

CHAPTER IV
REGISTRATION
&
STAMPS

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Stamp duty' is payable on certain documents specified by statute to make them legally effective. 'Registration fee' refers to the fee levied and collected by the State Government for registration of documents. 'Transfer duty' means the duty for transfer of property leviable as per the statute.

There are 321 auditable units in the Department of Registration & Stamps. Of these, audit test-checked records in 60 units (19 *per cent*) during 2022-23. Audit brought out instances of non-levy or short levy of duties/fees, *etc.*, in 467 cases involving an amount of ₹ 23.43 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 fee of ₹ 15.98 crore. Government/ Department has accepted audit observations involving ₹ 15.88 crore and recovered an amount of ₹ 0.04 crore.

Schedule 1-A of Indian Stamp Act, 1899 (IS Act) stipulated the duties to be levied on documents based on their classification. As per the provisions of various Articles of Schedule 1-A to IS Act, Stamp duty, Registration fee and Transfer duty are leviable on chargeable value of registered documents, as regards which Audit has made observations, which are detailed in **Table-4.1**.

Table-4.1: Duties and fee to be leviable under various Articles of Schedule 1-A to IS Act

Article of Schedule 1-A	Nature of the deed	Stamp duty ²⁵ leviable	Registration fee ²⁶ leviable	Transfer duty ²⁷ leviable
Article 6B	Agreements relating to sale of property without possession, Development / Construction Agreement	0.5 <i>per cent</i>	0.5 <i>per cent</i> (subject to a minimum of ₹1,000 and maximum of ₹20,000)	-Nil-
	Agreement to sell with General Power of Attorney (AGPA)	5 <i>per cent</i>	₹2,000	-Nil-
	Development agreement-cum- GPA	1 <i>per cent</i>	0.5 <i>per cent</i> (subject to a maximum of ₹20,000)	-Nil-

²⁵ G.O. Ms. No. 1128 of Revenue (Registration-I) Department, dated 13 June 2005
G.O. Ms. No. 581 of Revenue (Registration-I) Department, dated 30 November 2013
G.O. Ms. No.582 of Revenue (Registration-I) Department, dated 30 November 2013
G.O. Ms. No.583 of Revenue (Registration-I) Department, dated 30 November 2013 &
G.O. Ms. No. 395 of Revenue (Registration-I) Department, dated 26 November 2014

²⁶ G.O. Ms. No. 463 of Revenue (Registration-I) Department, dated 17 August 2013

²⁷ G.O. Ms. No. 150 of MAU (TC) Department, dated 06 April 2013

Article of Schedule 1-A	Nature of the deed	Stamp duty ²⁵ leviable	Registration fee ²⁶ leviable	Transfer duty ²⁷ leviable
Article 7(a)	Deposit of title deeds (DoTD)	0.5 per cent (subject to maximum of ₹ 50,000)	0.1 per cent (subject to maximum of ₹10,000)	-Nil-
Article 20 (c)	Conveyance	4 per cent	0.5 per cent	-Nil-
Article 29	Gift in favour of relatives	2 per cent	0.5 per cent (subject to a minimum of ₹1,000 and maximum of ₹10,000)	1.5 per cent
Article 35 (b)	Simple mortgage	0.5 per cent	0.1 per cent	-Nil-
Article 40	Partition among family member	1 per cent	₹1,000	-Nil-
Article 40 (ii)	Partition among others	2 per cent		-Nil-
Article 42 (g)	General Power of Attorney (GPA) in favour of others	1 per cent	0.5 per cent (subject to a minimum of ₹1,000 and maximum of ₹20,000)	-Nil-
Article 46(A)	Release	3 per cent	0.5 per cent (subject to a minimum of ₹1,000 and maximum of ₹10,000)	-Nil-
Article 47-A	Sale deed	5 per cent	1 per cent	1.5 per cent
Article 49-A (a)	Settlement among family members	2 per cent	0.5 per cent (subject to a minimum of ₹1,000 and maximum of ₹10,000)	-Nil-
Article 49-A (b)	Settlement among others	3 per cent		-Nil-

Source: IS Act and Government Orders issued from time to time

Audit observations are detailed in subsequent paragraphs.

4.1 Follow-up audit of Performance Audit on ‘Revision and Implementation of Market Value Guidelines’

4.1.1 Introduction

Registration and Stamps Department of Andhra Pradesh is responsible for registration of transactions relating to immovable properties, marriages, firms, societies, chits *etc.* The core functions of the department are carried out through an Information Technology (IT) system named Computer-Aided Administration in Registration Department (CARD). The department, after admitting the documents for registration, generates an acknowledgement slip, determines the market value and duties to be levied thereon as per classification of the document through CARD and after registration, the documents are scanned and stored in the system.

As per Section 47-A of Indian Stamp (IS) Act, 1899 (Central Act II of 1899), Market Value (MV) is the minimum price on which stamp duty and registration fee are to be levied on any property. Section 75 of IS Act empowers the State Government to make Rules to carry out the Act. Andhra Pradesh Stamp (Prevention of Under-valuation of Instruments) Rules, 1975 and Andhra Pradesh Revision of Market Value Guidelines (APRMVG) Rules, 1998) were framed under the IS Act. These Rules prescribe the procedure and periodicity to be followed by the registering authorities for revising the market values of properties.

4.1.1.1 Market Value (MV) Committee

As per Rule 4(1) of APRMVG Rules, 1998, the Central Valuation Advisory Committee (CVAC) is the apex body to evolve general or specific guidelines for revision of market value for use of these by the separate committees constituted to prepare market values in urban and rural areas under Rule 4(2) *ibid*. The Committee is headed by Commissioner & Inspector General of Registration & Stamps (C&IGRS) as Chairman with six other members from five departments²⁸. Joint Inspector General of the office of the C&IGRS is the convener of the Committee. The Committee issues guidelines for fixation of market value in respect of different categories of lands like agricultural land, urban land, industrial area, mining, plantation, commercial and non-agricultural land *etc.*, after due consideration of relevant information from the departments concerned. The CVAC is to meet in the month of May every year for giving advice for revision of market value pertaining to urban areas and during the month of December every alternate year pertaining to rural areas. As per Rule 5 of APRMVG Rules, the market values are to be revised on 1st August every year for urban areas and on 1st August every alternate year for rural areas.

4.1.1.2 Finalising the Market Values of properties

Rule 4(2) of AP RMVG Rules stipulated about constitution of separate committees for preparation of market values in urban and rural areas as shown in **Table-4.2**.

Table-4.2: Constitution of Committees for Urban and Rural areas

Area	Constitution of the Committee		
	Chairman	Members	Convenor
For Urban	Joint Collector of the District	<ol style="list-style-type: none"> 1. Commissioner of Municipal Corporation 2. Vice-Chairman of Urban Development Authorities 3. Chief Executive Officer of the Zilla Parishad 4. Commissioner of the Municipality 	Sub-Registrar concerned
For Rural	Revenue Divisional Officer concerned	<ol style="list-style-type: none"> 1. Mandal Revenue Officer concerned 2. Mandal Development Officer concerned 3. District Registrar/Sub-Registrar (MV and Audit) concerned 	Sub-Registrar concerned

Further, Government vide G.O. Ms. No. 720, dated 30 July 2010 specified the formats for the registers of market value guidelines pertaining to Urban properties (Forms-I and II) and Rural properties (Forms-III and IV). Form-I is to contain ward and block-wise details of properties and Form-II is for door number-wise details. Properties enlisted in

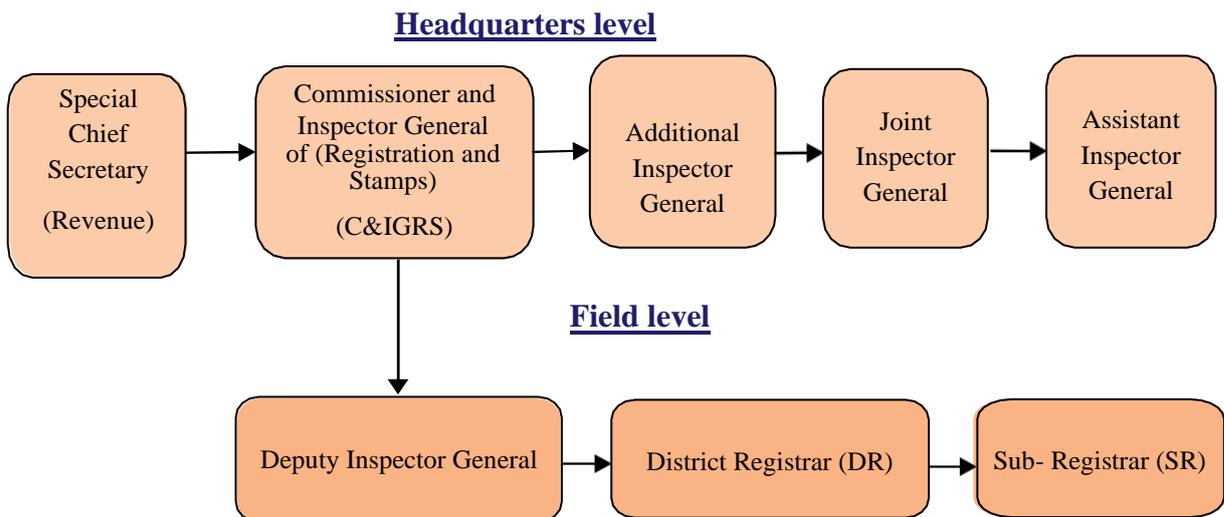
²⁸ Agriculture, Horticulture, Land Revenue, Municipal Administration & Urban Development and Transport, Roads & Buildings

Form-I and Form-II are valued on square yard basis. Similarly, agricultural lands are listed as per their classification such as dry/ wet land, land fit for house site and lands abutting NH/ SH/ ZPP/ MPP roads *etc.*, in Form-III and as per survey numbers in Form-IV. Agricultural lands enlisted in Form-III and Form-IV are valued on acreage basis. For valuation purpose, details provided in the documents are to be verified in Form-II / Form-IV initially. In case specific door number/ survey number of property mentioned in the document is not available in these forms then the details in Form-I/ Form-III are to be considered as per nature of property. The market value committees finalise these forms duly considering the potentiality of properties.

