



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
for the period ended March 2023**



**Government of Andhra Pradesh
(Revenue Department)**

Volume-I

**Report No. 6 of 2025
(Compliance Audit - Civil)**

**Report of the
Comptroller and Auditor General of India
for the period ended March 2023**

**Government of Andhra Pradesh
(Revenue Department)
Volume-I
Report No. 6 of 2025
(Compliance Audit - Civil)**

Table of Contents

	Reference to	
	Paragraph	Page
<i>Preface</i>		iii
<i>Overview</i>		v
Chapter I – General		
About this Report	1.1	1
Audited entity profile	1.2	1
Authority for audit	1.3	4
Planning and conduct of audit	1.4	4
Response of Government to audit findings	1.5	5
Analysis of the mechanism for dealing with the issues raised by Audit on Commercial Taxes Department	1.6	7
Constraints in audit	1.7	8
Results of audit	1.8	8
Coverage of this report	1.9	9
Chapter II – Commercial Taxes		
Interest and penalty	2.1	
Non-levy of interest and penalty on belated payment of taxes	2.1.1	11
Non-levy/ short levy of penalty on under-declared tax/ delayed filing of returns	2.1.2	12
Value Added Tax (VAT)	2.2	
Short levy of tax due to incorrect determination of turnover	2.2.1	13
Allowance of excess credit than admissible	2.2.2	14
Short levy of tax due to omission of taxable turnover	2.2.3	15
Central Sales Tax (CST)	2.3	
Short levy of tax due to incorrect determination of turnover	2.3.1	15
Tax levied at lesser rate than applicable rate	2.3.2	16
Chapter III – Chief Commissioner of Land Administration		
Conversion Tax and Penalty	3.1	19

	Reference to	
	Paragraph	Page
Chapter IV – Registration & Stamps		
Follow-up audit of Performance Audit on ‘Revision and Implementation of Market Value Guidelines’	4.1	22
Misclassification of documents	4.2	
Misclassification of Mortgage deeds as Deposit of Title Deeds (DoTD)	4.2.1	38
Misclassification of instruments of ‘Settlement’ as ‘Partition’ and other misclassifications	4.2.2	39
Short collection of Registration fee on instruments creating ‘ <i>Paripassu</i> ’ charge	4.2.3	40
Undervaluation of properties	4.3	
Non-consideration of rate for main survey numbers, survey numbers mentioned in boundaries or nearest house numbers	4.3.1	41
Incorrect adoption of market value/ extent of land	4.3.2	42
Incorrect adoption of classification of land	4.3.3	43
Non-consideration of total extent of property in DGPA/ GPA documents	4.3.4	43
Non-inclusion of cost of structures while computing chargeable value	4.3.5	44
Omission of distinct matters	4.4	
Distinct matter of ‘Partition’ in DGPAs	4.4.1	44
Distinct matter of ‘Release’ in Partition deeds	4.4.2	45
Distinct matter of ‘Settlement’ in Partition deeds	4.4.3	46
Non-considering the applicable chargeable values for levying duties	4.5	46
Split of sale transactions of apartments	4.6	47
Non-consideration of properties set apart for common enjoyment	4.7	49
Short levy of duties on Gift deeds	4.8	49
Loss of revenue due to non-registration of compulsorily registerable documents	4.9	50
Appendices & Glossary		
Appendices		53
Glossary		83

Preface

This Report of the Comptroller and Auditor General of India for the period ended March 2023 is prepared for submission to the Governor of Andhra Pradesh under Article 151 of the Constitution of India for being laid before the State Legislature.

The Report contains significant results of Compliance Audit of Department of Revenue, *viz.*, Commercial Taxes, Registration & Stamps and Chief Commissioner of Land Administration of the Government of Andhra Pradesh. Observations relating to Goods and Services Tax Act, 2017, are featured in a separate Audit Report.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2022-2023 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2022-2023 have also been included, wherever found necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

Overview

Chapter-I of the Report presents the details about profile of the audited entities, authority for audit, planning and conduct of audit, response of Departments concerned with audit findings and summary of coverage of this Report. This Report contains 25 paragraphs (including follow up of the extent of implementation of recommendations made by Audit in the Performance Audit Report on 'Revision and Implementation of Market Value Guidelines' relating to Registration & Stamps Department) involving revenue impact of ₹ 29.51 crore. Major audit findings are mentioned below:

I General

- The system for addressing the issues highlighted in the Inspection Reports (IRs)/ Audit reports in respect of revenue generating departments is reviewed in audit every year. On a review of outstanding audit observations of Commercial Taxes Department, at the end of September 2023, 1588 IRs / 5,855 paragraphs having money value of ₹ 1,954.30 crore could not be settled. During the year 2022-23, one departmental audit committee meeting was conducted and 222 paragraphs involving ₹ 37.15 crore were settled/ dropped.

Government needs to evolve a mechanism for expeditious settlement of outstanding audit observations.

(Paragraphs 1.6 and 1.5.5)

- Audit test-checked records in 139 units during the year 2022-23, out of 1,324 units under three Departments (*viz.*, Commercial Taxes, Registration and Stamps, Chief Commissioner of Land Administration). During 2022-23, the Departments accepted under assessments and other deficiencies having money value of ₹ 30.62 crore in 596 cases and an amount of ₹ 15.78 crore was realised in 340 cases.

(Paragraph 1.8)

II Commercial Taxes

- Assessing Authorities did not levy interest and penalty amounting to ₹ 4.70 crore on belated payment of taxes/ demands raised by the Department in respect of 87 dealers.

(Paragraph 2.1.1)

- Incorrect determination of Central Sales Tax turnover resulted in short levy of tax amounting to ₹ 1.40 crore in nine cases.

(Paragraph 2.3.1)

- Non-compliance with the provisions relating to penalty in cases of delayed filing of returns/ under-declaration of tax in six Value Added Tax cases resulted in non-levy/ short levy of penalty amounting to ₹ 0.94 crore.

(Paragraph 2.1.2)

- Non-considering the portion of advances while assessing taxable turnover resulted in short levy of tax of ₹ 40.10 lakh.

(Paragraph 2.2.3)

III Chief Commissioner of Land Administration

- Payment of Conversion tax at less than the prescribed rate and non-collection of penalty in the cases of deemed conversions resulted in non-realisation of revenue of ₹ 5.82 crore in 23 cases.

(Paragraph 3.1)

IV Registration & Stamps

Follow up on Performance Audit of 'Revision and Implementation of Market Value Guidelines'

- A Performance Audit (PA) on 'Revision and Implementation of Market Value Guidelines' covering the period 2012-15 was featured in the Report of the Comptroller and Auditor General (CAG) of India (Report No.7 of 2016) for the year ended March 2016. Six recommendations were issued to the Government by the CAG and the Government accepted (October 2016) all the recommendations.

A follow up Audit covering the period from 2020-21 to 2022-23 was conducted to assess the extent of implementation of the recommendations.

The status of implementation of the six recommendations was categorised into three categories as 'Insignificant or no progress in implementation', 'Partially implemented' and 'significant progress in implementation' as detailed below:

Insignificant or no progress in implementation

C&AG's Recommendations:

- 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.
- Analyse the reasons for variation between the approved market values and the price realised in open market and initiate steps to minimise the gaps.

Findings in follow-up audit and present status:

Formulation of specific mechanism/ procedure for valuation of properties with proper documentation in accordance with the C&AG's recommendation was not found during scrutiny of records in the sampled units.

Audit analysis revealed that the variation between existing values and proposed values wherever included (in 22 out of 42 sampled units) in the market value forms was up to 1,500 per cent. However, in the absence of specific mechanism/ procedure for valuation of properties with proper documentation, Audit could not get any assurance on the revised market values finalised by the Market Value Committees.

Recommendations partially implemented

C&AG's recommendation: Ensure that the Market Value revision committees obtain required data from Revenue and other departments.

Findings in follow-up audit and present status:

- We observed from the minutes of the Market Value Committees, made available in 33 (out of 42) sampled units, that the market values of the properties were stated to be revised/ finalised duly considering various details about conversion of lands from agriculture to non-agriculture purposes, lands abutting roads, commercial door numbers and prevailing market values. However, none of the sampled offices provided evidence to Audit about availability of all requisite details with the offices.

C&AG's recommendation: Make a provision in Computer aided Administration in Registration Department (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.

Findings in follow-up audit and present status:

- Audit observed that there was provision for comparison of consideration and market value of the documents 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 during scrutiny of transactions relating to the audit coverage period *i.e.*, 2020-2023.
- In two cases, the registering authorities considered lesser value (₹ 17,500 per sq. yd.) than the market value (₹ 22,000 per sq. yd.) considered in previous transaction of the property.
- During test-check of documents, Audit further noticed that there were instances of non-adoption of applicable market values based on classification of land while arriving at chargeable value for levy of stamp duty.

C&AG'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.

Findings in follow-up audit and present status:

- In nine cases, the market value of properties was depicted as '0' or '1' in the check-slips generated by CARD. In these cases, however, the value adopted by the registering authorities was found to be lesser than the applicable rates as per market value guidelines which indicate absence of alert mechanism in CARD system and non-verification of details by the concerned authority.

- In 20 cases, the registering authorities considered lesser values/ rates than those applicable to the properties mentioned in the documents with respect to market values fixed by the Market Value committees.

Significant progress in implementation

C&AG's recommendation: Ensure greater scrutiny of documents where manual entries were made to prevent wrong entries.

Findings in follow-up audit and present status:

Out of 42 sampled units, audit noticed that in nine DR/ SR offices manual entries were made in 2,135 (out of 9,151) check-slips. Of these, market value entries in 123 cases, 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 were not made available to Audit for verification.

(Paragraph 4.1)

- Misclassification of documents like 'Mortgage Deeds' as 'Deposit of Title Deeds', 'Settlement Deeds' as 'Partition Deeds' etc., resulted in short levy of duties amounting to ₹ 8.35 crore in 32 registered documents.

(Paragraph 4.2)

- Deviation from valuation procedures for properties *i.e.*, adopting incorrect rate/ market value/ extent of land etc., resulted in short levy of duties of ₹ 2.67 crore in 30 registered documents.

(Paragraph 4.3)

- Omission of distinct transactions like 'partition' in Development-cum-General Power of Attorney agreements, 'Release' in partition deeds and 'Settlement' in partition deeds resulted in short levy of duties of ₹ 1.07 crore in 33 registered documents.

(Paragraph 4.4)

- Registering authorities did not consider chargeable values in accordance with those depicted in the check-slips generated in CARD system for levying duties which resulted in short collection of duties of ₹ 64.67 lakh in 11 documents.

(Paragraph 4.5)

CHAPTER I
GENERAL

CHAPTER I GENERAL

1.1 About this Report

This Report contains significant audit findings pointed out in the compliance audit of Departments of Commercial Taxes Department, Chief Commissioner of Land Administration (CCLA) and Registration & Stamps under Revenue Department. Audit has been conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Compliance Audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material respects with applicable laws, rules, regulations, established codes, *etc.*, and general principles governing sound public financial management and the conduct of public officials.

The primary purpose of this Report is to bring significant audit observations to the notice of the State Legislature. The audit observations are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management of organisations and contribute to better governance.

The audit observations in this Report are based on the results of test check of records made available to Audit by the Government Departments concerned.

This Report contains four chapters. Chapter-I presents the details about profile of the audited entities and the summary of fiscal transactions during the year 2022-23 and also authority for audit, planning and conduct of audit, response of Departments concerned to audit findings and summary of coverage of this Report. Chapter II contains compliance audit observations relating to Commercial Taxes Department and Chapter III relates to CCLA of Revenue Department and contains Land Revenue related observations. Chapter IV includes observations relating to Registration & Stamps Department and also contains observations noticed during follow-up audit on the implementation of recommendations made in the Performance Audit of 'Revision and Implementation of Market Value Guidelines'.

1.2 Audited Entity Profile

The audited entities¹ in the State at the Secretariat level are headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries and assisted by Directors/ Commissioners and subordinate officers.

¹ Commercial Taxes, Registration & Stamps and CCLA under Revenue Department

1.2.1 Functions of the audited entities:

Commercial Taxes	<ul style="list-style-type: none"> Commercial Taxes Department is responsible for assessment and enforcement of collection of taxes under Goods and Services Tax (GST) Act 2017, AP Value Added Tax (VAT) Act 2005, Central Sales Tax (CST) 1956, AP Professions, Trades, Callings and Employment Act 1987 and AP Tax on Entry of Motor Vehicles into Local Area Act, 1996. The Department also deals with registration of dealer under GST Act and refunds of Input Tax Credit under AP VAT and GST Acts.
Registration & Stamps	<ul style="list-style-type: none"> Registration & Stamps Department is primarily entrusted with registration of documents and is responsible for determining and collecting stamp duty and registration fees on registration of various documents/ instruments by the general public. The Department also enforces administration of the Indian Stamp (IS) Act, 1899 and the Registration Act, 1908, as amended from time to time and rules framed therein.
CCLA (Land Revenue)	<ul style="list-style-type: none"> Land Revenue related aspects come under the purview of Chief Commissioner of Land Administration (CCLA). This office of Revenue Department is responsible for alienation, acquisition and conversion of lands and for collecting revenue arising thereon. It is also responsible for maintenance, updation and protection of land revenue records. The Department also decides on policy matters and administers several Acts and Rules pertaining to land and civil administration in the State.

