registered Valuers, Registered Architects/ Engineers etc vide GO (P) No. 73/2016/TD dated 19 July 2016 & GO (P) No. 80/2016/TD dated 09 August 2016.

Reinforced Cement Concrete (RCC) framed structure as on 01 October 2012 as per CPWD PAR 2012 is given in **Table - 3.4**.

Table - 3.4
PAR for RCC

Sl No	Description	Rates	CPWD value/ Sqft	Value after using CPWD cost index of 1.54
1	RCC framed structure (Specifications as per Appendix-I (b)) upto six storeys.	16,000/ sqmtr	1,487	2,290
2	Over six storeys upto nine storeys	16,560/ sqmtr	1,539	2,370
3	Over nine storeys upto twelve storeys	16,580/ sqmtr	1,541	2,373

Rule 30B of the Registration Rules (Kerala) 1958, incorporated vide Registration Department's notification No. R.R-9-4120/2016 dated 19 July 2016, stipulates that the registering officer should not register an instrument transferring 'land including flat/ apartment' if it is not accompanied by a valuation certificate issued by the competent authority under Section 28B of the KS Act, 1959.

The stamp duty leviable at the time of registration of conveyance (sale deed) shall be at the rate of eight Rupees for every 100 Rupees or part thereof of the fair value of the land, or the amount or value of consideration for such conveyance whichever is higher (vide Sr. No. 21 of the Schedule to the KS Act 1959, as amended vide Kerala Finance Act 2016). Similarly, the registration fees shall be levied at two Rupees for every 100 Rupees, or part thereof, of the fair value or value of consideration, whichever is higher, as per the fee notified by the Government.

Scrutiny (March/ April 2021) of the registered deeds and the VC in SRO, Pothencode for the period from 2016 to 2020 revealed that in 152⁵² out of 513 sale deeds test-checked, the floor-rate was fixed at ₹974 per Sq. Ft. in the VC prepared by a Chartered Civil Engineer. Audit found that the VC did not conform to the valuation-criteria approved by CPWD as it was not based on CPWD PAR 2012 for the construction of flats/ apartments. The floor-rate of flats/ apartments, calculated by Audit, based on CPWD PAR 2012 and Cost Index thereupon, ranges from ₹2,290 per Sq. Ft to ₹2,373 per Sq. Ft. The non-adoption of PAR published by CPWD resulted in short levy of Stamp Duty and Registration Fees amounting to ₹1.51 crore as detailed in **Appendix - XXIV (a) and (b)**.

⁵² Two apartment complexes -Confident Avior, Confident Green Valley containing total 168 flats which were completed in the year 2018.

On this being pointed out (September 2021), the Government replied (February 2022) that the Registering Authority strictly adhering to Section 28 B (ii) has verified that the VCs have been issued by the Competent Authority and has also ensured that the value set forth for the flat/ apartment in each sale deed is not less than the value assessed by the Competent Authority. Further, the registering officers have no technical knowledge or expertise to assess the accuracy of the value of a flat/ apartment fixed by competent authorities. Therefore, in the case of registration of flats, the Registering Officer has no option other than to solely depend on the VCs issued by the Competent Authority. Also, at present there is no fool proof mechanism to check whether any malpractice occurs in the preparation of VCs issued by the Competent Authorities.

The reply of the Government is not acceptable as Section 28 B(i) states that the VC of a flat/ apartment conforming to the criteria approved by the CPWD should be furnished for the execution of the instrument. However, it was noticed that the VC furnished for the execution of these flats were not conforming to the said criteria and thus the flats were undervalued resulting in loss of revenue to State Exchequer. SRO being a revenue authority needed to do at least a basic check to ensure that loss of revenue to State Exchequer is avoided. Even without going into the technical details it can be ensured that the base rate fixed as per the CPWD PAR was used in the VC. Moreover, the Registering Authority in the initial reply agreed to the audit view regarding loss of Government revenue and non-compliance with provisions under Section 28B of Kerala Stamp Act 1959. The Government may also look into the valuation of all flats registered in the State and initiate steps to blacklist such valuers who issues the undervalued VC.

It is recommended that SROs may be given training to do basic checks on VC to ensure that the competent valuers are adopting the CPWD PAR for valuation.