4.1.1.3 Organisational set up

The Special Chief Secretary, Revenue (Registration and Stamps) is in-charge of the overall administration of the Registration and Stamps Department. The Commissioner and Inspector General of Registration and Stamps (C&IGRS) is the Head of the Department. The C&IGRS also functions as the Chief Controlling Revenue Authority (CCRA) under the IS Act and is assisted by staff at Headquarters and field as shown in Flowchart-I.

Flowchart-I: Organisational set up



4.1.2 Follow-up Audit

A Performance Audit (PA) on Revision and Implementation of Market Value Guidelines covering the period 2012-15 featured in the Report of the Comptroller and Auditor General (CAG) of India (Report No.7 of 2016) pertaining to the Government of Andhra Pradesh for the year ended March 2016. The PA Report was forwarded to the Government in September 2016 and the CAG’s Audit Report was placed in the State Legislature on 31 March 2017. A summary of the audit observations of the PA is given below.

The Department did not adhere to the MV Guidelines Rules, 1998, on periodicity of revision of market values and did not maintain any documents for the surveys conducted and collection of inputs/ requisite data to ascertain the prevailing market values from time to time for use at the time of revision. The Department also did not insist upon

furnishing address and boundaries of the properties in the documents. Lack of coordination with other Departments like Revenue, Panchayat Raj and Rural Development, Municipal Administration and Urban Development resulted in short levy/ non levy of duties due to misclassifications and under-valuation of properties. In none of the 37 offices audited, requisite monthly extract of instruments with considerations higher than the market values were furnished by registering officers to the convenors. Market value information and intelligence registers containing information regarding higher values and developments in the areas were not maintained. No mechanism was in place to monitor maintenance of such reports/ registers. Audit observed that no provision was made in the CARD (Computer Aided Administration of Registration Department) system to generate reports where consideration was higher than the market value. Further it was noticed that applicable rates were not adopted as per classification of properties in CARD system. Adoption of incorrect market values, under-valuation of properties and non-adherence to instructions on valuation of properties resulted in significant short levy of duties.

(Paragraph 4.4.11 of previous PA report)

Based on the audit findings, the following six recommendations were issued to the Government by the CAG and the Government accepted (October 2016) all the recommendations and agreed to implement the same in ensuing revisions.

Government should consider taking steps to:

- (1) ensure that the MV revision committees obtain required data from Revenue and other departments;
- (2) derive a formal mechanism with specific procedures to be adopted for revision of market values for valuation of properties considering various developmental factors with proper documentation;
- (3) make a provision in CARD for generation of reports that are to be considered while revising the market values like statements of documents registered with higher values and to alert the registering officers and to facilitate trend analysis during revision;
- (4) analyse the reasons for variation between the approved market values and the price realised in open market and initiate steps to minimise the gaps;
- (5) make modifications in CARD to enter details like complete description of boundaries with door numbers/ survey numbers for more accurate calculation of market values and also to reduce the scope for manual entries;
- (6) ensure greater scrutiny of documents where manual entries were made to prevent wrong entries.

We conducted a follow-up audit between May and November 2023 to assess the extent of implementation of the recommendations by the Department by test-checking transactions relating to the period from 2020-21 to 2022-23. An Entry Conference was conducted on 19 May 2023 with the officers/ officials of Registration & Stamps Department wherein the objective of conducting follow-up audit was discussed.

Audit test-checked the records of Special Chief Secretary to Government, Revenue (R&S) Department, Commissioner & Inspector General of Registration & Stamps Department and 42 District Registrar (DR) and Sub-Registrar (SR) offices covering the period from April 2020 to March 2023. A total of 12,600²⁹ documents were sampled from the selected 42 DR/SR offices for scrutiny. The sampled records and offices were selected based on highest aggregate revenue receipts from all the three regions (viz., Uttarandhra, Kostaandhra and Rayalaseema) of the State through stratified sampling.

An Exit Conference was held on 18 April 2024 with the officers/ officials of Registration & Stamps Department wherein the recommendations of the previous Performance Audit and findings in the current follow-up audit were discussed. Responses of the Department have been suitably incorporated.

Recommendation-wise audit findings as noticed in the follow up audit are discussed in the succeeding paragraphs.

4.1.2.1 Insignificant or no progress in implementation

<p>CAG's Recommendation:</p> <ul style="list-style-type: none"> ➤ <i>Derive a formal mechanism with specific procedures to be adopted for revision of market values for valuation of properties considering various developmental factors with proper documents (Sl. No. 2).</i> ➤ <i>Analyse the reasons for variation between the approved market values and the price realized in open market and initiate steps to minimize the gaps (Sl. No. 4)</i> 	<p>Summary of audit observations in previous PA report:</p> <p>Rule 6 of APRMVG Rules, 1998, necessitates MV committees to consider real-estate market conditions, interest rates, inflation, and building material prices etc., apart from established principles of valuation enunciated in Rule 5 of AP Stamp (Prevention of Under-valuation of Instruments) Rules 1975 like classification of land, rate of revenue assessment, value of adjacent land, nearness to road etc., during the preparation of Market Value Guidelines Registers.</p> <p>Audit noticed that the prevailing values were ascertained orally. Further, no discussions on these critical factors were carried out by the committees.</p> <p style="text-align: right;">(Paragraph 4.4.7.4)</p>
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²⁹ on an average 100 documents for each year and for each office (100 documents X 3 years X 42 offices = 12,600 documents)

Action taken by the Department

The C&IGRS stated (December 2023) that steps were taken for valuation of properties such as gathering the information of the new commercial properties or new high potential areas where rapid growth has taken place and considering the values of those properties observed by the registering authorities, during revision. Further, gap has been decreased between the approved market values and the prices prevalent in open market by the registering officers by identifying the areas where there was maximum difference and inspecting the spot. Special revision is also in process with more focus to minimize the gaps.

Findings in follow-up audit and current status

In support of their reply, the Department did not furnish any documentary evidence. During audit scrutiny we noticed that, except instructions³⁰ (February/ July 2018) from Government/ Department on compliance with the recommendations of the CAG, formulation of specific mechanism/ procedure for valuation of properties with proper documentation in the light of CAG's specific remarks was not found during scrutiny of records in the sampled units.

Audit analysed the variation between existing values and proposed values wherever included (in 22 out of 42 sampled units) in the market value forms and noticed variation up to 1,500 *per cent* (as detailed in **Appendix-4.1**). However, Audit could not get any assurance on the revised market values fixed by Market Value Committees in the absence of specific mechanism/ procedure for valuation of properties with proper documentation.

Further comment of Audit

In the absence of specific mechanism for valuation of properties considering various developmental activities and non-maintenance of relevant details on record as assured, Audit could not ensure that the steps, as enumerated by the Department, involved in valuation of properties were followed by the committees in the process of revision of market values and fixation at lesser rates cannot be ruled out.

The department, in respect of Recommendation No. 2, replied (April 2024) that the Sub-Registrars were instructed to verify and utilise the data available in 'Meebhoomi' website, identify the survey numbers of high potential areas and detailed instructions would be issued to record all these activities as part of market survey. The Department further replied, in respect of Recommendation No. 4, that the gap between market values and the prices prevalent in open market is being reduced year by year through various measures such as spot inspections and special revisions. However, Department did not furnish supporting documentary evidence along with the reply for verification of reduction in gap between market values and prevailing open market rates.

³⁰ vide Memo No. 33023/4/2017/Reg. II of Revenue (Registration-II) Department, dated 08 February 2018 and C&IGRS Circular Memo No. MV1/4566/2018, dated 11 July 2018

4.1.2.2 Recommendations partially implemented

<p>CAG's Recommendation:</p> <p><i>Ensure that the MV revision committees obtain required data from Revenue and other departments (Sl. No. 1)</i></p>	<p>Summary of audit observations in previous PA report:</p> <p>Rule 11 of APRMVG Rules mandates Land Acquisition Officers (LAOs) to provide copies of awards to Committee Convenors within 30 days if the compensation awarded exceeds the market value. District Collectors were instructed to facilitate this process. Rule 10 of APRMVG Rules mandates that the Registering Officers are required to submit monthly extracts of instruments highlighting where considerations exceeded market values, to the Convenor of Market Value Revision Committees.</p> <p>After considering all relevant details, revised market values should be made effective from 01 August every year for urban areas and 01 August of every alternate year for Rural areas as per Rule 5 (1) of the guidelines.</p> <p>Audit, however, observed that none of the test checked offices received compensation awards. This indicates lack of pursuit by the Department and the committee's oversight in not considering cases of land acquisition compensation exceeding market values. Further, the Department did not adhere to the MV guidelines on periodicity of revision/ implementation of revised market values.</p> <p>Government while accepting audit observation on furnishing compensation/ acquisition awards, stated (October 2016) that the matter was being pursued through District Collectors for issuing instructions to the land revenue authorities to furnish land acquisition awards and land conversion orders to the registering officers.</p> <p style="text-align: right;">(Paragraphs 4.4.7.6, 4.4.7.5 and 4.4.7.2)</p>
<p>Action taken by the Department</p> <p>The C&IGRS stated (December 2023) that market value revision has been made based upon the data such as NALA³¹ conversions, development activities taken by the Government, NH/ SH land abutting survey numbers, commercial door numbers and new layouts information obtained from the Revenue and various other departments.</p>	
<p>Findings in follow-up audit and current status</p> <p>We observed from the minutes of the MV Committees, made available, in majority of 33 (out of 42) sampled units that the market values of the properties were stated to be revised/ finalised duly considering various details about NALA conversion lands, abutting roads, commercial door</p>	

³¹ The Andhra Pradesh Agricultural Land (Conversion For Non-Agricultural Purposes) Act, 2006

numbers and prevailing market values. However, none of the sampled offices provided evidence to Audit about availability of all requisite details with the offices.