1.2.2 Summary of Fiscal transactions

Revenue receipts of the State comprises (a) Tax Revenue (b) Non-Tax Revenue (c) State's share of Union Taxes and (d) Grants-in-aid. Mobilisation of resources under Tax Revenue and Non-Tax revenue are detailed below:

A. Own Tax Revenue

Own tax revenues of the State consist of State Goods and Services Tax (SGST), State Excise, Taxes on vehicles, Stamp Duty and Registration Fees, Land revenue, Taxes on goods and passengers, etc. During 2022-23, Own Tax Revenue was ₹ 78,026 crore which constituted 49.46 per cent of Revenue Receipts (₹ 1,57,768 crore). SGST was the major contributor to Own Tax Revenue with a share of 35.86 per cent. The major taxes and duties which contributed to Own Tax Revenue during the period 2018-19 to 2022-23 are shown in **Table-1.1**.

Table-1.1: Components of State's Own Tax Revenue

Head of receipt	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
State Goods and Services Tax (SGST)	20,611	20,227	18,872	23,809	27,981
Taxes on Sales, trades etc.	21,914	21,410	17,800	20,808	18,004
State Excise	6,220	6,915	11,575	14,703	14,798
Taxes on Vehicles	3,341	3,279	2,966	3,433	4,320
Stamp duty and Registration fees	5,428	5,318	5,603	7,635	8,022
Land Revenue	57	21	143	50	110
Taxes on Goods and Passengers	26	36	25	1	12
Other Taxes ²	434	395	425	540	4,779
Total	58,031	57,601	57,409	70,979	78,026

Source: Finance Accounts of respective years

² Other Taxes include Taxes on Immovable Property other than Agricultural Land, Taxes and Duties on Electricity and Agricultural Income, Other Taxes and Duties on Commodities and Services

B. Non-Tax Revenue

Non-tax revenue includes receipts from services rendered and supplies made by various Departments of Government and interest receipts. During 2022-23, the non-tax revenue of ₹ 5,417 crore constituted 3.43 *per cent* of the total revenue receipts (₹ 1,57,768 crore). The composition of non-tax revenue during the period 2018-19 to 2022-23 is detailed in **Table-1.2**.

Table-1.2: Composition of Non-Tax Revenue

(₹ in crore)					
Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23
Interest Receipts	50	37	24	20	9
Dividends & Profits	1	4	0	6	2
Other Non-tax receipts	4,345	3,274	3,371	4,991	5,406
a) Road Transport	0	0	0	0	978
b) Miscellaneous General Services	138	158	236	141	308
c) Police	225	212	206	190	241
d) Non-Ferrous Mining & Metallurgical Industries	2,211	1,897	2,256	2,983	3,024
Total	4,396	3,315	3,395	5,017	5,417

Source: Finance Accounts of respective years

During 2022-23, Non-Ferrous Mining & Metallurgical Industries (₹ 3,024 crore); Road Transport (₹ 978 crore), Miscellaneous General Services (₹ 308 crore) and Police (₹ 241 crore) were the major contributors to Non-Tax revenue for the year 2022-23. The increase in receipts under Road Transport (MH 1055) was due to remittance of State Government's share of transport revenue of ₹ 978.17 crore by Andhra Pradesh State Road Transportation Corporation.

A summary of the fiscal transactions of the audited entities featured in this Audit Report, *viz.*, Commercial Taxes, Stamps and Registration and Land Revenue Department during the year 2022-23 as compared with previous year is given in **Table-1.3**.

Table-1.3: Summary of fiscal transactions during 2022-23 of the audited departments

(₹ in crore)							
2021-22	Receipts	2022-23	Percentage change over 2021-22	2021-22	Disbursements	2022-23	Percentage change over 2021-22
Revenue receipts				Revenue expenditure			
23,809.45	State Goods & Services Tax (SGST)	27,981.20	17.52	342.70	Commercial Taxes	395.71	15.47
20,808.08	Taxes on Sales, Trade etc.,	18,004.36	-13.48				
7,635.21	Stamps and Registration	8,022.49	5.07	171.87	Stamps and Registration	209.88	22.12
49.97	Land Revenue	109.76	119.65	83.05	Land Revenue	117.55	41.54

Source: Finance Accounts of respective years; **Note:** Cost of collection for both the heads SGST and Taxes on Sales, Trade, etc., is under one head of account i.e., MH2040

Receipts from Taxes on Sales, Trade etc. (MH 040) decreased, from ₹ 20,808 crore in 2021-22 to ₹ 18,004 crore in 2022-23 (-13.48 *per cent*), mainly due to decrease in receipts under 'VAT on Foreign Liquor and Spirits' by ₹ 3,583.23 crore. This was due

to rationalisation of VAT on liquor by the State Government³. The issue is discussed in detail in CAG's Report on the State Finances for the period 2022-23 (**Report No.2 of 2024**). The significant increase in receipts under Land Revenue (MH 0029) was primarily due to amount realised on alienation of lands on outright sale basis to Solar Energy Companies.

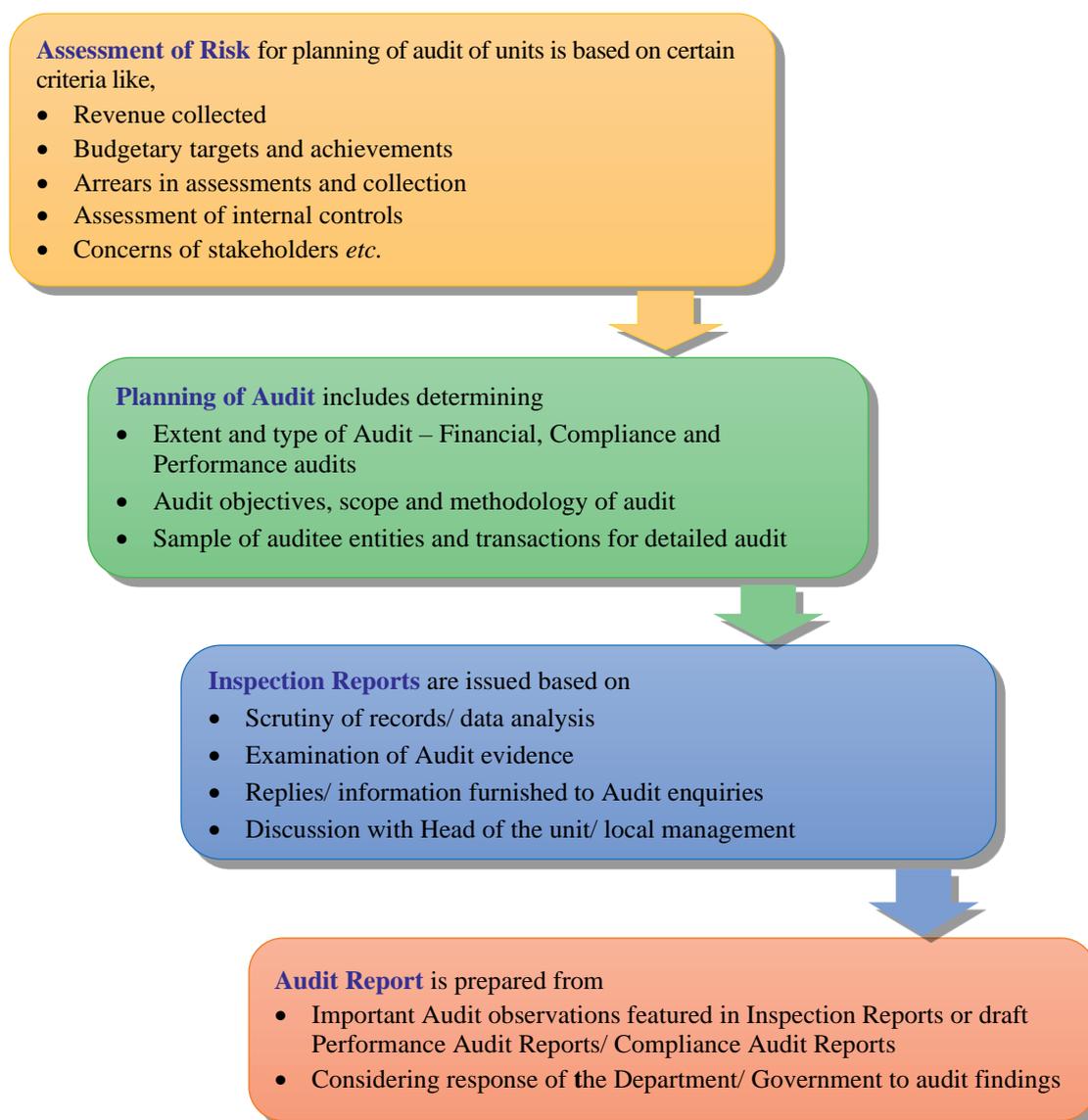
1.3 Authority for audit

The Comptroller and Auditor General of India (CAG) derives authority for audit from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act).

1.4 Planning and conduct of audit

The following flowchart depicts the process of planning and conduct of audit and preparation of Audit Reports:

Figure-1.1: Planning, conduct of audit and preparation of Audit Reports



³ G.O. Ms. No. 312, Revenue (CT-II) Department, dated 09 November 2021

The Report so prepared would be submitted to the Governor of Andhra Pradesh for causing it to be laid in the State Legislature.

After completion of audit of each unit, an Inspection Report (IR) containing audit findings is issued to the Head of the Unit with a request to furnish replies within one month of receipt of the IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in Government, are processed for inclusion in the Audit Reports. These Audit Reports are submitted to the Governor of Andhra Pradesh under Article 151 of the Constitution of India for causing them to be laid on the table of State Legislature.

During the year 2022-23, audit of 139 units⁴ out of total 1,324 auditable units were conducted. For the compliance audit on Market Value Guidelines (MVG), documents were test-checked in 42 (out of 321) offices.

1.5 Response of Government to audit findings

1.5.1 Response to audit observations

All Departments are required⁵ to send their responses to draft audit paragraphs proposed for inclusion in CAG's Report within six weeks of their receipt. During the year 2022-23, total 37 draft compliance audit paragraphs including follow-up on Performance Audit of 'Revision and Implementation of Market Value Guidelines' were forwarded to the Secretaries of the Departments⁶ concerned, drawing their attention to the audit findings and requesting them to send their response within the stipulated time limit. Reminders were also issued for obtaining responses to the draft paragraphs between December 2023 and March 2024. It was brought to their personal attention that these paragraphs were likely to be included in the Audit Report of the CAG of India, which would be placed before the State Legislature, and it would be desirable to include their comments/ responses to the audit findings.

Government/ Department replies to 31 compliance audit paragraphs of Registration & Stamps and Commercial Taxes Department including follow-up audit on 'Revision and Implementation of Market Value Guidelines' were received. Response for the remaining six draft paragraphs⁷ have not been received (January 2025). The responses of the Government have been appropriately incorporated in the Report.

1.5.2 Response to previous Inspection Reports

Heads of Offices and next higher authorities are required to respond to the observations contained in Inspection Reports (IRs) and take appropriate corrective action. Audit observations communicated in IRs are also discussed at periodical intervals in meetings at District/ State levels by officers of the Pr. Accountant General's office with officers of the Departments concerned.

⁴ Commercial Taxes (17), Registration & Stamps (60) and CCLA (62)

⁵ As per paragraph 4.7 of Finance Department's Handbook of Instructions

⁶ Commercial Taxes (14), Registration & Stamps (21) and CCLA (2)

⁷ Commercial Taxes (2), Registration & Stamps (2) and CCLA (2)

A review of IRs issued up to March 2023 pertaining to three Departments⁸ showed that 11,360 paragraphs relating to 3,927 IRs involving money value of ₹ 2,772.42 crore were outstanding at the end of September 2023 which are detailed in **Table-1.4**. Of these, 2,529 IRs (64.40 per cent) containing 5,024 paragraphs valuing ₹ 854.73 crore are outstanding for more than 10 years. Even the first replies which were to be furnished within one month by Heads of offices concerned, have not been received (December 2024) in respect of 97 IRs issued during 2022-23.

Table-1.4: Department-wise details of IRs

Sl. No.	Department	Number of outstanding IRs	Number of outstanding Paragraphs	Money value involved (₹ in crore)
1.	Commercial Taxes	1,591	5,813	1,926.34
2.	Registration & Stamps	1,589	4,371	363.84
3.	Chief Commissioner of Land Administration (land revenue related)	747	1,176	482.24
	Total	3,927	11,360	2,772.42

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

It is pertinent to mention that Government had issued orders⁹ for expeditious settlement of outstanding audit objections and pending IRs and requested all the departmental secretariats and Heads of Departments to follow the guidelines scrupulously.

Lack of necessary action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process.

Recommendation

Government should ensure prompt and appropriate response to audit observations, take action against those failing to furnish replies to the IRs/ paragraphs as per the prescribed time schedules as well as monitor and follow-up on the audit observations.

1.5.3 Response of Government to audit paragraphs that featured in earlier Audit Reports

Administrative Departments are required to submit Explanatory Notes (ENs) on paragraphs and reviews included in Audit Reports within three months¹⁰ of their presentation to State Legislature duly indicating action taken or proposed to be taken.

Reports of the Comptroller and Auditor General of India on the Departments¹¹ contained 148 paragraphs for the years from 2014-15 to 2019-21. These Audit Reports were placed before the State Legislative Assembly between March 2014 and March 2024. Explanatory Notes in respect of 65 paragraphs¹² have not been received (January 2025).

⁸ Commercial Taxes, Registration & Stamps and CCLA

⁹ G.O. Ms. No.534 of Finance (PAC) Department, dated 28 June 2004

¹⁰ As per Para 5.2 of Finance Department's handbook of instructions

¹¹ Commercial Taxes (70), Registration & Stamps (40) and CCLA (38)

¹² Commercial Taxes (8), Registration & Stamps (36) and CCLA (21)

1.5.4 Response of Government to recommendations of the Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU)

Legislature ensures financial accountability of the Executive primarily through the mechanism of PAC/ COPU discussion of Audit Reports and their recommendations.