3.11 Non-consideration of fair value from mother survey number based on classification by use

Registration of documents without considering the fair value from mother survey number based on classification by use resulted in short levy of ₹0.01 crore towards Stamp Duty and ₹0.02 crore towards Registration Fee.

As per sub section (1) under Section 28A of the Kerala Stamp Act, 1959, 'Every Revenue Divisional Officer shall, subject to such rules as may be made by the Government, in this behalf, fix the fair value of the lands situated within the area of his jurisdiction, for the purpose of determining, the duty chargeable at the time of registration of instruments involving lands. In cases where fair value is not fixed for land involving a new sub-division of a survey

number, the fair value applicable for the land having the same classification by use in other sub-divisions in the same survey number or the fair value applicable for land having the same classification by use in the mother survey number is to be adopted as per Circular No. RR9/20442/2014 dated 01 January 2015 of the IGR.

In accordance with Sl.No.22 in the Schedule to Kerala Stamp Act, 1959, six *per cent* of fair value of the land or the amount of consideration whichever is higher shall be levied as stamp duty in respect of a sale deed executed from 1 April 2014 to 17 July 2016. From 18 July 2016 stamp duty was enhanced to eight *per cent*. The registration fees shall be levied at two *per cent* of the fair value of the land or the amount of consideration whichever is higher as notified by the Government.

According to Sl.No.51 in the Schedule to Kerala Stamp Act, two Rupees for every 100 or part thereof of the fair value of the land and the value of other properties set forth in the instrument or the value of all properties set forth in such instrument, whichever is higher, subject to a maximum of ₹1,000 shall be levied as Stamp Duty in respect of Settlement Deed executed in the year 2017-18, where the settlement is in favour of father, mother, grandfather, grandmother, husband, wife, son, daughter, brother, sister or grandchildren of a person and if the extent of land involved in the property settled by the instrument is five acres or less. The Registration Fees shall be levied at one *per cent* of the fair value of the land and the value of other properties set forth in the instrument or the value of all properties set forth in such instrument, whichever is higher.

Scrutiny (2015 to 2020) of registered deeds in three SROs⁵³ revealed that in seven cases out of 2,594 cases test-checked (January 2021), the documents were registered by valuing the land without considering the type of land by use as the proper fair value was not provided in the fair value register for those survey numbers according to the classification by use. As per the circular issued by IG of Registration in January 2015, wherever fair value is not provided in the Fair Value register for a survey number according to the classification by use, the fair value of same classification by use in other sub division in same survey number or mother survey number is to be adopted. Audit noticed that in these seven cases the fair value for classification of land by use available in other sub divisions in same survey number or mother survey numbers were not considered while registering the documents. This resulted in short levy of ₹0.01 crore towards Stamp Duty and ₹0.02 crore towards Registration Fee as detailed in **Appendix - XXV**.

The cases were reported to the Government (September 2021), while the Government (February 2022) accepted audit observation in four out of seven cases, however, no action were taken for undervaluation proceedings. The

⁵³ SRO Oyur, SRO Karukachal, SRO Mathilakam.

Government disagreed with Audit in remaining three cases but initiated undervaluation proceedings only in one case. In the remaining two cases, it was stated that multiple fair value was available for different sub divisions of the mother survey and the value set forth in these two documents were much higher than some of the other sub divisions of the same mother survey number having the same classification by use, hence there was no short levy of stamp duty and registration fee.

The reply is not tenable as there is no direction from the Government to adopt fair value in such a manner as stated in the reply. The Government vide G.O.(Rt)No.205/2021/TAXES dated 13 March 2021, had directed the department to adopt the highest fair value if there are multiple fair values available in same survey number having the same classification by use. Therefore, undervaluation proceedings may be initiated for the above cases also.

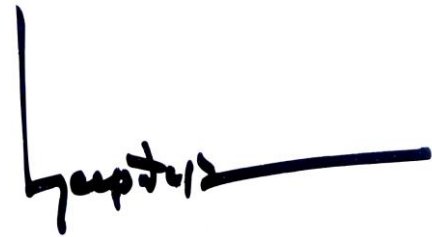
It is recommended that IGR may take into account the instructions/ directions issued through various circulars for considering the correct fair value of the property.

Thiruvananthapuram,
The 19 DEC 2022



(Dr. BIJU JACOB)
Principal Accountant General
(Audit II)

Countersigned



New Delhi,
The 20 DEC 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India