- As per Circular 67 dated 20 April 2021 of C&IGRS, two different rates can be prescribed for the classification ‘land abutting NH/SH/ZP/MPP roads’ – one value for ‘NH/SH’ and other for ‘ZP/MPP’. In SR, Atmakur, we noticed that the MV Committee in August 2020 has fixed market value (in Form IV) for the lands abutting NH/ SH/ ZPP/ MPP road with two different acreage rates (₹ 11.00 lakh and ₹ 14 lakh per acre) for different survey numbers without recording specific reason.

In Tanuku municipality, one specific sub-door number *viz.*, 2-2-15/B had higher value of ₹ 7,400 per sq. yd. and all the remaining sub-series had ₹ 7,000 per sq. yd in 2019. Audit however, noticed that, during MV revision in 2020, the value for the door number 2-2-15/B (despite having higher rate in 2019) was revised to ₹ 9,000 and value for the series of other sub-numbers was fixed at ₹ 10,000. It is pertinent to mention that the door number 2-2-15/B was stated to be the nearest door number in 298 cases, as noticed from encumbrance certificates.

However, no specific reasons were recorded in the minutes of the MV Committee meetings for fixing two different rates for same classification/ lesser rate for one particular door number when compared to other sub-numbers.

- Since the test-checked units did not provide conversion orders, efforts were made to obtain from Revenue Department units concerned. Cross verification of details wherever provided revealed that in 11 documents, registered between November 2021 and February 2023, of six DR/ SR offices³², though the scheduled properties of the documents had been converted into non-agricultural purposes prior to registration of these documents, the authorities registered these properties as per classification of lands recited in the documents. However, these were supposed to be considered under ‘house sites’ classification in view of their conversions.

Incorrect adoption of rates, in the absence of conversion orders, in these cases had thus resulted in under valuation of property by ₹ 8.93 crore and consequential short levy of duties³³ of ₹ 61.76 lakh (as detailed in **Appendix-4.2**).

Further, in SR, Thadipatri, Audit noticed that in a document (No. 6024/ 2022), the registering authority adopted acreage value though the survey number of scheduled property was converted into plots in the year 2017 and sq. yd. rate was adopted in the transactions of 2017, as noticed from encumbrance certificate of the property. The survey number was, however, not found in Form-IV and there was no specific mention in the Forms about adoption of sq. yd. rate for this survey number considering previous transactions. Specific reasons for considering acreage rate instead of sq. yd. were, however, not furnished.

³² **DRs:** Bukkapatnam, Cuddapah and Parvathipuram; **SRs:** Giddalur, Santanuthalapadu and Thadipatri

³³ Applicable stamp duty (at 5 per cent), transfer duty (1.5 per cent) and registration fee (1 per cent)

Regarding adherence to the periodicity of the revision, Audit observed the following:

- (i) Government had decided not to revise market values up to March 2022 in public interest due to Covid pandemic. In 2022, revision of market values was done only for 13 newly formed (April 2022) districts and implemented with effect from 06 April 2022 in the 13 district headquarters and adjoining suburban/ rural areas.
- (ii) In 2023, special revision was stated to be taken up (June 2023) in areas where the department market values and open market values were at great variance.

The above data indicates partial revision of market values during the three-year period *i.e.*, 2020-2023.

Further comment of Audit

In the absence of documentary evidence, Audit could not ascertain whether details from the Revenue and other departments concerned were considered while revising market values in August 2019, undertaking partial revision in April 2022 and special revision in June 2023.

The Department assured (April 2024) to co-ordinate with authorities concerned for obtaining required data.

CAG's Recommendation:

Make a provision in CARD for generation of reports that are to be considered while revising the market values like statements of documents registered with higher values and to alert the registering officers and to facilitate trend analysis during revision (Sl. No. 3)

Summary of audit observations in previous PA report:

The core functions of the Department are carried out through an IT system named Computer-Aided Administration in Registration Department (CARD). The Department, after admitting the documents for registration, generates an acknowledgement slip and determines the market value and duties to be levied thereon as per classification of the document through CARD.

Further, Rule 10 of APRMVG Rules mandates that the Registering Officers submit monthly extracts of instruments highlighting where considerations exceeded market values, to the Convenor of Market Value Revision Committees. As per C&IGRS instructions (August 1990) the registering officer has to adopt higher value fetched earlier as market value for that particular property in all future transactions. The proceedings (December 2013) of the Commissioner also contained a request to National Informatics Centre (NIC) to make necessary provisions in CARD system to generate statement of documents where consideration was higher than the market value.

Audit however, observed that no such provision was made in the CARD. We also noticed the following instances:

- (i) incorrect data entry of market values in the master data of CARD system, (ii) non-adoption of applicable rates as per classification of property in Form-III, (iii) registering officers did not confirm the fact of completion of construction of

	<p>multi-storeyed building/ apartments in CARD system, (iv) absence of alerting mechanism by fetching highest value for the property.</p> <p>(Paragraphs 4.4.7.5, 4.4.9.1, 4.4.9.3, 4.4.9.4 and 4.4.10.1)</p>
<p>Action taken by the Department</p> <p>The Department stated (December 2023) that a provision in CARD is made for generation of reports that are to be considered while revising the market values like statements of number of documents registered with higher values, number of documents registered in particular village, trend analysis, revenue targets, list of transactions, market value calculator, document detail reports as per check-slip number, document number, nature of the document, village-wise either in PDF or excel formats.</p>	
<p>Findings in follow-up audit and current status</p> <p>During scrutiny, Audit observed that there was provision in Index 2-Register on amounts of consideration and market value of the documents for comparison purpose in the CARD system. However, provision for fetching highest value of the property duly evaluating previous transactions was not included in the system as noticed from test check of documents relating to the audit coverage period <i>i.e.</i>, 2020-2023.</p> <p>Audit further noticed the following deviations during test check of sampled transactions.</p> <ul style="list-style-type: none"> ➤ In nine documents, registered between June 2020 and November 2022, of six DR/ SR offices³⁴, registering authorities did not consider applicable market values based on classification of land (<i>i.e.</i>, land abutting NH/ SH/ ZPP/ MPP roads, wet and dry) while arriving at the chargeable value for levy of stamp duty. This has resulted in short levy of duties by ₹ 27.71 lakh due to undervaluation of properties (₹ 11.25 crore) as detailed in Appendix-4.3. ➤ In 13 documents, registered between September 2021 and March 2023 of 10 DR/SR offices³⁵ the registering authority had accepted the value declared by the parties. However, the parties excluded/ did not consider full extent of structure, stilt area, and area left for roads & amenities. Due to the above exclusions, these 13 documents were undervalued by ₹ 22.29 crore. As a result, duties amounting to ₹ 24.12 lakh were short levied as detailed in Appendix-4.4. In response, DR, Kakinada and SR, Santanuthalapadu informed (May 2024/ December 2023) that the deficit amounts of ₹ 1.89 lakh (Document No. 2333/2023) and ₹ 0.47 lakh (Document No. 3850/2022) were recovered respectively. ➤ We further observed that in two DGPA documents, registered in March 2023, of SR, Madurawada, the authority considered lesser value (₹ 17,500 per sq. yd.) than the market value (₹ 22,000 per sq. yd.) considered in previous transaction (partitioned in August 2022) of the property. Thus, the property was undervalued by ₹ 1.09 crore which resulted in short levy of duties of ₹ 1.09 lakh as detailed in Appendix-4.5. 	

³⁴ **DRs:** Bukkapatnam and Vizianagaram; **SRs:** Kuppam, Madanapalle, Nuzvidu and Tanuku

³⁵ **DRs:** Kakinada, Narasaraopet, Parvathipuram and Visakhapatnam; **SRs:** Anandapuram, Bandi Atmakur, Pedagantyada, Pithapuram, Santanuthalapadu and Sompeta

As per the Commissioner’s proceedings No.MV1/14671/2013 dated 3 December 2013, the Department has dispensed the maintenance of MV Intelligence and Information Register containing all the information regarding high values in specific areas and the latest developments in the areas for use during revision of MV guidelines. Considering the audit observation (Paragraph No.4.4.7.5 of previous Performance Audit which featured in the Audit Report for the year ended March 2016 – Reports No. 7 of 2016), the Government assured to issue necessary instructions to the Registering offices regarding maintenance of MV Intelligence and Information registers. However, during the follow up audit, we noticed recurrence of under-valuation of properties which indicates partial implementation/ not making sufficient provision in CARD system.