Government instructed¹³ that all the Departments/ Public Sector Undertakings (PSUs) should furnish Action Taken Notes (ATNs) on PAC/ COPU recommendations to the respective committees and Accountant General within six months from the date of receipt. All such ATNs have to be routed through the Finance Department and copies thereof to the Accountant General.

Action Taken Notes on 48 PAC recommendations relating to three Departments were due as of January 2025. Of these, 11 recommendations pertain to Andhra Pradesh exclusively and 37 pertain to the composite State of Andhra Pradesh and Telangana.

1.5.5 Departmental Audit Committee Meetings

State Government sets up Audit Committees to monitor and expedite the progress of the settlement of paragraphs in the IRs. During the year 2022-23, one audit committee meeting relating to Commercial Taxes Department was conducted wherein 222 paragraphs involving money value of ₹ 37.15 crore were settled/ dropped.

1.6 Analysis of the mechanism for dealing with the issues raised by Audit on Commercial Taxes Department

The system for addressing the issues highlighted in the IRs/ Audit reports in respect of one of the revenue generating departments is reviewed in audit every year. During the year 2022-23, action initiated by Commercial Taxes Department was reviewed to assess the action taken on the cases detected in local audit during 2018-19 to 2022-23.

The summarised position of the IRs and paragraphs relating to Commercial Taxes Department included in these IRs and their status at the end of March 2023 are detailed in **Table-1.5**.

Table-1.5: Position of Inspection Reports (IRs)

Year	Opening balance			Additions during the year			Clearance during the year			Closing balance		
	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)
2018-19	1611	6465	1637.46	57	696	129.88	5	510	40.06	1663	6651	1727.28
2019-20	1663	6651	1727.28	41	441	82.63	0	0	0	1704	7092	1809.91
2020-21	1704	7092	1809.91	29	390	108.54	1	108	2.79	1732	7374	1915.66
2021-22	1732	7374	1915.66	2	23	11.75	2	639	62.37	1732	6758	1865.04
2022-23	1732	6758	1865.04	21	220	231.57	165	1123	142.31	1588	5855	1954.30

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

¹³ Government of Andhra Pradesh U.O. Note No. 1576-A/32/PAC/95, dated 17 May 1995

It can be seen from the table above that 173 IRs and 2,380 Paragraphs were cleared during the period 2018-19 to 2022-23. There has been net decrease of 23 IRs and 610 Paragraphs; and net increase of money value amounting to ₹ 316.84 crore at the end of March 2023 with reference to the amount involved in the audit observations made during the five-year period i.e., 2018-23.

Recommendation

Government needs to ensure implementation of guidelines issued¹⁴ for expeditious settlement of outstanding audit objections.

1.7 Constraints in audit

The programme of local audit of sampled units is drawn up sufficiently in advance. Intimations are issued, usually one month before the commencement of audit, to the Departments concerned to enable them to keep the relevant records ready for audit scrutiny.

During the year 2022-23, the audited entities of the three Departments did not produce crucial/ documents/ records like Survey and Establishment charges registers, DCB registers, month-wise receipts/ expenditure details, treasury bill register, budget details, land conversion related records, contingent registers, stamps sales/ stock registers, VAT audit files of dealers and internal audit records.

Non-production of records hinders efficacy of audit and results in inability to verify accuracy of revenue collections and expenditure.

Recommendation

Government may issue suitable instructions to the Heads of the Departments concerned for timely production of all relevant records for audit scrutiny to ensure better transparency and accountability.

1.8 Results of Audit

Position of local audit conducted during the year 2022-23: Audit test-checked records in 139 units during the year 2022-23 out of 1,324 units relating to the three Departments. Under assessment/ short levy/ loss of revenue observed by Audit in test check of these units, deficiencies accepted, and the amounts realised by the Departments are detailed in **Table-1.6**.

Table-1.6: Results of Audit

(₹ in crore)

Department	Under assessments / other deficiencies observed		Under assessments / other deficiencies accepted		Under assessments / other deficiencies realised	
	No. of cases	Money Value	No. of cases	Money Value	No. of cases	Money Value
Commercial Taxes	170	53.73	520	29.40	264	14.56
Registration & Stamps	467	23.43	76	1.22	76	1.22
CCLA	95	17.99	0	0	0	0
Total	732	95.15	596	30.62	340	15.78

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

¹⁴ G.O. Ms. No. 534, Finance (PAC) Department, dated 28 June 2004

During 2022-23, the Departments accepted under assessments and other deficiencies having money value of ₹ 30.62 crore in 596 cases, of which 590 cases involving ₹ 30.46 crore were pointed out in earlier years. Further, an amount of ₹ 15.78 crore was realised in 340 cases during the year 2022-23. Of this, recovery of ₹ 15.76 crore in 337 cases was related to previous years.

1.9 Coverage of this report

This Report contains 25 paragraphs selected from audit observations made during the local audit referred to above and during earlier years (which could not be included in earlier reports), including follow-up of Performance Audit on 'Revision and Implementation of Market Value Guidelines' involving financial effect of ₹ 29.51 crore. The Departments/ Government have accepted the deviations involving ₹ 19.43 crore. Audit observations are detailed in the succeeding Chapters.

Most of the audit observations are of a nature that may reflect similar errors/ omissions in other units of the State Government Departments but were not covered in the test check. The Departments/ Government may therefore like to internally examine all other units with a view to ensure that they are functioning as per extant rules.

CHAPTER II
COMMERCIAL
TAXES

CHAPTER II

COMMERCIAL TAXES

Audit of Commercial Taxes Department was conducted through a test check of the assessment files and other related records in 17 (11 *per cent*) of 159 offices during 2022-23, to gain assurance that the taxes were assessed, levied, collected and accounted for in accordance with the relevant Acts, Codes and Manuals, and the interests of the Government are safeguarded. Audit brought out instances of deviations/ non-compliance with relevant Acts/ Codes/ Manuals leading to under assessment of VAT in 170 cases having money value of ₹ 53.73 crore, for reasons like non-levy of interest and penalty on belated payments of tax and under-declaration of tax, short levy of tax due to incorrect determination of turnover/ incorrect application of tax rate *etc.*

This Chapter contains seven paragraphs involving money value of ₹ 7.72 crore and the Department/ Government had accepted audit observations involving ₹ 3.55 crore. Audit findings are detailed in succeeding paragraphs.

2.1 Interest and penalty

2.1.1 Non-levy of interest and penalty on belated payment of taxes

Assessing Authorities did not levy interest and penalty amounting to ₹ 4.70 crore on belated payment of taxes / demands raised by the Department in respect of 87 dealers.

As per Section 51 (1) of AP VAT Act, 2005, where a dealer who fails to pay tax due on the basis of the return submitted by him by the last day of the month in which it is due, he shall be liable to pay tax and a penalty of 10 *per cent* of the amount of tax due.

Section 22 (2) of the Act stipulated that if any dealer fails to pay the tax due on the basis of return submitted by him or fails to pay any tax assessed or penalty levied or any other amount due under the Act, within the time prescribed or specified there for, he shall pay, in addition to the amount of such tax or penalty or any other amount, interest calculated at the rate of 1.25 *per cent* per month for the period of delay from such prescribed or specified date for its payment.

Further, as per Section 9 (2) of Central Sales Tax (CST) Act, 1956, all provisions relating to due dates for payment of tax and applicable penalty/ interest for late payment of such tax, envisaged in the general sales tax law of each State are applicable in the cases of delayed payment of taxes under CST Act.

During test check (between February 2022 and April 2023) of monthly returns in 11 Circles¹⁵, Audit observed that the assessing authorities (AA) did not levy interest

¹⁵ Adoni-II (2), Anakapalli (4), Ananthapuramu-I (17), Chittoor-I (3), Gajuwaka (23), Kurnool-I (12), Nandyal-II (5), Parvatipuram (1), Puttaparti (4), Steel Plant (4) and Tadipatri (12)

and penalty on belated payment of taxes/ demands raised by the department in 87 cases¹⁶ which resulted in non-realisation of revenue of ₹ 4.70 crore (interest: ₹ 3.07 crore and penalty: ₹ 1.63 crore).

On this being pointed out, Government replied (March and August 2024), in 80 cases, that demands were taken in to Debt Management Unit (DMU). Reply in respect of remaining seven cases¹⁷ had not been received (January 2025).

2.1.2 Non-levy/ short-levy of penalty on under-declared tax/ delayed filing of returns

Non-compliance with the provisions relating to penalty in cases of delayed filing of returns/ under-declaration of tax in six VAT cases resulted in non-levy/ short levy of penalty amounting to ₹ 0.94 crore.

As per Section 50 (3) of AP VAT Act, 2005, where a dealer files a return after the last day of the month in which it is due he shall be liable to pay a penalty of 15 *per cent* of the tax due.

Section 53 (1) of APVAT Act, 2005, stipulated that where any dealer has under-declared tax and where it has not been established that fraud or willful neglect has been committed and where under-declared tax is less than 10 *per cent* of the tax, a penalty shall be imposed at 10 *per cent* of such under-declared tax, and if more than 10 *per cent* of the tax due, a penalty shall be imposed at 25 *per cent* of such under-declared tax.

Rule 25 (8) of APVAT Rules, 2005, specified that for the purpose of Section 53, the tax under-declared in respect of input tax means the excess of input tax claimed over and above the input tax actually entitled to be claimed in the return for a particular tax period. The tax under-declared in respect of output tax means the difference between output tax actually chargeable and the output tax actually declared in the return.

Further, as per the provisions of Rule 17 of the APVAT Rules, 2005, the taxpayers of works contracts are to submit TDS details along with the tax return.

During test check (between February and June 2022) of VAT assessment records in three circles¹⁸, covering the period 2013-14 to 2017-18 (up to 30 June 2017), we noticed that in six cases the AAs did not levy penalty of ₹ 0.94 crore as shown in **Table-2.1**.

¹⁶ Belated payment of tax (78 cases) and delay in payment of demand raised by Department (9 cases)

¹⁷ Gajuwaka (2) and Nandyal-II (5)

¹⁸ Gajuwaka (3), Nellore-I (2) and Suryabagh (1)

Table-2.1: Non-levy/ short levy of penalty under VAT

Issue	Circle (No. of cases)	No. of cases	Penalty levied	Amount of penalty not levied/ short levied (₹ in crore)
Delayed filing of returns	Nellore-I (2)	2	--	0.05
Under-declaration of tax	Gajuwaka (2) Suryabagh (1)	3	-- 0.16	0.73 0.08
Excess claim of input tax credit (ITC)	Gajuwaka (1)	1	--	0.08
Total		6	0.16	0.94

Source: Records of test-checked units

On this being pointed out, the AAs stated (March/ May 2023 and January 2024) in four cases¹⁹ that penalty amounting to ₹ 20.99 lakh was levied/ taken to DMU. Details of action taken in the remaining cases had not been received (January 2025).

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

2.2 Value Added Tax (VAT)

2.2.1 Short levy of tax due to incorrect determination of turnover

Incorrect determination of turnover in two cases resulted in short levy of tax amounting to ₹ 6.48 lakh.

As per Rule 25 (10) of AP VAT Rules, 2005, every VAT dealer shall furnish, for every financial year, to the prescribed authority, the statements of Manufacturing/ Trading account, Profit and Loss Account, Balance Sheet and Annual Report duly certified by a Chartered Accountant on or before the 31st day of December subsequent to the financial year to which the statements relate.

Section 4(8) of AP VAT Act, 2005, stipulated that every VAT dealer who transfers the right to use goods taxable under the Act for any purpose whatsoever, whether or not for a specified period, to any lessee or licensee for cash, deferred payment or other valuable consideration, in the course of his business shall, on the total amount realized or realizable by him by way of payment in cash or otherwise on such transfer or right to use such goods from the lessee or licensee, pay a tax for such goods at the rate specified in the schedule.

During test check (March 2023) of records in Tadipatri circle, Audit observed that in two cases the assessing authority had not considered the turnover declared in the returns / P&L account and had not reviewed the income received from other sources in the assessment orders which resulted in short levy of tax of ₹ 6.48 lakh in these cases.

¹⁹ Gajuwaka (2) and Nellore-I (2)

On this being pointed out, the Government replied (March 2024) that effectual/revision orders have been issued to the dealers. Further progress is awaited (January 2025).

2.2.2 Allowance of excess credit than admissible

Assessing authority had allowed excess credit of ₹ 6.20 lakh than admissible to a taxpayer.

As per Rule 25 (5) of APVAT Rules, 2005, where any VAT return filed by the VAT dealer appears to the authority prescribed to be incorrect or incomplete, the authority shall assess the tax payable to the best of his judgment.

Section 53 (3) of APVAT Act, 2005, prescribed levy of penalty equal to the tax under-declared in case of willful neglect in declaration of tax by the dealer.

Further, as per Rule 25 (8) (a) (b) of APVAT Rules, 2005, for the purpose of Section 53, the tax under-declared in respect of (a) input tax means the excess of input tax claimed over and above the input tax actually entitled to be claimed in the return for a particular tax period; (b) output tax means the difference between output tax actually chargeable and the output tax declared in the return for a particular tax period.