Further comment of Audit

There was no mechanism available in the department to alert the registering officers about higher values adopted on the properties in earlier transactions. Thus, the department did not adequately comply with the recommendation as assured in the previous Performance Audit *i.e.*, to make a provision in CARD for generation of reports that are to be considered while revising the market values since this has an impact on chargeable value/ consideration.

The Department accepted (April 2024) the audit observations and stated that provision was being made in CARD 2.0 for generation of reports regarding documents registered with higher values.

CAG’s Recommendation:

Make modifications in CARD to enter details like complete description of boundaries and door number/ survey numbers for more accurate calculation of market values and also to reduce the scope of manual entries (Sl. No. 5)

Summary of audit observations in previous PA report:

As per MV guidelines, read with Government Order (July 2010), different values are to be fixed for house sites and agricultural land fit for house sites. The details are to be maintained in four forms *viz.*, Form-I (urban - Ward and Block-wise), Form-II (urban - Door number-wise), Form-III (Rural - based on land classification) and Form-IV (Rural - based on survey numbers of properties). Valuation committee needs to ensure that Form-III rates are lower than Form-I rates since properties of Form-I have greater access to amenities like roads, electricity, water, drainage etc.

Audit observed that due to fixing lower rates in Form-I than those of Form-III and incorrect classification of lands like classifying ‘land abutting road’ as ‘house sites’ with lower rate, lands already converted for non-agricultural purposes/ layouts as ‘agricultural lands’ resulted in short levy of duties. Further in the sampled documents test-checked by Audit, boundaries were vaguely described and in 458 cases addresses were not mentioned. There were instances of adopting lesser values instead of considering values of the adjacent properties as per valuation method issued (October 2013) by the Commissioner resulting in short levy of duties.

(Paragraphs 4.4.7.2, 4.4.8, 4.4.9.5 and 4.4.9.7)

Action taken by the Department

The C&IGRS stated (December 2023) that more new features will be incorporated in CARD 2.0 such as calculation of market values based on survey number/ door number of the boundaries to get the accurate market values automatically without entering the market values manually.

Findings in follow-up audit and current status

As per Rule 225 of AP Registration Rules 1960, the details of executants, claimants, nature of document, description of the property along with its boundaries should be entered into the CARD system manually. Based on the details provided, the CARD system retrieves relevant market value assigned to the Survey number/ Door number/ Ward/ Block number. A check-slip with the above details generated by the CARD is to be verified by the registering officer (as per Rule 227 *ibid*) with reference to the original document to satisfy himself as to the compliance with the Act, Rules, Standing Orders and the adequacy of the stamp duty paid.

Further, as per C&IGRS instructions issued in October 2013, in case urban vacant land where nearby house number is mentioned or house numbers are mentioned in the boundaries, the highest land rate of the nearest house number or house number found in the boundaries of Form II is adopted. If exact match of the house number is found that value is adopted. If exact match is not found, then the main house number value has to be adopted.

During test check we noticed instances where registering authorities considered lower rates as detailed below.

- In 13 documents, registered between May 2020 and February 2023, of two³⁶ DR/ SR offices, Audit observed that specific locality of scheduled properties recited in the documents were included in Form-IV of MV guidelines and as mentioned in the market value guidelines, Form-I is to be considered for arriving at chargeable value. Despite specific mention, the registering authorities adopted lesser values/ rates.

In the CARD system, input of the scheduled property *viz.*, survey number/ door number, locality etc., recited in the document, should automatically fetch applicable market values. However, in these transactions lower values than those approved by the Market Value Committees were considered. This indicates incorrect inputs such as survey number/ door number, locality etc. were entered in the system. Basing on the results of test checked offices, it was observed that existing process is prone to misuse as there is no check of validity/correctness of the inputs entered as well as no alerts generated on incorrect entries in to the CARD system, which caused non-consideration of applicable rates as per MV guidelines and undervaluation of ₹ 10.22 crore. Consequently, there was a short levy of duties amounting to ₹ 54.22 lakh (as detailed in **Appendix-4.6**). In response, SR, Ananthapalli informed (February 2024) that deficit amount of ₹ 0.94 lakh (Document No. 1149/2023) was recovered.

We further observed that, out of the above 13, in nine documents³⁷ of DR, Bhimavaram, the market value of the properties (under ‘details of valuation as per MV guidelines’) in the check-slips was depicted as either 0 or 1. In these cases, however, the value adopted by the registering

³⁶ **DR:** Bhimavaram and **SR:** Ananthapalli

³⁷ Document No./ Year: 2753/2022, 1857/2020, 2202/2020, 2203/2020, 2204/2020, 2205/2020, 2006/2020, 2007/2020 and 2008/2020

authorities was found to be lesser than the applicable rates as per MV guidelines which indicate absence of alert mechanism in CARD system and non-verification of details by the authority.

- In seven documents, registered between June 2020 and February 2023, of four DR/SR offices³⁸, despite availability of market value in Form-II for the door number/ nearest door number mentioned in the recitals, the registering authorities adopted lesser values. This had resulted in undervaluation of properties by ₹ 3.27 crore and short levy of duties of ₹ 14.60 lakh (as detailed in *Appendix-4.7*). In response SR, Pendurthi informed (January 2024) that the deficit amount of ₹ 0.11 lakh (Document No. 625/ 2023) was recovered.

Further comment of Audit

Audit findings indicate discrepancy among the values of properties in various forms viz., Forms I to IV in some of the sampled units. Further, the registering authorities did not compute appropriate market value of the properties despite availability of specific/ nearest door numbers/ survey numbers of scheduled properties in the relevant forms. There was absence of alert mechanism in CARD system where the market value in the check-slip shows ‘zero’ or ‘one’ and the registering authority failed to verify the correctness of details in these cases.

Department during the Exit Conference accepted (April 2024) the audit findings and assured to collect deficit amounts pointed out by the Audit. Further stated that instructions were issued to the registering authorities for ensuring correct entries in CARD system.

4.1.2.3 Recommendations having significant progress

<p>CAG’s Recommendation:</p> <p><i>Ensure greater scrutiny of documents where manual entries were made to prevent wrong entries (Sl. No. 6).</i></p>	<p>Summary of audit observations in previous PA report:</p> <p>CARD system provides for manual entry of market values in exceptional circumstances³⁹.</p> <p>Audit found instances in some of the sampled units where market values were inaccurately entered manually, leading to adoption of lower values. This resulted in undervaluation of properties and consequential short levy of duties.</p> <p style="text-align: right;">(Paragraphs 4.4.9.1 and 4.4.9.2)</p>
<p>Action taken by the Department</p> <p>The C&IGRS replied (December 2023) that a provision in CARD is made for greater scrutiny of documents such as verification of Web land data for agricultural lands and Municipal data for vacant and residential properties, verification of prohibited lists, calculation of stamp duty and registration fees automatically without manual entries.</p>	

³⁸ **DRs:** Bhimavaram, Cuddapah; **SRs:** Pendurthi and Sompeta

³⁹ Rule 233 of AP Rules under the Registration Act 1908 provides for registration of documents manually for (1) categories of documents not notified by the Government; (2) when the CARD system is out of order and (3) document which in the opinion of the registering officer cannot be registered under CARD

Findings in follow-up audit and current status

Audit has called for data on manual entries from the test-checked 42 sampled units and noticed that in nine⁴⁰ DR/ SR offices manual entries were made in 2,135 (out of 9,151) check-slips⁴¹. Of these, market value entries in 123 cases⁴², where valuation of property was involved, have been verified and were found correct. Information on manual entries in respect of remaining 33 DR/ SR offices was not made available to Audit for verification.

Further comment of Audit

Though the property details were being entered manually in all cases, the documents that were categorised as manual and details provided by nine DR/ SR offices have been verified. Due to non-furnishing details of manual entries made by other 33 offices, Audit could not verify correctness of manual entries.

The Department replied (April 2024) that data from 33 offices have been called for and would be provided in due course.

4.1.2.4 Other observations

Significant audit observations made during compliance audit of the sampled 42 DR/ SR offices are detailed in succeeding paragraphs.

(I) Non-monitoring of deduction of TDS

As per Section 194-IA of Income Tax Act, any person, being a transferee, responsible for paying (other than the person referred to in section 194-LA) to a resident transferor any sum more than ₹ 50 lakh by way of consideration for transfer of any immovable property (other than agricultural land) shall deduct an amount equal to one *per cent* of such sum as income tax at the time of crediting of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of cheque or draft or by any other mode, whichever is earlier. Further, it is the responsibility⁴³ of the Sub-Registrar to insist on furnishing TDS challan (in Form-26QB) along with documents involving consideration of ₹ 50 lakh and above for ascertaining payment of tax.

Audit noticed that the Department had issued (August 2013) instructions regarding providing PAN numbers of the purchasers to the Income Tax department in respect of the transactions having the value of immovable property more than ₹ 50 lakh. It was only in August 2022 that the Department had issued instructions for furnishing TDS challan (Form-26QB) along with the documents. During test check of records,

⁴⁰ **DRs:** Bhimavaram (98) and Kakinada (522); **SRs:** Cheepurupalli (434), Tanuku (72), Samalkota (263), Sompeta (91), Pithapuram (499), Bhimadole (81) and Pedagantyada (75)

⁴¹ Check-slip contains the details of the executants, claimants, nature of the document/ transaction, description of the property together with its boundaries, details of valuation as per MV guidelines, calculation of chargeable value, details of duty and generated through CARD system

⁴² **DR:** Kakinada (2); **SRs:** Pedagantyada (1), Pithapuram (102), Samalkota (9) and Sompeta (9)

⁴³ vide circular memo No. G1/17053/2012 of C&IGRS, dated 4 August 2022

Audit noticed that, despite specific instructions, in 15 sale documents (non-agricultural lands), registered between August 2022 and March 2023, of 12 DR/ SR offices⁴⁴, each having consideration value of above ₹ 50 lakh, the registering authority did not ensure deduction of one *per cent* as TDS remittance to Income Tax Department due to non-furnishing of requisite form along with the documents. Hence, the fact of remittance of TDS by the parties could not be vouched for in these registered sale documents. The value of TDS in these 15 documents worked out to ₹ 20.46 lakh (as detailed in **Appendix-4.8**). Audit further noticed TDS liability of ₹ 83.94 lakh in 53 documents relating to the period prior to issue of instructions for furnishing Form-26QB.

(II) Non-compliance with C&IGRS instructions relating to Partition Deeds

As per para 6(d) of the circular Memo No. S1/P/5860/2021, dated 02 November 2021, if the deed of partition included non-legitimate right holders *i.e.*, Class-II heirs getting precedence over Class-I heirs as per Hindu Succession Act, 1956, then the duty chargeable on such instruments shall be four *per cent* as ‘Conveyance’ on total value of the property.

We noticed in three partition deeds of three⁴⁵ DR/ SR offices that Class-II heirs got precedence over their Class-I heirs. The registering authorities, however, did not levy the duties in consonance with the instructions which resulted in short levy of duties of ₹ 19.14 lakh (as detailed in **Appendix-4.9**).

(III) Short collection of duties in Development-cum-General Power of Attorney (DGPA) documents

According to case 3 of C&IGRS Circular Memo No.S1/5124/2013, dated 14 December 2021 about DGPA documents, in case a piece of land is owned by more than one person (co-owners/ coparceners) and they give their property for development and receive portion of built-up area/ plotted area in severality from the developer, it is to be treated as ‘Development Agreement-cum-Conveyance’ and is chargeable with aggregate amount under Article 6 (B) and Article 20 of Schedule-1A of IS Act. Further, as per Section 45 of Transfer of Property Act, the transfer of rights in the immovable property should be in proportion to the respective entitled shares of the persons.

During test check of records, Audit noticed that in nine DGPA documents of six⁴⁶ DR/ SR offices, though the parties gave their property for development and received portion/ portion in excess of eligible share of buildup area/ plotted area in severality from the developer, the registering authority had levied stamp duty at one *per cent* instead of four *per cent*. This has resulted in short levy of duties of ₹ 1.06 crore (as detailed in **Appendix-4.10**). In response, DR, Nellore informed (January 2024) that the deficit amount of ₹ 0.45 lakh (Document No. 16635/2022) was recovered.

⁴⁴ **DRs:** Eluru, Kakinada, Nellore and Vijayawada; **SRs:** Giddalur, Gudivada, Kadiri, Kankipadu, Madanapalle, Pedagantyada, Santanuthalapadu and Tanuku

⁴⁵ **DRs:** Bukkapatnam and Kurnool; **SR:** Kadiri

⁴⁶ **DRs:** Bukkapatnam, Kurnool, Narasaraopet, Nellore and Vizianagaram; **SR:** Patamata

(IV) Non-inclusion of GST component in lease deeds

As per Article 31 of Schedule-IA to IS Act, read with G.O. Ms. No. 588 dated 04 December 2013, for lease cases, stamp duty is to be levied ranging between one and six *per cent* (based on period of lease) on Average Annual Rent (AAR) and registration fee is to be levied at 0.1 *per cent*. If lessee agrees to pay rates/ taxes on behalf of lessor, then these amounts should be part of AAR. This was made effective from 05 December 2013.

Further, Section 8(2) of the IGST Act, 2017, stipulated that the supply of service by way of renting of immovable property under all circumstances will be treated as intra-state supply chargeable to CGST and SGST. As per APGST Act 2017, Schedule-II, any lease, tenancy, easement, licence to occupy land and building is supply of services and rate of GST is 18 *per cent* (as per Service Accounting Code - 997212).

During test check we noticed in six lease deeds, registered between August 2021 and November 2022, of five DR/ SR offices⁴⁷, that though the properties were leased out with a condition in the lease agreements about levy of GST, the registering authority while arriving at the Average Annual Rental value (AAR) did not consider GST and levied stamp duty on the rental value only. This resulted in short levy of duties amounting to ₹ 2.79 lakh (as detailed in **Appendix-4.11**). In response, SR, Madanapalle and SR, Vissannapeta informed (March/ May 2024) that the deficit amounts of ₹ 0.35 lakh (Document No. 14103/2022) and ₹ 0.38 lakh (Document No. 4587/2022) were recovered respectively.

The Department in the Exit Conference (April 2024) accepted all the audit findings and stated that notices were issued to the field units for collection of deficit duties.

4.1.3 Conclusion

Follow-up audit of Performance Audit on ‘Revision and Implementation of Market Value Guidelines’ revealed that of the six recommendations made in the previous audit (Paragraph No. 4.4.12 of Report No. 7 of 2016), three recommendations have been partially complied with by the Department. There was insignificant progress in respect of two recommendations (*i.e.*, Sl. Nos. 2 and 4) and significant progress in one recommendation regarding manual entries (Sl. No. 6).

Audit findings further indicate that none of the test checked offices have obtained compensation awards from the offices of District Collectors/ Revenue Divisional Officer/ Mandal Revenue Officer, land conversion details, developmental activities etc. This indicates lack of effective coordination with other departments like Revenue, Panchayat Raj and Rural Development, Municipal Administration and Urban Development which resulted in short levy/ non-levy of duties due to misclassification/ under-valuation of properties. The Department did not furnish any documentary evidence regarding collection of data required for revision of market values except market value guidelines books. In the absence of vital information, audit could not assess compliance with the procedure, as enunciated by the Department, in

⁴⁷ **DRs:** Kurnool and Narasaraopeta; **SRs:** Gudivada, Madanapalle and Vissannapeta

valuation of properties. There was no mechanism in CARD system to alert registering authorities in the cases where market value was shown as 'zero' or 'one' in the check-slips generated by the system. In these cases, there were instances where the values considered by the registering authorities were found to be lesser than the applicable rates indicating non-verification of check-slips details contrary to the provisions of Registration Act. Undervaluation of properties due to non-consideration of higher market values in the previous transactions and exclusion of legitimate areas resulted in short levy of duties. No mechanism was in place to maintain information regarding prevailing market values.

Further, instances of non-compliance with the Departmental instructions regarding levy of duties in Partition and DGPA documents have been noticed during test check of records in sampled units. Non-monitoring of TDS in sale transactions having consideration of ₹ 50 lakh and more, non-inclusion of GST component while arriving at average annual rental values in lease documents were also noticed.

4.2 Misclassification of documents

Misclassification of transactions in 32 registered documents resulted in short levy of duties amounting to ₹ 8.35 crore.

Schedule 1-A of Indian Stamp Act, 1899 (IS Act) provides rates of duties and fees to be adopted based on classification of documents. Further, the Commissioner and Inspector General of Registration and Stamps (C&IGRS) had issued instructions⁴⁸ that the Sub-Registrars (SRs) should scrutinise the recitals of the document presented for registration thoroughly, so as to arrive at the correct classification of the document for adoption of the applicable rates of duties and fees.

During test check of records in District Registrar (DR) and Sub-Registrar (SR) offices, Audit noticed the following categories of misclassification of documents which resulted in short collection of duties of ₹ 8.35 crore as detailed in subsequent paragraphs.

4.2.1 Misclassification of Mortgage deeds as Deposit of Title Deeds (DoTD)

As per Article 35(b) (ii) of Schedule 1-A to IS Act, a 'Mortgage' without possession is liable to Stamp duty at 0.5 *per cent* on the loan amount secured. Registration fee at 0.1 *per cent* is leviable on the chargeable value *i.e.*, the value considered for levying Stamp duty.

As per Article 7(a) of Schedule 1-A, Stamp duty on Deposit of Title Deeds (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 fee at the rate of 0.1 *per cent* of the loan amount subject to a maximum of ₹ 10,000. However, if the loanee encloses 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.

⁴⁸ Memo no. FR1/1A/4946/96 dated 16 October 2000

As per C&IGRS Memo. S3/24954/79 dated 11 November 1979, in case of loans raised initially through simple mortgage documents and on further enhancement of the loan on the same properties through DoTD, Stamp duty should be levied on entire loan amount (aggregating loan amount) being chargeable under Article 35 (b) of IS Act.

During test check of records in two District Registrar (DR) and six Sub-Registrar (SRs) offices⁴⁹, Audit observed⁵⁰ short levy in eight cases due to misclassification of Simple Mortgage as DoTD in five cases⁵¹ and incorrect exemption of Stamp duty by treating the documents as DoTD under SSI category in three cases⁵², which resulted in short levy of duties amounting ₹ 5.46 crore as detailed in **Appendix-4.12**.

Government in their replies (March 2024) accepted audit observation and stated that steps were being taken for collection of deficit amounts. Further progress is awaited (January 2025).

4.2.2 Misclassification of instruments of ‘Settlement’ as ‘Partition’ and other misclassifications

Section 2(15) of IS Act defined ‘Partition’ as any instrument whereby co-owners of any property divide or agreed to divide such property in severalty including a final order for effecting a partition passed by any revenue authority/ civil court and an award by an arbitrator directing a partition. Thus, existence of co-ownership is a prerequisite for partition.