During test check (June 2022) of records in Daba Gardens circle, while assessing the turnover of a dealer, for the period from July 2013 to June 2017, the Assessing Authority (AA) assessed the turnover and arrived at tax payable amount as ₹ 1,284. Considering the dealer's explanation, refund amount of ₹ 5.07 lakh as of March 2013 and refund of ₹ 1.74 lakh mentioned in the consequential order (August 2015) aggregating to ₹ 6.81 lakh was adjusted (₹ 3.68 lakh towards output tax and ₹ 3.13 lakh through transitional credit) while computing the tax payable amount.

Audit, however, from the assessment orders observed that the available excess credit for the dealer was only ₹ 61,014. Instead, the AA allowed ₹ 6.81 lakh which resulted in excess credit of ₹ 6.20 lakh.

In response, the Department replied (March 2024) that the excess credit allowed by the assessing authority is found to be correct. Further, the Assessment Order No. 108268, dated 31 March 2018 and penalty order dated 31 May 2018 are barred by limitation of time to take up revision under Section 32 of APVAT Act 2005.

The reply is not acceptable since both the initial assessment order (No. 6851 dated 27 January 2014) and the consequential order (dated 07 August 2015) had covered the period from 2010-11 to 2013-14 (up to June 2013) and considered all the input and output details. Thus, allowing the refund claimed by the dealer up to the end of March 2013 in the assessment made in 2018 was not justifiable as previous assessments covered the period up to June 2013.

Regarding limitation of time, Hon'ble Supreme Court in its judgement²⁰ excluded the period from 15 March 2020 to 28 February 2022 (*i.e.*, more than 23 months) for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings. Thus, in the instant case the extended period of limitation was up to February 2024. Audit brought to the notice of the Circle and Department about the lapse in June and December 2022 respectively. Despite availability of more than 14 months period, revision was not carried out by the Department.

The matter was referred to the Government (March and April 2024); their reply has not been received (January 2025).

2.2.3 Short levy of tax due to omission of taxable turnover

Non-consideration of the portion of advances while assessing taxable turnover resulted in short levy of tax of ₹ 40.10 lakh.

As per Section 4(7)(d) of APVAT Act, 2005, any dealer engaged in construction and selling of residential apartments, houses, buildings, or commercial complexes may opt to pay tax by way of composition at the rate of five *per cent* of 25 *per cent* of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher.

Audit test-checked VAT Assessment files of China Waltair circle and observed (in February 2022) that a dealer engaged in the business of construction of apartments had received advances from the customers amounting to ₹ 31.41 crore as on 31 March 2017. The taxpayer also received an amount of ₹ 0.67 crore as interest from advances. These amounts were however not considered in the assessment order No. 137307 dated 19 November 2018. Thus, this amount was not included in the tax computation which resulted in short levy of tax of ₹ 40.10²¹ lakh.

On this being pointed out, Government replied (February 2024) that revision orders were passed. Further progress is awaited (January 2025).

2.3 Central Sales Tax (CST)

2.3.1 Short levy of tax due to incorrect determination of turnover

Incorrect determination of CST turnover resulted in short levy of tax amounting to ₹ 1.40 crore in nine cases.

As per Section 9 (2A) of CST Act 1956, all the provisions relating to offences, interest and penalties of the general sales tax law of each state shall apply in relation to the assessment, re-assessment, collection and the enforcement of payment of any tax required to be collected under CST Act as if the tax under CST Act were a tax under state sales tax law.

²⁰ M.A. No. 29 of 2022, dated 10 January 2022

²¹ (₹ 31.41 crore + ₹ 0.67 crore) X 25% = ₹ 8.02 crore X 5% = ₹ 40.10 lakh

Rule 25 (10) of AP VAT Rules, 2005, stipulated that every VAT dealer shall furnish, for every financial year, to the prescribed authority, the statements of Manufacturing/ Trading account, Profit and Loss Account, Balance Sheet and Annual Report duly certified by a Chartered Accountant on or before the 31st day of December subsequent to the financial year to which the statements relate. As per Para 5.12 of VAT Audit Manual, mandatory basic checks of comparing turnover figures reported by VAT dealers in their monthly VAT returns with those recorded in certified annual accounts were prescribed to the assessing authorities so as to detect under-declaration of tax, if any.

During test check of CST assessment files in three circles²², Audit observed (March 2022 and March 2023), in nine cases, that the taxable turnover under the CST Act was not determined correctly due to non-reconciliation with the CST returns, sales ledger and e-way bill turnover of CST sales, etc. This resulted in short levy of tax of ₹ 1.40 crore in these cases.

On this being pointed out, Department replied (June 2023) that effectual orders have been passed in case of Dwarakanagar circle. Regarding three cases of Adoni-II circle, Government accepted the audit observations and replied (December 2024) that the details have been verified, the deficit tax was computed and the amounts were taken into DMU. Reply in respect of the remaining six cases has not been received (January 2025).

2.3.2 Tax levied at lesser rate than applicable rate

Levying tax at the rate of five *per cent* instead of 14.5 *per cent* resulted in under-declaration of tax amounting to ₹16.27 lakh in five cases

As per Section 8 (4) of the Central Sales Tax Act, 1956 (CST Act), read with Rule 12 (1) of CST Registration and Turnover (R&T) Rules, 1957, inter-State sales not supported by 'C' declaration forms are liable to tax at the rate applicable to sale of such goods inside the appropriate State. Section 6(2) of the CST Act, read with Rules 12(1) and (4) of CST (R&T) Rules envisaged that transit sales not supported by 'C' declaration forms along with 'E' declaration forms are liable to tax at the rate applicable to sale of such goods inside the appropriate State.

Further, as per Section 6A of CST Act, read with Rule 12 (5) of CST (R&T) Rules, transfer of goods by a taxpayer to any other place of his business or to his agent or principal, not supported by 'F' declaration forms are liable to tax at the rate applicable to sale of such goods inside the appropriate State.

During test check of CST assessment files in three circles²³ Audit observed (between February 2022 and October 2022) that in respect of five dealers the AAs levied tax²⁴ at five *per cent* on the inter-State sales/ transit sales/ branch transfers not supported by

²² Adoni-II (3), Dwaraka Nagar (1) and Steel Plant (5)

²³ China Waltair (1), Hindupur (3) and Suryabagh (1)

²⁴ for the period from 2015-16 to 2016-17

‘C’ or ‘F’ declaration forms, instead of the applicable rate of 14.5 *per cent*. This resulted in short levy of tax of ₹ 16.27 lakh, on the turnover of ₹ 1.71 crore.

In response, Government replied (February 2024) that revision orders were passed and demands were taken to DMU in all the five cases. Further progress is awaited (January 2025).

CHAPTER III
CHIEF COMMISSIONER
OF LAND
ADMINISTRATION

CHAPTER III

CHIEF COMMISSIONER OF LAND ADMINISTRATION

Test check of records in 62 out of 844 offices (eight *per cent*) to verify compliance to the Rules and provisions relating to Land Revenue revealed underassessment of tax and other irregularities involving ₹ 17.99 crore in 95 cases.

Significant cases of non-compliance with the provisions of the Acts/ Rules amounting to ₹ 5.81 crore are discussed in the succeeding paragraphs.

3.1 Conversion Tax and Penalty

Payment of Conversion tax at less than the prescribed rate and non-collection of penalty in cases of deemed conversions resulted in non-realisation of revenue of ₹ 5.81 crore in 23 cases.

As per Section 3(1) of AP Agricultural Land (conversion for non-agricultural purposes) Act, 2006, agricultural land shall be put to non-agricultural purpose only with the prior payment of conversion tax to Government.

Section 4(1) prescribes that every owner or occupier of agriculture land shall have to pay Conversion tax for changing land use from agricultural to non-agricultural purposes at the rate five *per cent* of the basic value of the land. The rate of conversion tax was revised to five *per cent* from two *per cent* for the lands located at Vijayawada and Visakhapatnam as per Act No.34 of 2021.

Further, as per Section 6 of the Act, if any agricultural land has been put to non-agricultural purpose without payment of conversion tax, the land shall be deemed to have been converted into non-agricultural purpose and upon such deemed conversion, the competent authority shall impose a fine of 50 *per cent*/ 100 *per cent* over and above the conversion tax for the said land.

Audit observations on non-compliance with the above stipulations are detailed below.

(a) Short collection of conversion tax due to non-adoption of applicable rate of tax

During test check of records in offices of one Sub-collector, seven Revenue Divisional Officer (RDO) and one Tahsildar between June 2022 and July 2023, Audit noticed, in 17 conversion cases, that the applicants paid conversion tax after 29 July 2021 with lesser rate of tax *i.e.*, two/ three *per cent*. Since revised rate of five *per cent* was made effective from 29 July 2021, the deficit conversion tax in these cases worked out to ₹ 5.58 crore as detailed in **Appendix-3.1(a)** which was not collected by the competent authorities.

On this being pointed out, RDO Chittoor, in two cases where the applicants cancelled their applications prior to effective date of revision, replied (July 2023) that the tax paid by the applicants at old rate was not refunded. Hence, fresh applications submitted

after revision of rate was considered with old rate. However, necessary instructions would be obtained from the District Collector, Chittoor for taking suitable action. In remaining three cases, the RDO replied that notices would be issued to Tahsildar concerned for collecting deficit amounts.

Other offices replied (between July 2022 and July 2023) that the audit observation is under examination and detailed reply would be furnished in due course.

(b) Short/Non-collection of penalty in cases of deemed conversions

During test check of records in two RDOs offices (*viz.*, Visakhapatnam and Tekkali) and Tahsildar Ichapuram between June 2022 and December 2022, Audit observed that in four deemed conversion cases relating to RDO Visakhapatnam, the competent authority did not levy penalty. In two cases relating to Tekkali and Ichapuram, though the competent authorities considered deemed conversions, penalty was not levied/collected at the prescribed rate. This resulted in short/non-collection of penalty of ₹ 23.48 lakh as detailed in **Appendix-3.1 (b)**.

On this being pointed out, RDO Visakhapatnam replied (November 2023) that the Tahsildar concerned was directed to collect deficit amount. The other offices replied (between June 2022 and December 2022) that the observation would be examined and the detailed reply would be submitted in due course.

The Department replied (April 2024) that Collectors of concerned districts were requested to examine the issues, submit remarks and take necessary action regarding collection of tax.

The matter was referred to the Government (March and April 2024); their reply has not been received (January 2025).

CHAPTER IV
REGISTRATION
&
STAMPS

CHAPTER IV REGISTRATION & STAMPS

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

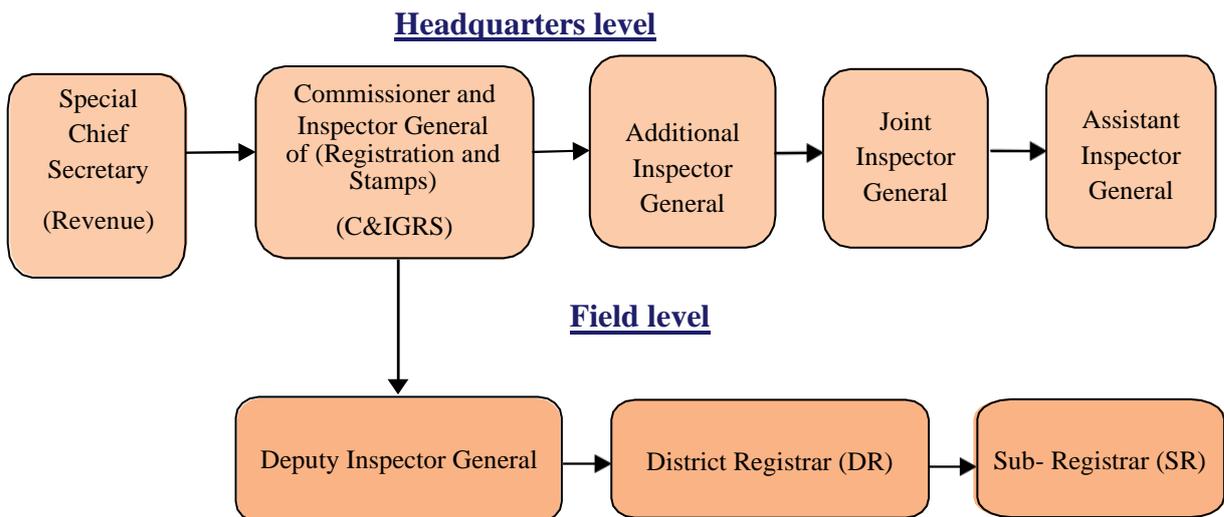
²⁸ Agriculture, Horticulture, Land Revenue, Municipal Administration & Urban Development and Transport, Roads & Buildings

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>
---	--

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, Lankelapalem, 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:** Lankelapalem

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



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

Countersigned

New Delhi
The



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

APPENDICES

&

GLOSSARY

Appendix-3.1 (a)
(Reference to Paragraph 3.1; Page no. 19)
Short collection of conversion tax due to non-adoption of applicable rate of tax

Sl. No	Name of the Office	Details of conversion proceedings	Location and extent of the land intended for Conversion	Basic value of the land (in ₹)	Conversion tax payable (in ₹)	Conversion tax paid (in ₹)	Payment date (in ₹)	Short collection of conversion tax (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)=5% of (5)	(7)	(8)	(9)=(6)-(7)
1.	Sub-Collector, Vijayawada	897334/2021 dated 02/09/2021	Gunadala (v), Vijayawada North (m) 47237.91 Sq.yds. at R.S No.35	72,74,63,814	3,63,73,191	1,45,49,280	06/08/2021	2,18,23,911
		897332/2021 dated 02/09/2021	Gunadala (v), Vijayawada North (m) 25264.4 Sq.yds. at R.S No.33	38,90,71,760	1,94,53,588	77,81,435	06/08/2021	1,16,72,153
		897344/2021 dated 02/09/2021	Gunadala (v), Vijayawada North (m) 17617.10 Sq.yds. at R.S No.37	27,13,03,340	1,35,65,167	54,26,074	06/08/2021	81,39,093
		897338/2021 dated 02/09/2021	Gunadala (v), Vijayawada North (m) 16020.40 Sq.yds. at R.S No.36	24,67,14,160	1,23,35,708	49,34,284	06/08/2021	74,01,424
		897333/2022 dated 02/09/2021	Gunadala (v), Vijayawada North (m) 1210 Sq.yds. at R.S No.34	1,86,34,000	9,31,700	3,72,680	06/08/2021	5,59,020