Definition of ‘Settlement’ (Section 2(24)) *inter alia* states that any non-testamentary disposition, in writing, of movable or immovable property made for the purpose of distributing property of the settler among his family or those for whom he desires to provide, or for the purpose of providing for some persons dependent on him, is a settlement. Thus, the settlement can be made by the settler in favour of any family member or other than family member out of the property on which the settler has absolute right.

As per Article 49(a) of Schedule 1-A to IS Act read with State Government Orders (November 2014), Stamp duty to be levied on the value of scheduled property for settlement to family members is two *per cent*. Registration fee at the rate of 0.5 *per cent* on the amount subject to a maximum of ₹ 10,000 is also to be levied.

As per Article 40 of Schedule 1-A to IS Act read with State Government Orders (November 2014), Stamp duty in respect of partition of immovable property among family members is one *per cent* and among other than family members is two *per cent* on the amount of ‘Value of separated share’(VSS).

⁴⁹ **DRs:** Amalapuram and Narasaraopet; **SRs:** Gunadala, Kadiri, Kovvur, Lankalapalem, Nandigama and Prathipadu

⁵⁰ between May 2022 and January 2023

⁵¹ **SRs:** Gunadala, Kadiri, Kovvur, Nandigama and Prathipadu

⁵² **DRs:** Amalapuram and Narasaraopet and **SR:** Lankalapalem

Audit test-checked⁵³ records in five DR and six SR offices⁵⁴ and noticed that in 16 documents there was short levy of duties of ₹ 1.40 crore due to misclassification of Settlement deeds as Partition Deeds as detailed in **Appendix-4.13 (a)**.

Further, in two District Registrar (DR) offices and five Sub-Registrar (SR) offices⁵⁵ audit noticed that in seven documents, there was short levy of duties and fees due to misclassification⁵⁶ of transactions amounting to ₹ 40.45 lakh as detailed in the **Appendix-4.13 (b)**.

Government replied (March 2024) that the observation was accepted and steps were being taken for collection of deficit amounts. DR, Chittoor and DR, Guntur stated (July 2024/ January 2025) that deficit stamp duty of ₹ 1.81 lakh (Document No. 4928/2019) and ₹ 1.90 lakh (Document No. 892/2020) respectively was collected. Further progress in the remaining cases is awaited (January 2025).

4.2.3 Short collection of Registration fee on instruments creating ‘Paripassu’ charge

As per definition of ‘Charge’ under Section 100 of Transfer of Property Act, 1882 (TP Act) where an immovable property of one is shown as security for the payment of money to another, and the transaction does not amount to a mortgage, the latter person is said to have a charge on the property.

Government, in their orders⁵⁷ (August 2013) prescribed Registration fee of 0.5 per cent on the amount of loan secured on instruments creating charge on ‘Paripassu’⁵⁸ basis. C&IGRS in his proceedings⁵⁹, 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’, DoTD and ‘Hypothecation of movable properties’.

Audit test-checked records in SR, Gajuwaka (July 2022) and observed that in one case,⁶⁰ the borrowers had deposited title deeds of immovable property in favour of different banks for securing loans aggregating to ₹ 218.00 crore by creating charge on ‘Paripassu’ basis on their properties. However, the registering authorities levied Registration fee of ₹10,000 by treating the document as DoTD instead of ‘Paripassu’

⁵³ between October 2021 and March 2023

⁵⁴ **DRs:** Ananthapur, Chittoor, Cuddapah, Nandyal and Ongole; **SRs:** Jangareddigudem, Kakumanu, Kollipara, Narsapur, Rajam, Thadipatri

⁵⁵ **DRs:** Bhimavaram and Kurnool; **SRs:** Dwarakangar, Nidadavole, Tadevalligudem, Thadipatri and Tanuku

⁵⁶ Settlement among others as Settlement among family members; DGPA as development agreement (2 cases); Gift in favor of charitable institution as settlement deed; Gift deed as settlement deed; GPA in favour of others as GPA in favour of family members; and Partition among family members/ others as construction agreement/ Memorandum of understanding (2 cases)

⁵⁷ G.O. Ms. No. 463, of Revenue (Regn-I) Department, dated 17 August 2013

⁵⁸ *Paripassu* is a Latin phrase meaning ‘equal footing’; 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

⁵⁹ C& IGR proceedings No. S2/24846/82, dated 15 October 1982

⁶⁰ Document No. 1601/2018

(charging fee at 0.5 *per cent* on the amount of loan secured). This resulted in short collection of Registration fee of ₹ 1.09 crore.

Government accepted (March 2024) the audit observations and stated that steps were being taken for collection of deficit amounts. Further progress is awaited (January 2025).

4.3 Undervaluation of properties

Non-compliance to the valuation procedures for properties in 30 registered documents resulted in short levy of duties of ₹ 2.67 crore.

Schedule 1-A to the IS Act provides the rates for levy of Stamp duty based on the classification of transactions in the instruments.

As per Rule 3(3) of the A.P Stamp (Prevention of under-valuation of instruments) Rules, 1975, the registering officer may refer to the registers (Form I, II, III & IV) containing market value guidelines prepared under the Andhra Pradesh Market Value Guidelines Rules, 1998.

As per Rule 7 of the A.P Revision of Market Value Guidelines Rules, 1998, the formats for the registers of market value guidelines pertaining to urban properties should be in Form-I (ward/ block/ locality-wise) and Form-II (door number-wise) and registers pertaining to rural properties should be in Form-III (habitation and classification-wise) and Form-IV (survey number and classification-wise) and one of the classification for rural properties is ‘Land abutting NH/SH/ZPP Road/Mandal Road’.

During test check of records, audit noticed the following categories of undervaluation which resulted in short collection of duties of ₹ 2.67 crore as detailed in subsequent paragraphs:

4.3.1 Non-consideration of rate for main survey numbers, survey numbers mentioned in boundaries or nearest house numbers

As per Circular instructions of C&IG (RS) contained in Memo No. MV1/8483/2013-2 dated 10 October 2013, while determining the market value of scheduled property in rural areas, highest land rate in Form-IV for the given main survey number/ preceding first matching sub-division number is to be adopted in case rate for sub-division of the survey number recited was not found.

When the rate for the exact survey number/ sub-division of scheduled property was not found, rate for the survey numbers mentioned in the boundaries of the scheduled property is to be adopted.

In cases of urban vacant land, highest land rate of the nearest house number or house number in Form-II, mentioned in the boundaries of the scheduled property, is to be adopted.

During test check of records⁶¹ in one District Registrar (DR) office and six Sub-Registrar (SR) offices⁶², Audit noticed that the registering authorities did not comply with above provisions as shown below:

- i. Rates of main survey numbers were not considered in three documents where rates for sub-divisions of scheduled properties were not found in Form-IV.
- ii. Rates of survey numbers mentioned in the boundaries were not considered in five documents where rates for main survey number/ preceding first matching sub-division number were not found in Form-IV.
- iii. Rates for the nearest door numbers recited in the documents and included in Form-II were not considered in two cases.

This had resulted in short levy of duties in these 10 cases amounting to ₹ 1.10 crore as detailed in **Appendix-4.14**.

Government replied (April 2024) that the audit observation was accepted and steps were being taken for collection of deficit amounts. Further progress is awaited (January 2025).

4.3.2 Incorrect adoption of market value/ extent of land

During test check⁶³ of four Sub-Registrar offices⁶⁴, Audit noticed that:

- i) In four documents, market value for the survey numbers of the scheduled properties were classified as 'Agricultural land fit for house sites' in Form-IV for which as per the Form, market values of urban properties were to be considered. The registering authorities, however, did not consider the applicable market values of Form I.
- ii) In two documents, market value for the door numbers of scheduled properties were included in Form-II. These values were, however, not considered by the authorities.
- iii) In one document, while computing market value, the registering authority considered extent of scheduled property as ac. 0.8 ct. instead of ac. 8.0 ct.

Thus, incorrect adoption of market value/ extent of land in these seven cases resulted in undervaluation of properties and thereby short levy of duties amounting to ₹ 56.74 lakh as detailed in the **Appendix-4.15**.

Government replied (April 2024) that the audit observation was accepted and steps were being taken for collection of deficit amounts except in case of SR Gajuwaka (Doc. No. 2394/2020). It was replied that actual market value of the land in this case was ₹ 29,500 per sq. yd. till 09 August 2020 but not ₹ 32,500 as pointed by Audit.

⁶¹ between June 2022 and November 2022

⁶² **DR:** Chittoor; **SRs:** Chilamathur, Gajuwaka, Gudur, Kallur, Palakol and Rayachoti

⁶³ between June 2022 and December 2022

⁶⁴ Adoni, Gajuwaka, Kallur and Nuzvidu

Thus, the SR adopted value (₹ 20,000 per sq. yd.) which was less than the applicable value (₹ 29,500 per sq. yd.) and the Government agreed to recover ₹ 2.71 lakh towards Stamp duty and ₹ 0.42 lakh towards Registration fee. Further progress is awaited (January 2025).

4.3.3 Incorrect adoption of classification of land

During test check of District Registrar, Kurnool and three Sub-Registrar offices⁶⁵, Audit noticed⁶⁶, in five documents, that the rates specified for land abutting NH/SH/ZPP Road/Mandal Road in Form-III had not been considered by the registering authority though the scheduled properties of the documents had NH/SH/ZPP Road/Mandal Road as one of the boundaries which resulted in short levy of duties and fee of ₹ 51.12 lakh as detailed in *Appendix-4.16*.

Government accepted (April 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

4.3.4 Non-consideration of total extent of property in DGPA/ GPA documents

As per Article 6(B) of Schedule 1-A of IS Act, read with Government Order⁶⁷, instruments of Development agreements-cum-General Power of Attorney (DGPA) are chargeable with Stamp duty at one *per cent* on the market value (MV) of property as per MV guidelines or the estimated MV of land and complete construction made or to be made in accordance with the schedule of rates approved by the C&IGRS, whichever is higher.

As per clause (g) of Article 42 of Schedule 1-A of IS Act, read with Government Order,⁶⁸ General Power of Attorney (GPA) of immovable property given for other than family members for construction/ development or sale or transfer in any manner shall be levied at one *per cent* of the MV.

During test check⁶⁹ of records in three District Registrars and three Sub-Registrar offices⁷⁰, Audit noticed that in six documents, total extent given for DGPA/GPA had not been considered while calculating chargeable value which resulted in short levy of Stamp duty and Registration fee of ₹ 24.17 lakh as detailed in *Appendix-4.17*.

The Department accepted (March 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts.

The matter was referred to Government (February 2024); their reply has not been received (January 2025).

⁶⁵ Madanapalle, Nuzvidu and Rayachoti

⁶⁶ between June 2022 and March 2023

⁶⁷ G.O Ms. No. 581, Revenue (Registration I) Department, dated 30 November 2013

⁶⁸ G.O Ms. No. 1128, Revenue (Registration I) Department, dated 13 June 2005

⁶⁹ between August 2022 and March 2023

⁷⁰ DRs: Chittoor, Eluru and Kakinada; SRs: Kadiri, Kallur, and Kovvur

4.3.5 Non-inclusion of cost of structures while computing chargeable value

According to the C&IG Memo. No. MV1/9184/93, dated 09 June 1993, Stamp duty and Registration fee are to be levied on highest value of the following:

- i. Consideration as set forth in the document
- ii. Market value as declared by the party
- iii. Value as arrived at by the Sub-Registrar on the basis of the guidelines and schedule of rates of construction

On scrutiny⁷¹ of records in DR, Kurnool and SR, Adoni, audit noticed from the two DGPA documents that the registering authorities had not considered the cost of structures/ proposed structures in calculating the chargeable values which resulted in short levy of duties of ₹ 25.22 lakh as detailed in *Appendix-4.18*.

The Government accepted (April 2024) the audit observation and stated that steps were being taken for collection of deficit amounts.

4.4 Omission of distinct matters⁷²

Non-considering distinct matters in 33 registered documents resulted in short levy of duties of ₹ 1.07 crore.

As per Section 2(14) of IS Act, 'Instrument' is a document by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded and every instrument is chargeable with Stamp duty in accordance with the provisions of the Act.

Section 5 of the Act *ibid* states that any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under the Act.

During test check of records in DR and SR offices, Audit noticed non-consideration of the following categories of distinct matters which resulted in short levy of duties of ₹ 1.07 crore as detailed in subsequent paragraphs.

4.4.1 Distinct matter of 'Partition' in DGPAs

During test check⁷³ of eight DR offices⁷⁴ and five SR offices⁷⁵, Audit noticed that in 16 Development Agreement-cum-General Power of Attorney (DGPAs) documents, the co-owners of properties agreed to divide the developed or to be developed properties in severalty in the same DGPAs.

⁷¹ between December 2022 and March 2023

⁷² Distinct matter means Transactions which were not interdependent and stand distinctly by themselves embodied in a document

⁷³ between May 2022 and March 23

⁷⁴ **DRs:** Amalapuram, Chittoor, Kurnool, Nandyal, Narasaraopet, Nellore, Srikakulam and Visakhapatnam

⁷⁵ **SRs:** Gajuwaka, Lankelapalem, Madurawada, Nidadavole and Tanuku

The registering authorities, however did not consider the aspect of dividing joint rights into individual rights over the units of the scheduled property as a distinct matter of ‘Partition’ which resulted in short levy of ₹ 57.69 lakh as detailed in the **Appendix-4.19**.

Government replied (May 2024) that the audit observation was accepted and steps were being taken for collecting deficit amounts except in case of SR, Nidadavole wherein stated that C&IGRS vide Memo No. SI/5124/2013, dated 07 June 2013, had clarified that agreement is covered by a separate article which will not create any ownership, but only create contractual obligation for working arrangement to develop/ construct immovable property and deal with such property as GPA holder of land owners. Hence, by no means allotting separate shares to the landowners in the schedule property through the Development Agreement-cum-GPA can be classified as Development Agreement-cum-GPA with partition. Sharing developed property in a particular ratio is also one of the terms and conditions of development Agreement-cum-GPA.

The reply is not acceptable as severing joint rights and creating individual rights is beyond the scope of DGPA and should be considered as distinct matter of partition only as per the provisions of Department’s circular⁷⁶.

4.4.2 Distinct matter of ‘Release’ in Partition deeds

In accordance with Section 45 of TP Act, interest of claimants in immoveable property, in the absence of a contract to the contrary, should be similar in proportion to the contribution made into that property. In the absence of specific details, interests should be considered as equal among the claimants.

As per Article 46 (A) of Schedule I-A to the IS Act, any instrument (not being such a release as is provided for by section 23-A relating to mortgages) whereby a person renounces a claim upon another person or against any specified property is termed as ‘Release’. Stamp duty leviable in case of ‘Release’ is three⁷⁷ per cent of the consideration for such release as set forth therein or the market value of the property whichever is higher, over which claim is relinquished.

In point 6(b) of the Circular Memo No./S1/P/5860/2021, dated 02 November 2021, Department instructed to treat the excess share over legitimate share received by a family member, in case of dividing scheduled property among family members unequally, as release.

During test check⁷⁸ of two DR and three SR offices⁷⁹, Audit noticed that in six partition documents the claimants partitioned the scheduled property disproportionately thereby renounced part of their respective claim to other claimants. However, the registering authorities did not consider the distinct matter of ‘Release’ in these documents which resulted in short levy of duties of ₹ 18.68 lakh as detailed in **Appendix-4.20 (a)**.

⁷⁶ Circular Memo No: S1/5124/2013, dated 14 December 2021

⁷⁷ G.O.Ms.No.1169, Revenue (Registration-II) Department, dated 15 September 2010

⁷⁸ between May 2022 and December 2022

⁷⁹ **DRs:** Ananthapur and Srikakulam; **SRs:** Adoni, Lankelapalem and Pithapuram

Further, during test check⁸⁰ of DR, Ananthapur and two SR offices⁸¹, it was noticed that in four documents of 'Partition among family members', some of the family members received excess shares over their legitimate equal share. However, the registering authorities did not consider the distinct matter of 'Release' in these cases which resulted in short levy of duties of ₹ 13.76 lakh as detailed in **Appendix-4.20 (b)**.

Government accepted (May 2024) the audit observation and stated that steps are being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

4.4.3 Distinct matter of 'Settlement' in Partition deeds

'Settlement' as defined in Section 2(24)(b) of IS Act *inter alia* includes, any non-testamentary disposition of property of the settler among his family or those for whom he desires to provide, or for the purpose of providing for some person dependent on him. Thus, self-acquired property is to be settled by the settler and not to be partitioned.

During test check⁸² of DR, Cuddapah and four SR offices⁸³, Audit noticed that, in seven documents of partition among family members, the properties acquired by some of the claimants through sale deed/ will were transferred to the other claimants through 'Partition' instead of 'Settlement'. However, the registering authorities did not consider the distinct matter of 'Settlement' which resulted in short levy of duties amounting to ₹ 17.00 lakh as detailed in **Appendix-4.21**.

Government accepted (May 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

4.5 Non-considering the applicable chargeable values for levying duties

Non-considering the applicable chargeable values as per check-slips for levying duties resulted in short collection of duties of ₹ 64.67 lakh in 11 documents.

As per the provisions of Article 47-A of Schedule I-A to IS Act, read with Government Order⁸⁴ (November 2014), instruments of Sale are 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 value.

According to C&IG Memo. No. MV1/9184/93, dated 09 June 1993, Stamp duty and Registration fee are to be levied on highest value among the following:

- i. Consideration as set forth in the document;
- ii. Market value as declared by the party;
- iii. Value as arrived at by the Sub-Registrar on the basis of the guidelines and schedule of rates of construction.

⁸⁰ between September 2022 and November 2022

⁸¹ Kadiri and Thadipatri

⁸² between September 2022 and December 2022

⁸³ **SRs:** Adoni, Chilamathur, Thadipatri and Yemmiganur

⁸⁴ G.O.Ms No. 394, Revenue (Registration I) Department, dated 26 November 2014

As per Rules 225 and 226 of Andhra Pradesh Rules 1960 (under the Registration Act, 1908), in the process of registration of a document, a check-slip having the details of executants, claimants, nature of the document, and description of the property together with its boundaries should be handed over to the person presenting the document for verification of the details. The check-slip along with original document, after payment of deficit Stamp duty, if any, is then to be forwarded to registering authority for verification.

Rule 227 of rules *ibid* stipulates that the details of the registration check-slip and the receipt should be verified by the registering authority with reference to the original document to satisfy himself as to the compliance of the Act, Rules and standing orders and the adequacy of the Stamp duty paid.

Test of check of records⁸⁵ in one DR and two SR⁸⁶ revealed that in the process of registration of eleven documents, the registering officers had not collected the duties on the chargeable values of the documents with reference to check-slips which resulted in short collection of duties of ₹ 64.67 lakh as detailed in **Appendix-4.22**.