C&AG Compliance Audit Report for the period ended March 2023 (Revenue)

Sl. No	Name of the Office	Details of conversion proceedings	Location and extent of the land intended for Conversion	Basic value of the land (in ₹)	Conversion tax payable (in ₹)	Conversion tax paid (in ₹)	Payment date (in ₹)	Short collection of conversion tax (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)=5% of (5)	(7)	(8)	(9)=(6)-(7)
2.	RDO Chittoor	2384/2021 dated 18/12/2021	Greamspet (v), Chittoor (m) 3,726.8 Sq.yds. in Sy.No.135/2B1 & 1,645.6 Sq.yds. in Sy. No. 136	4,41,07,404	22,05,370	13,23,430	09/12/2021	8,81,940
		2383/2021 dated 18/12/2021	Greamspet (v), Chittoor (m) Sq.yds. 2,565.20 at Sy. No.135/2B2	2,10,60,292	10,53,015	6,31,910	09/12/2021	4,21,105
		1845/2021 dated 30/09/2020	Kattamanchi Chittoor (m) Ac 0-72 cts. in 275/3A & Ac 0.67 cts. in 290/2B1	2,07,11,000	10,35,550	6,21,350	05/08/2021	4,14,200
		1891/2021 dated 25/11/2021	Thimmasamudram (v) Chittoor (m) Ac 1-06 cts. in 514/F1 & Ac 1-07 cts. in 514/B1 at	54,69,840	2,73,492	1,64,095	27/08/2021	1,09,397
		649/2021 dated 08/09/2021	Thimmasamudram (v) Chittoor (m) Ac 0.59 cts. in 451/2B, Ac 0.59 in 451/2C and Ac 1-22 cts. in 451/2D	1,24,80,000	6,24,000	3,74,400	16/08/2021	2,49,600
3.	RDO Nellore	1221/2021 dated 02/04/2022	Punjulurupadu (v) Venkatachalam (m) Ac 144-8625 cts. in Sy. Nos. 1,2-1,3,4 and 5	10,14,03,750	50,70,187	30,42,113	03/08/2021	20,28,074
4.	RDO Anakapalli	2334/2021 dated 29/12/2021	Anakapalli (municipality) Anakapalli (m) Ac 1-2450 cts.	2,36,55,000	11,82,750	4,76,000	18/09/2021	7,06,750

Sl. No	Name of the Office	Details of conversion proceedings	Location and extent of the land intended for Conversion	Basic value of the land (in ₹)	Conversion tax payable (in ₹)	Conversion tax paid (in ₹)	Payment date (in ₹)	Short collection of conversion tax (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)=5% of (5)	(7)	(8)	(9)=(6)-(7)
5.	RDO Jammalamadugu	1064/2021 dated 27/08/21	Kanneluru (v), Jammalamadugu (m) Ac 3-06 cts. in Sy. 494/1C	2,39,92,848	11,99,642	7,19,790	05/05/2021	4,79,852
6.	RDO Visakhapatnam	2352/2021 dated 30/11/2021	Batajangala palem (v) Sabbavaram (m) Ac 7-12 cts. at Sy.Nos.172,179,181 and 192	1,92,24,000	9,61,200	5,75,910	31/7/2021 & 18/08/2021	3,85,290
7.	RDO Poddapuram	TANLCR012100 179464 dated 07/10/2021	Bendapudi (v), Thondangi (m) Ac 4-50 cts. in Sy.No. 246/2	1,71,00,000	8,55,000	5,13,000	21/08/2021	3,42,000
8.	RDO Ongole	268/2023 dated 15/02/2023	Budavada (v) Chimakurthy (m) Ac 2-33 cts. in Sy.No.230/2A1	62,91,000	3,14,550	1,79,430	13/10/2021	1,35,120
9.	Tahsildar Proddatur	1135/2021 dated 09/09/2021	Modameedipalle (v), Proddatur (m) Ac 2-23 cts. in Sy.No.435/1A & Ac 0.53 cts. in 435/2B	48,30,000	2,41,500	1,45,000	16/08/2021	96,500
						Total		5,58,45,429

Annexure-3.1 (b)
(Reference to Paragraph 3.1 ; Page no. 20)
Short/Non-collection of penalty in cases of deemed conversions

Sl. No.	Name of the Office	Details of conversion proceedings	Location of the land intended for Conversion & Type of Non-agricultural use	Extent of the land	Basic value of the land converted (in ₹)	Conversion tax payable (in ₹)	Conversion tax paid (in ₹)	Penalty payable (in ₹)	Penalty paid (in ₹)	Short collection (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=(7)-(9)+(8)-(10)
1.	RDO Visakhapatnam	2708 dated 11/11/2020	Pedamushidivada (v), Parawada (m) & Layout	Ac 6-03 cts. in Sy.No.249/5	9,33,92,640	28,01,779 (3% of (6))	28,01,856	14,00,889 (50 % of (7))	0	14,00,812
		1952/2022 dated 13/12/2022	Pendurthi (v), Pendurthi (m), & Layout	Sq.yds. 250.23 in Sy.No.177-2	25,02,280	1,25,114 (5% of (6))	1,33,500	1,25,114 (100% of (7))	0	1,16,728
		1900/2022 dated 5/12/2022	Pulagalipalem (v), Pendurthi (m) & Layout	Sq.yds. 400 in Sy.No.6-4	26,00,000	1,30,000 (5% of (6))	65,000	1,30,000 (100% of (7))	0	1,95,000
		1940/2022 dated 09/12/2022	Saripalli (v) Pendurthi (m) Layout	Sq.yds. 600 in Sy.Nos. 209-16 &209-17	24,00,000	1,20,000 (5% of (6))	1,20,000	1,20,000 (100% of (7))	0	1,20,000
2.	RDO Tekkali	230/2022 dated 02/03/2022	Borubhadra (v) Santhabommali (m) Structure	Ac 4-0625 cts. in Sy.Nos. 256&258	44,68,750	2,23,437 (5% of (6))	2,36,226	2,23,437 (100% of (7))	98,931	1,11,717
3.	Tahsildar Ichapuram	747/2020 dated 18/12/2020	Aminsahpet (v) Ichapuram (m) Structure	Ac 2-29 cts. in Sy.Nos.40-3&40-6	2,99,25,720	8,97,772 (3% of (6))	8,97,772	4,48,886 (50% of (7))	45,100	4,03,786
									Total	23,48,043

Appendix – 4.1
(Reference to Paragraph 4.1.2.1; Page no. 27)
Variation between existing values with proposed values in the market value forms

Sl. No.	Year of revision	Name of the office	Form - I	Form - II	Form - III	Form - IV
1.	2022	DR, Bhimavaram	16.67 to 20.83	20	18.18 to 83.33	20 to 56.25
2.	10.08.2020		4.48 to 81.82	4.48 to 52.94	5.88 to 81.82	0 to 15.24
3.	10.08.2020	DR, Kakinada	22.45 to 45.45	0	10.17 to 45.45	10.17 to 45.45
4.	01.04.2022	DR, Narasaraopet	13 to 61	13 to 61	14.58 to 57.89	20 to 57.89
5.	10.08.2020	DR, Nellore	30.16 to 37.50	No existing rate	33.33	0 to 259
6.	01.08.2019	SR, Allagadda	7.14 to 11.11	7.14	8 to 11	7.69 to 10
7.	01.08.2019	SR, Ananthapalli	6.67 to 11.11	8.33 to 10	22.22 to 25	7.14 to 61.16
8.	10.08.2020	SR, Atmakur(SPSR_N)	3 to 13.79	2.85 to 5.55	3.84 to 14.28	5.88 to 1389.23
9.	10.08.2020	SR, Bhimadole	14.60 to 60	23.08 to 50	6.90 to 30.77	10 to 1500
10.	10.08.2020	SR, Giddalur	6.44 to 26.85	10.24 to 38.65	0 to 29.87	6.44 to 22.04
11.	10.08.2020	SR, Kuppam	25.34 to 94.44	53.20	13.6 to 94.44	9 to 60
12.	10.08.2020	SR, Lakkireddipally	6.81 to 7.27	0	6.80 to 10.58	0.68 to 7.93
13.	10.08.2020	SR, Madanapalle	20	20	20	20
14.	10.08.2020	SR, Samalkota	8.57 to 19.15	18.53 to 29.03	26.44 to 31.94	0 to 23.69
15.	10.08.2020	SR, Santanuthalapadu	1 to 51.5	20	13.6 to 65.29	51.51 to 81.81
16.	10.08.2020	SR, Siddout	10.25 to 10.6	9.84	7.58 to 10.33	10 to 10.75
17.	10.08.2020	SR, Thadipatri	0 to 26.32	0 to 9.26	4.17 to 26.32	0 to 481
18.	10.08.2020	SR, Tanuku	25 to 114	14.28 to 42.86	23 to 46.15	28.13 to 188
19.	01.08.2019	SR, Bandi atmakur	11.11 to 15.38	13.63	10	10
20.	10.08.2020	SR,Pathikonda	7.47 to 39.86	No values in this form	32.57 to 89.39	8.23 to 172.73
21.	10.08.2020	SR,Pithapuram	4.17 to 30.4	21.21 to 26.76	23.71 to 53.26	4.8 to 38.53
22.	01.08.2019	SR,Sompeta	10	10 to 50.91	10	10

Appendix – 4.2
(Reference to Paragraph 4.1.2.2 ; Page no. 29)
Undervaluation of properties - In the cases where lands were converted to non-agricultural purposes

Sl. No.	Name of the office	Document number/ Year	Classification	Date of Registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy of Duties (in ₹)
1.	DR, Bukkapatnam	2708/2022	Gift deed	01.07.2022	70,05,400	1,56,168	9,200	1,46,968
2.	DR, Cuddapah	9776/2022	Sale deed	21.09.2022	2,00,25,000	17,69,625	2,67,750	15,01,875
3.	DR, Cuddapah	4700/2022	Sale deed	27.05.2022	13,50,512	2,21,288	1,20,060	1,01,228
4.	DR, Parvathipuram	4929/2021	Sale deed	29.11.2021	51,21,200	4,28,340	44,250	3,84,090
5.	SR, Giddalur	1260/2023	Sale deed	27.02.2023	10,74,281	88,071	7,500	80,571
6.	SR,Santanuthalapadu	3717/2022	Sale deed	12.08.2022	1,93,60,000	18,15,000	3,63,100	14,51,900
7.		3817/2022	Sale deed	20.08.2022	1,43,26,000	13,43,100	2,68,650	10,74,450
8.		4153/2022	Sale deed	12.09.2022	72,60,000	7,79,543	2,35,050	5,44,493
9.		3716/2022	Sale deed	12.08.2022	77,40,000	7,26,000	1,45,600	5,80,400
10.		3729/2022	Sale deed	16.08.2022	29,51,500	2,76,788	55,425	2,21,363
11.	SR, Thadipatri	6024/2022	Partition deed	18.06.2022	30,89,000	1,20,533	31,540	88,993
			Total		8,93,02,893			61,76,331

Appendix-4.3
(Reference to Paragraph 4.1.2.2 ; Page no. 31)
Cases where applicable market values for lands abutting NH/ SH/ ZPP/ MPP roads were not considered

Sl. No.	Name of the office	Classification	Document number/Year	Date of registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Bukkapatnam	Sale deed	679/2021	03.03.2021	7,93,120	84,084	24,650	59,434
2.	DR, Vizianagaram	DGPA	2474/2022	23.05.2022	2,08,42,500	6,25,275	4,16,850	2,08,425
3.	DR, Vizianagaram	DGPA	2471/2022	23.05.2022	2,05,72,500	6,17,175	4,11,450	2,05,725
4.	DR, Vizianagaram	DGPA	2470/2022	23.05.2022	1,87,53,000	5,62,590	3,75,060	1,87,530
5.	SR, Kuppam	Sale deed	3090/2020	23.06.2020	11,96,800	1,35,135	45,475	89,660
6.	SR, Madanapalle	Sale deed	6354/2022	13.07.2022	96,72,930	11,02,125	3,78,000	7,24,125
7.	SR, Nuzvidu	Partition deed	8342/2021	23.12.2021	2,89,96,500	7,76,179	3,56,540	4,19,669
8.	SR, Nuzvidu	Sale deed	10257/2022	10.11.2022	64,82,700	9,11,452	4,26,100	4,85,352
9.	SR, Tanuku	Sale deed	7475/2022	19.10.2022	52,15,000	11,87,250	7,96,225	3,91,025
			Total		11,25,25,050			27,70,945

Appendix-4.4
(Reference to Paragraph 4.1.2.2 ; Page no. 31)
Cases where full extent of structure, stilt area and area left for roads & amenities were excluded/ not considered