Government accepted (April 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

4.6 Split of sale transactions of apartments

Treating sale transactions of apartments by the registering authorities as sale of undivided portion of land and construction agreements for the structure to be built resulted in non-realisation of revenue of ₹ 26.54 lakh in six cases.

As per clause (d) of Article 47 A of Schedule I-A to Indian Stamp Act, 1899 (IS Act), if the sale of property relates to multi-unit house or apartment etc., then the provisions of Andhra Pradesh Apartment (Promotion of Construction of Ownership) Act, 1987 are applicable on such structures.

Further, Clause (b) of Section 4 of the Andhra Pradesh Apartment (Promotion of Construction and Ownership) Amendment Act, 1993 stipulates that no promoter shall transfer merely the undivided share in the land, in exclusion of the apartment and all other common area and facilities appurtenant thereto. This was reiterated by Hon'ble Supreme Court's judgement of 2011⁸⁷ that sale agreements, General power of Attorney or will transactions are not 'transfers' or 'sales' and that such transactions cannot be treated as complete transfers or conveyances and continue to be treated as existing agreements only.

Government order⁸⁸ dated 13 June 2005, made effective from 01 July 2005, specified that Stamp duty be levied on sale of flats/ apartments including semi-finished structures. The transactions of sale under Article 47-A of Schedule I-A to IS Act

⁸⁵ between July 2022 and March 2023

⁸⁶ **DR:** Kurnool, **SRs:** Gajuwaka and Kallur

⁸⁷ SLP (C) 13917 of 2009 Suraj Lamp & Industries (P) Limited Vs. State of Haryana & others

⁸⁸ G.O. Ms. No.1127, Revenue (Registration-I) Department, dated 13 June 2005

attract Stamp duty, Registration fee and Transfer duty at an aggregate rate of 7.5 per cent on the total sale consideration, whereas construction agreements under Article 6(B) of IS Act attract Stamp duty of 0.5 per cent only.

During test check⁸⁹ of records in DR Visakhapatnam and two SR⁹⁰ offices, Audit observed⁹¹ that in six cases, the vendors/ developers had got approval from authorities for construction of apartments/ residential complexes. It was also observed that the developers had subsequently executed sale of the flat constructed up to foundation level/ slab level along with construction agreements on the same day in favour of purchasers. The sale transactions were however, split into two separate transactions viz., sale of unfinished flat along with undivided share of land and construction agreements for the structure to be built.

The registering officers, could not refuse registration of these documents (sale of unfinished flat along with undivided share of land and construction agreements for the structure to be built) as these two documents were valid documents under articles 6B and 47 A of Schedule I-A of IS Act 1899.

Since construction of the structures by the developers were as per the developer/ vendor plans, it is clear that the developer/ vendor was selling the flats. Hence, the amount paid by the purchaser towards undivided share of land and cost of construction as stated in the recital is to be treated as cost of flats and Stamp duty and Registration fee was to be levied accordingly. The sale of flats had been disguised as sale of undivided land followed by construction agreements resulting in short levy of duties amounting to ₹ 26.54 lakh in six transactions as detailed in **Appendix-4.23**.

Government replied (March 2024) that the developers were entitled and empowered to sell their share to the intended purchasers, even at construction stage as there was no specific condition in their agreement to sell developer share of flats only after completion of construction and there was no bar on the registration of Sale Deeds in respect of semi constructed flats. Since, the structures were under construction the purchasers were entering into construction agreements separately for their sale deeds affecting sale of such structures, to complete the remaining portions as they were not parties to the Development agreement.

Moreover, the C&IGRS with reference to registration of constructions agreements and share of undivided interest clarified vide Memo No. MVI/8541/96 dated 15 September 1997 that the builder/ developer, not being the owner of the site, cannot execute agreement of sale. His duty is only to construct or execute the work he is entrusted with. Therefore, production of sale agreement in connection with registration of undivided share need not be insisted upon. Registration of undivided share of land must be accompanied by either construction agreement or development agreement in respect of Apartment executed by paying Stamp duty under article 6(b) of Schedule I-A of Indian Stamp Act, 1899.

⁸⁹ between July 2022 and December 2022

⁹⁰ Lankelapalem and Madurawada

⁹¹ between July 2022 and December 2022

Reply is not acceptable since no promoter shall transfer merely the undivided share in the land, in exclusion of the apartment and all other common area and facilities appurtenant thereto and as per Supreme Court judgment, agreements are not to be treated as transfers. Thus, action of the Registering Authorities to register undivided share of land in exclusion of the apartment was not in order.

4.7 Non-consideration of properties set apart for common enjoyment

Non-consideration of portion of property set apart by the claimants in 10 partition documents while calculating the value of separated shares resulted in short levy of duties of ₹ 26.02 lakh.

As per Article 40 of Schedule I-A to IS Act read with Government Order⁹², Stamp duty for partition 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 Shares (VSS)’. Further, as per Standing orders⁹³, 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 test check⁹⁴ of records in three DR and six SR offices⁹⁵, it was noticed from ten documents that portions of properties set apart by the claimants were not considered while arriving at the value of separated shares of partitioned properties which resulted in short levy of duties of ₹ 26.02 lakh as detailed in *Appendix-4.24*.

The Department accepted (March 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts.

The matter was referred to Government (February 2024); their reply has not been received (January 2025).

4.8 Short levy of duties on Gift deeds

Non-levy of transfer duty in four registered Gift deeds and non-levy of Stamp duty at prescribed rates in two registered Gift deeds resulted in non-realisation of revenue of ₹ 12.42 lakh.

Section 122 of Transfer of Property Act defined ‘Gift’ as transfer of existing movable or immovable property made by one person (donor) to another person (donee) voluntarily and without any consideration.

As per Article 29 of Schedule I-A to IS Act, Stamp duty⁹⁶ for Gift deed in favour of family members and relatives (as defined under Section 56 (2) of Income Tax Act,

⁹² G.O. Ms. No. 395, Revenue (Registration-I) Department, dated 26 November 2014

⁹³ 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

⁹⁴ between May 2022 and March 2023

⁹⁵ **DRs:** Amalapuram, Kurnool and Ongole; **SRs:** Adoni, Chintalapudi, Kadiri, Nakkapalli, Pithapuram and Prathipadu

⁹⁶ G.O. Ms. No.395, Revenue (Registration-I) Department, dated 26 November 2014

1961) is chargeable at two *per cent* on the market value of property. In other cases, the duty is chargeable at five⁹⁷ *per cent*. Further, as per Government orders⁹⁸ of April 2013, transfer duty at 1.5 *per cent* is also to be levied. In respect of Panchayats in the State, transfer duty on Gift deeds has been reduced⁹⁹ to 0.5 *per cent*.

During test check¹⁰⁰ of records in two DR and two SR offices¹⁰¹, Audit noticed that in two Gift deeds registered in DR, Cuddapah, registering authority short levied duties considering the cases as gift in favour of ‘family members’ instead of ‘other than family members’. In another four cases transfer duty was not levied. This had resulted in non-realisation of revenue of ₹ 12.42 lakh in these six cases as detailed in **Appendix-4.25**.

The Government accepted (March 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

4.9 Loss of revenue due to non-registration of compulsorily registerable documents

Non-registration of compulsory registerable documents viz., sale agreements recited in four sale deeds resulted in non-realisation of revenue of ₹ 10.50 lakh.

Under Section 17 (1) of Registration Act 1908, non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish whether in present or in future, any right, title or interest whether vested or contingent in immovable property, agreements of sale of immovable property of the value of one hundred rupees and upwards¹⁰², leases of immovable property, etc., are to be registered compulsorily. While registering the documents, prescribed duties/ fee are to be levied based on the nature of document.

As per Article 6 (B) of Schedule I-A to IS Act 1899, read with Government orders (G.O. Ms. No. 581, Revenue (Registration-1) Department, dated 30 November 2013) Stamp duty shall be levied at 0.5 *per cent* on the sale consideration or market value of property, whichever is higher for documents styled as ‘Agreements to sell immovable property’. Further, Registration fee at the rate of 0.5 *per cent* subject to a maximum of ₹ 20,000 shall also be leviable.

⁹⁷ As per SO 317, in case of Gift to Charitable institutions the duty is chargeable at half of the rate prescribed for others *i.e.*, 2.5 *per cent*

⁹⁸ 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 Panchayat Raj & Rural Development (PTS-I) Department, dated 06 April 2013

⁹⁹ G.O. Ms. No.463 of Panchayat Raj & Rural Development (PTS. 1) Department, dated 19 December 2013

¹⁰⁰ between September 2022 and January 2023

¹⁰¹ **DRs:** Ananthapur and Cuddapah; **SRs:** Gunadala and Nallapadu

¹⁰² Andhra Pradesh Amendment Act No. 4 of 1999

During test check of records (between August 2022 and March 2023) in four SR offices (*viz.*, Adoni, Jangareddigudem, Kovvur and Narsapur), Audit observed from recitals of four sale deeds that agreements to sell the immovable properties had been entered into prior to the dates of registration of the sale deeds during the years between 2019 and 2022. However, none of the above agreements was registered though they were compulsorily registerable under Section 17(1). Non-registration of above documents resulted in non-realisation of revenue amounting to ₹ 10.50 lakh as detailed in *Appendix-4.26*.

The Government accepted (March 2024) the audit observation and stated that steps were being taken for collecting the deficit amounts. Further progress is awaited (January 2025).

Vijayawada
The 21 AUG 2025


(SARAT CHATURVEDI)
Principal Accountant General (Audit)
Andhra Pradesh

Countersigned

New Delhi
The 26 AUG 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India