Sl. No.	Name of the office	Classification	Document number & Year	Date of registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Kakinada	DGPA	8783/2022	13.07.2022	3,24,02,000	12,92,920	9,68,900	3,24,020
2.	DR, Kakinada	DGPA	2333/2023	23.02.2023	1,89,00,800	11,00,288	9,11,400	1,88,888
3.	DR, Narasaraopet	Release/Conveyance	5780/2023	13.03.2023	35,40,200	4,90,788	3,31,480	1,59,308
4.	DR, Parvathipuram	DGPA	4627/2021	08.10.2021	1,56,08,601	5,63,160	5,34,560	28,600
5.	DR, Parvathipuram	DGPA	4209/2021	18.09.2021	98,96,500	7,69,065	6,70,100	98,965
6.	DR, Visakhapatnam	Sale deed	3818/2022	11.04.2022	11,32,000	15,17,049	14,32,150	84,899
7.	DR, Visakhapatnam	Sale deed	3817/2022	11.04.2022	5,76,800	17,86,210	17,42,950	43,260
8.	SR, Anandapuram	DGPA	2513/2022	25.03.2022	8,79,81,400	22,66,844	13,88,100	8,78,744
9.	SR, Bandi Atmakur	Sale deed	1883/2022	24.03.2022	5,01,106	1,42,208	1,04,625	37,583
10.	SR, Pedaganyada	DGPA	4596/2021	22.09.2021	2,79,25,100	49,97,601	47,18,350	2,79,251
11.	SR, Pithapuram	Sale deed	6075/2022	14.06.2022	8,22,187	6,61,874	6,00,210	61,664
12.	SR, Santanuthalapadu	DGPA	3850/2022	23.08.2022	55,53,232	4,66,170	4,19,300	46,870
13.	SR, Sompeta	DGPA	764/2023	09.03.2023	1,80,83,500	2,75,165	94,830	1,80,335
				Total	22,29,23,426			24,12,387

Appendix-4.5
(Reference to Paragraph 4.1.2.2; Page no. 31)
Undervaluation due to non-consideration of market value in previous transaction

Sl. No.	Name of the office	Classification	Document number/ Year	Date of registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	SR Madurawada	DGPA	2457/2023 & 2458/2023	24.03.23	1,09,00,000	26,60,377	25,51,800	1,08,577
				Total	1,09,00,000			1,08,577

Appendix-4.6
(Reference to Paragraph 4.1.2.2 ; Page no. 33)
Undervaluation of properties due to considering incorrect values by registering authorities

Sl. No.	Name of the office	Classification	Document number/Year	Date of registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Bhimavaram	Sale deed	1857/2020	21.05.2020	64,00,000	7,26,000	2,45,955	4,80,045
2.	DR, Bhimavaram	Sale deed	2202/2020	16.06.2020	2,33,81,880	26,52,441	8,98,800	17,53,641
3.	DR, Bhimavaram	DGPA	6033/2021	23.08.2021	2,00,94,000	2,46,840	45,900	2,00,940
4.	DR, Bhimavaram	Sale deed	2204/2020	16.06.2020	80,70,480	9,15,486	3,10,200	6,05,286
5.	DR, Bhimavaram	Sale deed	2976/2022	25.03.2022	78,80,000	7,26,000	1,35,000	5,91,000
6.	DR, Bhimavaram	Sale deed	2205/2020	16.06.2020	67,20,000	7,62,300	2,58,330	5,03,070
7.	DR, Bhimavaram	Settlement deed	2753/2022	21.03.2022	61,20,400	1,51,008	35,750	1,15,258
8.	DR, Bhimavaram	Sale deed	2206/2020	16.06.2020	48,31,400	5,48,130	1,85,775	3,62,355
9.	DR, Bhimavaram	Settlement deed	2754/2022	21.03.2022	46,98,000	1,16,160	27,750	88,410
10.	DR, Bhimavaram	Sale deed	2208/2020	16.06.2020	32,68,060	3,70,805	1,25,700	2,45,105
11.	DR, Bhimavaram	Sale deed	2207/2020	16.06.2020	29,11,400	3,30,330	1,11,975	2,18,355
12.	DR, Bhimavaram	Sale deed	2203/2020	16.06.2020	21,79,040	2,47,203	83,775	1,63,428
13.	SR, Ananthapalli	Partition deed	1149/2023	24.02.2023	56,37,280	1,10,559	15,950	94,609
			Total		10,21,91,940			54,21,502

Appendix-4.7
(Reference to Paragraph 4.1.2.2 ; Page no. 34)
Cases where value of specific/nearby door number was not considered

Sl. No.	Name of the office	Document number/Year	Classification	Date of registration	Undervaluation (in ₹)	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Bhimavaram	10468/2022	Settlement deed	10.11.2022	31,93,600	2,65,552	2,01,780	63,772
2.	DR, Cuddapah	4435/2022	Settlement deed	19.05.2022	1,42,52,592	6,25,452	3,40,400	2,85,052
3.	SR, Pendurthi	625/2023	Settlement deed	02.02.2023	5,49,700	1,19,974	1,09,180	10,794
4.	SR, Sompeta	988/2020	Sale deed	17.06.2020	43,07,400	6,02,580	2,79,530	3,23,050
5.	SR, Sompeta	1968/2020	Sale deed	26.11.2020	40,05,000	5,60,250	2,59,880	3,00,370
6.	SR, Sompeta	1939/2020	Sale deed	21.11.2020	32,47,500	4,54,425	2,10,250	2,43,475
7.	SR, Sompeta	1969/2020	Sale deed	26.11.2020	31,15,000	4,35,750	2,02,130	2,33,620
			Total		3,26,70,792			14,60,133

Appendix-4.8

(Reference to Paragraph 4.1.2.4 (I); Page no. 36)

(a) Non-monitoring of deductions of TDS

Sl. No.	Name of the office	Document number/ Year	Date of registration	Value of TDS (in ₹)
1.	DR, Eluru	15018/2022	06.12.2022	1,33,000
2.	DR, Eluru	12343/2022	12.10.2022	1,35,000
3.	DR,Kakinada	3620/2023	23.03.2023	2,11,330
4.	DR, Nellore	2215/2023	19.01.2023	92,360
5.	DR, Vijayawada	1880/2023	10.02.2023	1,61,560
6.	DR, Vijayawada	13333/2022	29.10.2022	1,67,000
7.	SR Giddalur	5604/2022	17.09.2022	70,000
8.	SR,Gudivada	2147/2023	09.03.2023	1,50,000
9.	SR, Kadiri	8279/2022	18.08.2022	96,000
10.	SR,Kankipadu	6343/2022	20.08.2022	2,57,600
11.	SR, Madanapalle	12504/2022	18.11.2022	1,14,000
12.	SR, Pedagantyada	6514/2022	08.12.2022	1,20,000
13.	SR, Santanuthalapadu	483/2023	23.01.2023	77,440
14.	SR, Tanuku	5716/2022	08.08.2022	1,97,200
15.	SR, Tanuku	5714/2022	08.08.2022	64,000
			Total	20,46,490

(b) TDS liability of ₹ 83.94 lakh in 53 documents relating to the period prior to issue of instructions for furnishing Form-26QB

Sl. No.	Name of the office	Document number/Year	Date of registration	Value of TDS (in ₹)
1.	DR Bhimavaram	6311/2022	17.06.2022	1,45,800
2.	DR, Eluru	8022/2022	07.07.2022	2,10,290
3.	DR, Eluru	6461/2022	28.05.2022	1,64,920
4.	DR, Eluru	4356/2022	06.04.2022	2,75,000

C&AG Compliance Audit Report for the period ended March 2023 (Revenue)

Sl. No.	Name of the office	Document number/Year	Date of registration	Value of TDS (in ₹)
5.	DR, Cuddapah	5050/2022	24.05.2022	3,34,760
6.	DR, Cuddapah	5049/2022	24.05.2022	2,69,940
7.	DR, Cuddapah	4239/2022	11.05.2022	2,76,080
8.	DR, Nandyal	13116/2022	04.08.2022	1,14,000
9.	DR, Nandyal	7742/2022	27.07.2022	75,000
10.	DR, Nandyal	6826/2022	10.07.2022	65,000
11.	DR, Vijayawada	6220/2022	26.05.2022	1,55,700
12.	DR, Vijayawada	5631/2022	07.05.2022	1,75,040
13.	DR, Vijayawada	3948/2022	30.03.2022	1,68,220
14.	DR, Vijayawada	10460/2021	06.11.2021	1,64,200
15.	DR, Vijayawada	9032/2021	01.10.2021	1,53,500
16.	DR, Vijayawada	4544/2021	05.06.2021	1,58,100
17.	DR, Vijayawada	3463/2021	12.04.2021	1,56,130
18.	DR, Kakinada	6477/2022	26.05.2022	2,65,390
19.	SR Giddalur	3992/2022	24.06.2022	51,180
20.	SR, Kadiri	6926/2022	18.07.2022	2,30,000
21.	SR, Kadiri	5169/2022	10.06.2022	1,75,000
22.	SR, Kadiri	5140/2022	10.06.2022	75,000
23.	SR, Madanapalle	13149/2022	06.12.2022	1,01,200
24.	SR, Madanapalle	6149/2022	06.07.2022	1,07,240
25.	SR, Madurawada	5731/2022	18.07.2022	4,05,000
26.	SR, Madurawada	3430/2022	21.04.2022	2,79,180
27.	SR, Pedagantya	3217/2022	28.06.2022	79,920
28.	SR, Pedagantya	3192/2022	27.06.2022	1,15,000
29.	SR, Pedagantya	2650/2022	27.05.2022	1,17,370
30.	SR, Pedagantya	753/2022	18.02.2022	1,19,395

Sl. No.	Name of the office	Document number/Year	Date of registration	Value of TDS (in ₹)
31.	SR, Pedagantyada	5576/2021	12.11.2021	1,10,440
32.	SR, Pedagantyada	5456/2021	11.11.2021	1,19,425
33.	SR, Santanuthalapadu	3445/2022	22.06.2022	85,540
34.	SR, Santanuthalapadu	1776/2022	23.03.2022	62,500
35.	SR, Santanuthalapadu	261/2022	20.01.2022	1,10,160
36.	SR, Santanuthalapadu	5411/2021	18.12.2021	1,35,630
37.	SR, Santanuthalapadu	4974/2021	29.11.2021	1,21,970
38.	SR, Thadipatri	7034/2022	14.07.2022	80,000
39.	SR, Thadipatri	4761/2022	13.05.2022	80,710
40.	SR, Thadipatri	3633/2022	11.04.2022	73,430
41.	SR, Tanuku	5499/2022	29.07.2022	63,000
42.	SR, Tanuku	5347/2022	25.07.2022	1,58,880
43.	SR, Gudivada	6482/2022	08.07.2022	2,83,850
44.	SR, Kankipadu	4341/2022	09.06.2022	2,40,000
45.	SR, Kankipadu	4245/2022	06.06.2022	2,02,670
46.	SR, Kankipadu	649/2022	28.01.2022	1,76,180
47.	SR, Kankipadu	6377/2021	05.11.2021	5,27,850
48.	SR, Kankipadu	6367/2021	05.11.2021	1,82,840
49.	SR, Nuzvidu	3575/2022	29.04.2022	62,000
50.	SR, Nuzvidu	3528/2022	27.04.2022	51,000
51.	SR, Nuzvidu	3091/2022	07.04.2022	1,19,470
52.	SR, Pathikonda	4410/2022	26.07.2022	97,780
53.	SR, Pathikonda	5501/2021	17.09.2021	66,000
			Total	83,93,880

Appendix 4.9
(Reference to Paragraph 4.1.2.4 (II) ; Page no. 36)
Non-compliance with C&IGRS instructions relating to Partition deeds (Conveyance)

Sl. No.	Name of the office	Document number/Year	Date of registration	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Bukkapatnam	1386/2023	27.03.2023	8,38,665	3,90,020	4,48,645
2.	DR, Kurnool	8580/2022	05.05.2022	16,21,125	2,34,280	13,86,845
3.	SR, Kadiri	8923/2022	01.09.2022	1,55,340	76,330	79,010
	Total					19,14,500

Appendix 4.10
(Reference to Paragraph 4.1.2.4 (III); Page no. 36)
Short collection of duties in DGPA's

Sl. No.	Name of the office	Document number/Year	Date of registration	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Bukkapatnam	1451/2022	16.04.2022	1,02,28,295	9,31,240	92,97,055
2.	DR, Kurnool	2462/2023	16.02.2023	6,31,425	4,88,330	1,43,095
3.	DR, Narasaraopet	28691/2022	22.11.2022	5,57,108	5,11,710	45,398
4.	DR, Nellore	16635/2022	14.10.2022	1,79,260	83,100	96,160
5.	DR, Vizianagaram	5013/2022	16.07.2022	3,77,712	2,37,360	1,40,352
6.	DR, Vizianagaram	5483/2022	02.08.2022	3,77,651	3,05,050	72,601
7.	SR, Patamata	1251/2023	28.01.2023	4,38,930	3,18,550	1,20,380
8.	SR, Patamata	441/2023	06.01.2023	54,32,199	50,00,260	4,31,939
9.	SR, Patamata	14020/2022	22.10.2022	1493893	12,89,900	2,03,993
	Total					1,05,50,973

Appendix-4.11
(Reference to Paragraph 4.1.2.4 (IV) ; Page no. 37)
Non-inclusion of GST component while computing AAR in lease deeds

Sl. No.	Name of the office	Document number/ Year	Date of registration	Duties leviable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
1.	DR, Kurnool	13863/2022	30.08.2022	12,53,866	11,88,720	65,146
2.	DR, Narasaraopeta	17056/2022	21.07.2022	4,13,986	3,70,985	43,001
3.	DR, Narasaraopeta	11046/2022	02.06.2022	1,67,258	1,41,800	25,458
4.	SR, Gudivada	5812/2021	18.08.2021	5,91,664	5,19,900	71,764
5.	SR, Madanapalle	14103/2022	22.11.2022	5,70,521	5,35,600	34,921
6.	SR, Vissannapeta	4587/2022	22.06.2022	2,53,166	2,14,710	38,456
	Total					2,78,746

Appendix – 4.12
(Reference to Paragraph 4.2.1; Page no. 39)
Misclassification of Mortgage Deed as Deposit of Title Deeds

Sl. no.	Name of the office	Document no./ Year	Loan amount on which duties to be leviable	Stamp duty to be collected	Stamp duty (SD) collected	Registration fee (RF) to be collected	RF collected	Short collection of SD	Short collection of RF	Total
(1)	(2)	(3)	(4)	(5)=0.5% of col.4	(6)	(7)=0.1% of (4)	(8)	(9)=(5) - (6)	(10)=(7)-(8)	(11)=(9)+(10)
1.	DR, Amalapuram	150/2020	1,100	5.50	0.01	1.10	0.10	5.49	1.00	6.49
2.	DR, Narasaraopet	5534/2019	250	1.25	0.01	0.25	0.25	1.24	0.00	1.24
3.	SR, Gunadala	5286/2018	2,670	13.35	0.03	2.67	0.10	13.32	2.57	15.89
4.	SR, Kadiri	3994/2021	85,500	427.50	0.50	85.50	0.10	427.00	85.40	512.40
5.	SR, Kovvur	2029/2019	560	2.80	0.01	0.56	0.10	2.79	0.46	3.25
6.	SR, Lankalapalem	4118/ 2020	230	1.15	0.01	0.23	0.10	1.14	0.13	1.27
7.	SR, Nandigama	97/2020	300	1.50	0.01	0.30	0.10	1.49	0.20	1.69
8.	SR, Prathipadu	4849/2018	800	4.00	1.00	0.80	0.10	3.00	0.70	3.70
	Total								Total	545.93

Appendix – 4.13 (a)
(Reference to Paragraph 4.2.2; Page no. 40)
Misclassification of ‘Settlement’ as ‘Partition’

Sl. No.	Name of the office	Document no./ Year	Value of the properties settled	Stamp duty (SD) leviable	Registrati on fee (RF) leviable	SD levied	RF levied	Short levy of SD	Short levy of RF	Total short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(5) - (7)	(10)=(6) - (8)	(11)=(9)+(10)
1.	DR, Ananthapur	6210/2021	1,463.92	29.28	0.10	7.32	0.01	21.96	0.09	22.05
2.	DR, Chittoor	4928/2019	151.55	3.03	0.10	1.22	0.01	1.81	0.09	1.90
3.	DR, Cuddapah	1103/2020	126.84	3.81	0.10	0.61	0.01	3.20	0.09	3.29
4.	DR, Nandyal	13399/2019	449.61	8.99	0.10	3.76	0.01	5.23	0.09	5.32
5.		11713/2018	134.44	2.69	0.10	1.34	0.01	1.35	0.09	1.44
6.	DR, Ongole	2714/2021	501.92	10.04	0.10	2.54	0.01	7.50	0.09	7.59
7.	SR, Jangareddigudem	7931/2020	197.04	3.94	0.10	1.97	0.01	1.97	0.09	2.06
8.		3739/2018	84.35	1.69	0.10	0.67	0.01	1.02	0.09	1.11
9.	SR, Kakumanu	869/2018	107.85	2.16	0.10	0.58	0.01	1.58	0.09	1.67
10.	SR, Kollipara	892/2020	74.24	1.48	0.10	0.33	0.01	1.15	0.09	1.24
11.	SR, Narsapur	5496/2018	3,753.00	75.06	0.10	0.50	0.01	74.56	0.09	74.65
12.		1106/2019	322.00	6.44	0.10	3.22	0.01	3.22	0.09	3.31
13.		1655/2019	178.20	3.56	0.10	1.98	0.01	1.58	0.09	1.67
14.	SR, Rajam	162/2018 (including undervaluation of properties due to non-considering the rate of ₹ 30 lakh per acre applicable to lands abutting NH/SH/MPP Roads)	441.30	8.83	0.10	1.95	0.01	6.88	0.09	6.97
15.		3706/2017	63.63	1.27	0.10	0.34	0.01	0.93	0.09	1.03
16.	SR, Thadipatri	9070/2020	469.48	9.39	0.10	4.69	0.01	4.70	0.09	4.79
									Total	140.08

Appendix – 4.13 (b)
(Reference to Paragraph 4.2.2; Page no. 40)
Short levy of duties and fee due to misclassification of registered documents

Sl. No.	Name of the office	Document no./ Year	Nature of the document considered for chargeability	Nature of the document as per recitals	Chargeable value	Stamp duty (SD) leviable	SD levied	TD leviable	TD levied	RF leviable	RF levied	Short levy of duties
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(7) + (9) + (11) - (8) - (10) - (12)
1.	DR, Bhimavaram	3579/2019	Settlement to family members	Settlement to others	183.16	5.49	3.66	0	0	0.10	0.10	1.83
2.	DR, Kurnool	10314/2021	Development agreement	DGPA	1,122.94	11.23	5.61	0	0	0.20	0.20	5.62
3.	SR, Dwarakanagar	1643/2019	Development agreement	DGPA	238.81	2.39	1.28	0	0	0.20	0.20	1.11
4.	SR, Nidadavole	2981/2018	Settlement to family members	Gift in favour of relatives	96.54	1.93	1.93	1.45	0	0.10	0.10	1.45
5.	SR, Tadepalligudem	33/2019 (Bk-IV)	Agreement	Partition among others	1,169.57	23.39	0.00	0	0	0.01	0.01	23.39
6.	SR, Thadipatri	3345/2018	GPA in favour of family members	GPA in favour of others	480.91	4.81	0.01	0	0	0.20	0.20	4.80
7.	SR, Tanuku	6044/2020	Construction agreement	Partition among others	224.07	4.48	2.04	0	0	0.01	0.20	2.25
											Total	40.45

Appendix – 4.14
(Reference to Paragraph 4.3.1; Page no. 42)
Non-consideration of rate for main survey numbers, survey numbers mentioned in boundaries or nearest house numbers

Sl. No.	Name of the office	Document No./Year & Nature of deed	Revenue village/Survey Numbers - (Extent of land)	Details of undervaluation	chargeable value to be adopted	SD Leviable	TD Leviable	RF leviable	Duties levied	Short levy (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)= (7)+(8) +(9)-(10)
1	DR, Chittoor	1746/2020 Sale deed	Thimmasamudram Sy.no.451/2B-ac. 0.59 ct. Sy.no.451/2C-ac. 0.59 ct. Sy.no.451/2D-ac. 1.22 ct. Total extent- ac. 2.4 ct.	Main Sy.no. for the sub-divisions was 451 and the rate per acre was ₹ 96,64,000 Market value to be adopted= ac. 2.4 ct.*₹96,64,000 per acre = ₹2,31,93,600	231.94	11.60	3.48	2.32	7.21	10.19
2		1221/2021 Sale deed	Kattamanchi village, nearest door number is 22-343 Total extent-971.11 sq.yd.	Market value to be adopted= sq.yd. 971.11*₹12,650 per sq.yd. = ₹ 1,22,84,541	122.85	6.14	1.84	1.23	3.97	5.24
3	SR, Chilamathur	2850/2018 Sale deed	Palasamudram/ Sy.no.191/5-ac. 5.20 ct. Sy.no.216/3-ac. 9.48 ct. Sy.no.192/1-ac. 1.38 ct. Total Extent- ac. 16.06 ct.	Rate for Sy.no 191/5 was ₹12,10,000 per acre (191/5 was in boundaries of 216/3 and 192/1) Market value to be adopted- ac. 16.06 ct. *₹12,10,000 per acre= ₹1,94,32,600	194.33	9.72	2.91	1.94	7.29	7.28
4		3583/2018 Sale deed	Koduru Sy.no.751/6B2B- ac. 4.00 ct. Sy.no.754/1A-ac. 0.37 ct. Sy.no.754/1B-ac. 0.38 ct. Sy.no.754/4B-ac. 2.25 ct. Total extent-ac. 7.0 ct.	Main Sy.no for the sub-divisions is 754 and the rate per acre was ₹ 24,20,000 per acre Market value to be adopted= ac. 7.00 ct. * ₹24,20,000 per acre= ₹1,69,40,000	169.40	8.47	2.54	1.69	7.55	5.15

Sl. No.	Name of the office	Document No./Year & Nature of deed	Revenue village/ Survey Numbers - (Extent of land)	Details of undervaluation	chargeable value to be adopted	SD Leviable	TD Leviable	RF leviable	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)= (7)+(8) + (9)-(10)
5	SR, Gajuwaka	4488/2019 Sale deed	Gajuwaka, nearest door number is 31-34-137 Total extent- 540 sq.yd	Market value to be adopted= 540 sq.yd*₹ 27,000 per sy.yd. =₹1,45,80,000	145.80	7.29	2.19	1.46	7.57	3.37
6	SR, Gudur	2584/2019 Sale deed	K. Nagalapuram Sy.no.50-A/1-ac. 4.12 ct.	Main Sy.no. for the sub-divisions is 50 for which rate was ₹20,00,000 per acre Market value to be adopted= ac. 4.12 ct.*₹20,00,000 per acre = ₹ 82,40,000	82.40	4.12	1.24	0.82	0.97	5.21
7	SR, Kallur	4366/2019 Sale deed	Kallur/ Sy.no.38- ac. 5.58 ct. Sy.no.39-ac. 0.77 ct. Total extent- ac. 6.35 ct.	Sy.no. 39 is in boundary of scheduled property and the rate was ₹1,54,88,000 per acre Market value to be adopted= ac. 6.35 ct. * ₹1,54,88,000 per acre = ₹ 9,83,48,800	983.49	49.17	14.75	9.83	16.14	57.61
8	SR, Palakol	763/2019 Sale agreement with possession cum GPA	Kontheru/ Sy.no.416-2A -ac. 3.21 ct.	Sy.no. 416/3A is on western boundary of the scheduled property and the rate per acre was ₹ 62,92,000 Market value to be adopted= Ac. 3.21 ct.* ₹ 62,92,000 per acre = ₹ 2,01,97,320	201.97	10.10	0	0.20	2.38	7.92

C&AG Compliance Audit Report for the period ended March 2023 (Revenue)

Sl. No.	Name of the office	Document No./Year & Nature of deed	Revenue village/ Survey Numbers - (Extent of land)	Details of undervaluation	chargeable value to be adopted	SD Leviable	TD Leviable	RF leviable	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)= (7)+(8) + (9)-(10)
9		2145/2018 Sale deed	Chintaparru/ Sy.no.149/2- ac. 2.36 ct.	147/1B is in boundary of scheduled property and the rate per acre was ₹48,40,000 Market value to be adopted= Ac. 2.36 ct.*₹48,40,000=₹1,14,22,400	114.22	5.71	1.71	1.14	1.95	6.61
10	SR, Rayachoti	425/2020 Sale deed	Chilamathur Sy.no.181/3B-ac. 0.71 ct. Sy.no.182/1-ac. 0.55 ct. Sy.no.182/3-ac. 0.60 ct. Total extent-ac. 1.86 ct.	Sy.no.182/1 in boundary of scheduled property and the rate per acre was ₹ 59,00,000 Market value to be adopted= Ac. 1.86 ct. * ₹ 59,00,000= ₹ 1,09,74,000	109.74	5.49	1.65	1.10	6.86	1.38
									Total	109.96

Appendix – 4.15
(Reference to Paragraph 4.3.2 ; Page no. 42)
Incorrect adoption of Market Value/ extent of land

Sl. No.	Name of the office	Document no./ Year/ Classification	Revenue village/Survey number/extent of the property	Market value (MV) to be adopted	Stamp duty (SD) to be levied	Transfer duty (TD) to be levied	Registration fee (RF) to be levied	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6) + (7) + (8) - (9)
1	SR, Adoni	5897/2019 Sale deed	Sadapuram 354-2B2A2- Ac. 2.25 ct.	Ac 2.25 ct.*4,840 Sq. yd.* ₹1,800 per Sq. yd= ₹1,96,02,000	9.80	2.94	1.96	4.22	10.48
2		5898/2019 Sale deed	Sadapuram 354-2B2A1- Ac 0.50 ct.	Ac 0.50 ct.*4,840 Sq. yd.* ₹1,800 per Sq. yd. = ₹43,56,000	2.18	0.65	0.44	0.94	2.33
3		5899/2019 Sale deed	Sadapuram 354-2B1A Ac 01.00 ct.	Ac 1.00 ct.*4,840 Sq. yd.* ₹1,800 per Sq. yd. = ₹87,12,000	4.36	1.31	0.87	1.88	4.66
4		2731/2019 Sale deed	Sadapuram 341/1- Ac 0.40 ct. 342/1- Ac 1.25 ct. Total extent-Ac. 1.65 ct.	Ac. 1.65 ct.*4,840 Sq. yd.*₹1,800 per Sq. yd. = ₹1,43,74,800	7.19	2.16	1.44	6.93	3.86
5	SR Gajuwaka	2394/2020 Sale deed	Kurmannapalem D.No.31-39-1 440 Sq,yd	440 Sq. yd ₹ 32,500 per Sq. yd -₹1,43,00,000	7.15	2.15	1.43	6.61	4.12

Sl. No.	Name of the office	Document no./ Year/ Classification	Revenue/Survey number/extent of the property	Market value (MV) to be adopted	Stamp duty (SD) to be levied	Transfer duty (TD) to be levied	Registration fee (RF) to be levied	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6) + (7) + (8) - (9)
6	SR, Kallur	13471/2018 Sale deed	Munagalapadu in Kurnool Municipal Corporation limits Sy.No. 154 & 155 (identified in prohibited properties list) Ac. 08.00 ct.	Ac. 8.00 ct. *4,840 Sq. yd * ₹1,250 per Sq. yd = ₹4,84,00,000	24.20	7.26	4.84	7.20	29.10
7	SR Nuzvidu	6704/2020 GPA	Nuziveedu, D.No.7-254 1687.224 Sq.yd.	1,687.224 Sq. yd * ₹19,500 per Sq. yd = ₹3,29,00,868	3.29	0	0.20	1.30	2.19
								Total	56.74

Appendix – 4.16
(Reference to Paragraph 4.3.3; Page no. 43)
Undervaluation of properties due to incorrect adoption of classification of land

Sl. No.	Name of the office	Document no. /Year & Classification	Chargeable value	Stamp (SD) leviable	Registration fee (RF) leviable	Transfer duty (TD) leviable	Total duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(5)+(6)+(7) - (8)
1	DR, Kurnool	13104/2021 Partition Deed	4,872.82	48.73	0	0.01	37.40	11.34
2		15059/2021 Sale Deed	87.12	4.36	1.31	0.87	3.69	2.85
3	SR, Madanapalle	6519/2021 Sale Deed	600.01	30.00	9.00	6.00	14.96	30.04
4	SR, Nuzvidu	8226/2021 Sale Deed	118.40	5.92	1.78	1.18	3.59	5.29
5	SR, Rayachoti	6179/2020 Release Deed	87.00	2.61	0	0.10	1.11	1.60
							Total	51.12

Appendix – 4.17
(Reference to Paragraph 4.3.4; Page no. 43)
Non-consideration of total extent of property in DGPA/GPA documents

Sl. No.	Name of the office	Document no. /Year & Classification	Cost of development /Value of property	Stamp duty (SD) leviable	Registration fees (RF) leviable	Duties leviable	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)= (7)- (8)
1	DR Chittoor	6935/2020 GPA	2,207.04	22.07	0.20	22.27	11.99	10.28
2	DR, Eluru	7124/2021 DGPA	874.10	8.74	0.20	8.94	4.96	3.98
3	DR, Kakinada	7908/2021 DGPA	965.58	9.65	0.20	9.85	5.30	4.55
4	SR Kadiiri	10814/2019 DGPA	271.04	2.71	0.20	2.91	1.06	1.85
5	SR, Kallur	6582/2018 DGPA	432.01 (including ₹141.61 lakh towards cost of construction)	4.32	0.20	4.52	2.08	2.44
6	SR, Kovvur	2403/2019 GPA	248.58	2.48	0.20	2.68	1.61	1.07
							Total	24.17

Appendix – 4.18
(Reference to Paragraph 4.3.5; Page no. 44)
Properties undervalued due to non-inclusion of cost of structures

Sl. No.	Name of the office	Document no./Year & Classification	Chargeable value to be considered	Chargeable value considered	Stamp duty (SD) leviable	Registration fee (RF) leviable	Total duties levied	Short levy of duties
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(6)+(7)-(8)
1.	DR, Kurnool	5220/2022 DGPA	2,128.09	1,185.80	21.28	0.20	1.45	20.03
2.	SR, Adoni	5534/2019 DGPA	678.50	79.31	6.78	0.20	1.79	5.19
							Total	25.22

Appendix – 4.19
(Reference to Paragraph 4.4.1; Page no. 45)
Distinct matter of 'Partition' in DGPAs

Sl. No.	Name of the office	Document no./Year & Classification	Cost of development	Value of separated shares for 'Partition'	SD leviable for DGPA	SD leviable for 'Partition'	RF leviable for DGPA	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6)+(7)+(8)-(9)
1.	DR, Amalapuram	7345/2019 (DGPA) 3511/2021 (Supplementary Agreement)	1,023.53	146.05	10.24	2.92	0.20	10.44	2.92
2.	DR, Chittoor	6365/2021	1,346.51	216.27	13.47	4.33	0.20	13.67	4.33
3.	DR, Kurnool	16571/2021	1,883.51	306.00	18.84	6.12	0.20	19.04	6.12
4.		12475/2021	2121.19	377.83	21.21	9.84 (including ₹2.28 lakh towards SD for release being 3 % of ₹ 76.16 lakh as value released by claimants 5,7 and 8)	0.20	21.41	9.84

Sl. No.	Name of the office	Document no./Year & Classification	Cost of development	Value of separated shares for 'Partition'	SD leviable for DGPA	SD leviable for 'Partition'	RF leviable for DGPA	Duties levied	Short levy
5.	DR, Nandyal	170/2021 (DGPA) & 5360/2021 (Supplementary Agreement)	52.60	174.85	0.53	3.50	0.20	0.74	3.49
6.	DR, Narasaraopet	10183/2017	525.92	130.99	5.26	2.62	0.20	5.46	2.62
7.		18916/2020	599.72	223.20	6.00	4.46	0.20	6.20	4.46
8.		11897/2021	569.60	167.58	5.70	3.35	0.20	5.90	3.35
9.	DR, Nellore	6494/2021	350.00	102.01	3.50	2.04	0.20	3.70	2.04
10.	DR, Srikakulam	7751/2019	1,086.29	299.17	10.86	5.98	0.20	11.07	5.97
11.	DR, Visakhapatnam	7829/2021	366.22	104.98	3.66	1.05	0.20	3.87	1.04
12.	SR, Gajuwaka	159/2021	340.62	93.00	3.41	1.86	0.20	3.61	1.86
13.	SR, Lankalapalem	2595/2021	247.00	69.90	2.47	1.40	0.20	2.67	1.40
14.	SR, Madurawada	6072/2021	481.15	95.44	4.81	1.91	0.20	5.02	1.90
15.	SR, Nidadavole	6123/2019	354.60	108.79	3.55	2.18	0.20	3.75	2.18
16.	SR, Tanuku	676/2021	514.60	208.58	5.15	4.17	0.20	5.35	4.17
								Total	57.69

Appendix – 4.20 (a)
(Reference to Paragraph 4.4.2; Page no. 45)

Distinct matter of 'Release' in Partition deeds

Sl. No.	Name of the office	Document no./Year & Classification	Value of separated shares (VSS) for 'Partition'	Value of share considered for 'Release'	Stamp duty (SD) leviable on VSS for 'Partition'	SD leviable on distinct matter of 'Release'	Registration fee (RF) for distinct matter of 'Release'	Duties paid	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6)+ (7)+(8)- (9)
1.	DR Ananthapur	8619/2020 Partition among family members	138.04	88.12	1.38	2.64	0.10	1.39	2.73
2.	DR, Srikakulam	4263/2017 Partition among others	218.97	29.90	4.38	0.90	0.10	2.90	2.48
3.		5874/2021 Partition among family members	376.56	34.22	3.77	1.03	0.10	3.78	1.12

Sl. No.	Name of the office	Document no./Year & Classification	Value of separated shares (VSS) for 'Partition'	Value of share considered for 'Release'	Stamp duty (SD) leviable on VSS for 'Partition'	SD leviable on distinct matter of 'Release'	Registration fee (RF) for distinct matter of 'Release'	Duties paid	Short levy
4.	SR, Adoni	1583/2021 Partition among others	210.00	95.00	4.20	2.85	0.10	0.21	6.94
5.	SR, Lankalapalem	565/2021 Partition among family members	104.17	122.61	1.04	3.68	0.10	1.05	3.77
6.	SR, Pithapuram	1556/2021 Partition among others	120.29	54.81	2.41	1.64	0.10	2.51	1.64
								Total	18.68

Appendix – 4.20 (b)
(Reference to Paragraph 4.4.2; Page no. 46)
Distinct matter of 'Release' in Partition deeds

Sl. No.	Name of the office	Document no./Year & Classification	Value of separated shares for 'Partition'	Value considered as 'Release'	SD leviable for Partition	SD leviable for 'Release'	RF leviable for 'Partition'	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6) +(7)+(8)-(9)
1.	DR, Ananthapur	15534/2021 Partition deed among family members	531.90	464.26	5.32	13.93	0.01	16.21	3.05
2.		2426/2022 Partition deed among family members	444.75	243.53	8.89	7.31	0.01	9.93	6.28
3.	SR Kadiri	11363/2021 Partition deed among family members	124.30	85.80	1.24	2.57	0.01	2.54	1.28
4.	SR, Thadipatri	3341/2022 Partition deed among family members	209.94	104.97	2.10	3.15	0.01	2.11	3.15
								Total	13.76

Appendix – 4.21
(Reference to Paragraph 4.4.3; Page no. 46)
Distinct matter of ‘Settlement’ in Partition deeds

Sl. No.	Name of the office	Document No./ Year & Classification	Value of self-acquired properties to be considered for distinct matter of Settlement	VSS for Partition deed (in ₹)	Stamp duty (SD) on distinct Settlement to be levied	SD on Partition to be levied	Registration fee (RF) to be levied	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(6) + (7)+(8) - (9)
1.	DR Cuddapah	1864/2020 Partition deed among family members	115.79	20.82	2.32	0.21	0.10	0.99	1.64
2.	SR, Adoni	1043/2020 Partition deed among family members	150.59	17.62	3.01	0.18	0.10	1.11	2.18
3.	SR, Chilamathur	612/2021 Partition deed among family members	126.01	1.00	2.52	0.01	0.10	1.03	1.60
4.	SR Thadipatri	9192/2020 Partition deed among family members	531.24	123.65	10.62	1.24	0.10	3.92	8.04
5.	SR, Yemmiganur	6429/2018 Partition deed among family members	74.82	9.24	1.50	0.09	0.10	0.64	1.05
6.		221/2019 Partition deed among family members	78.32	1.00	1.57	0.01	0.10	0.62	1.06
7.		9133/2021 Partition deed among family members	134.52	2.00	2.69	0.02	0.10	1.38	1.43
								Total	17.00

Appendix – 4.22
(Reference to Paragraph 4.5 ; Page no. 47)
Non-consideration of chargeable values for levying duties

Sl. No.	Name of the office	Document no./Year & Classification	Chargeable value adopted by registering authority/Actual chargeable value (in ₹)	Stamp duty (SD) payable (in ₹)	Transfer duty (TD) payable (in ₹)	Registrati on fee (RF) payable (in ₹)	Duties levied (in ₹)	Short levy (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(5) + (6)+(7) -(8)
1.	DR, Kurnool	453/2022 Sale deed	388.41	19.42	5.83	3.88	14.61	14.52
2.		454/2022 Sale deed	244.68	12.23	3.67	2.45	9.02	9.33
3.		87/2022 Sale deed	121.50	6.08	1.82	1.22	6.08	3.04
4.		295/2022 Sale deed	121.50	6.08	1.82	1.22	6.08	3.04
5.	SR Gajuwaka	2704/2020 Sale deed	225.92	11.30	3.39	2.26	15.29	1.66
6.		2703/2020 Sale deed	160.00	8.00	2.40	1.60	10.83	1.17
7.	SR, Kallur	8354/2018 Sale deed	205.22	10.26	3.08	2.05	1.59	13.80
8.		10401/2018 Sale deed	228.90	11.45	3.43	2.29	8.58	8.59
9.		8353/2019 Sale deed	162.22	8.11	2.43	1.62	6.29	5.87
10.		4893/2018 Sale deed	35.44	1.77	0.53	0.35	1.27	1.38
11.		13468/2018 Sale deed	38.72	1.94	0.58	0.39	0.64	2.27
							Total	64.67

Appendix – 4.23

(Reference to Paragraph 4.6; Page no. 48)

Sale of flats disguised as sale of undivided share of land followed by construction agreements

Sl. No.	Name of the office	Document Nos./ Year of sale of land and Construction agreement	Property details	Market value/ consideration of the property	Duties leviable at 7.5% (SD at 5%, TD at 1.5%, RF at 1%)	Duties levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(6)- (7)
1.	DR, Visakhapatnam	3690/2021 & 3691/2021	Ts.No 125, Waltair ward, Meghana Royal Towers, Near VUDA park, Visakhapatnam	242.88	18.22	8.06	10.16
2.		6954/2021 & 6955/2021		128.66	9.65	4.31	5.34
3.		1343/2022 & 1344/2022		246.00	18.45	13.74	4.71
4.	SR, Lankelepalem	957/2021 & 958/2021	Sy.No 31, Nuthan Sai Enclave, Aganampudi, Revenue village, Visakhapatnam	27.00	2.02	0.79	1.23
5.	SR, Madurawada	3723/2021 & 3724/2021	Sy.No 27//15, Pearl Towers, Yendada Village, Visakhapatnam	71.85	5.38	2.83	2.55
6.		8397/2021 & 8398/2021		71.85	5.38	2.83	2.55
						Total	26.54

Appendix – 4.24
(Reference to Paragraph 4.7; Page no. 49)
Non-consideration of properties set apart for common enjoyment

Sl. No.	Name of the office	Document No. /Year & Classification	Value of separated shares	Stamp duty (SD) leviable	Registration fee (RF) leviable	SD levied	RF levied	Short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(5)+(6)-(7)-(8)
1.	DR Amalapuram	3134/2020 Partition among others	164.01	3.28	0.01	2.46	0.01	0.82
2.	DR, Kurnool	292/2022 Partition among others	439.70	8.79	0.01	6.43	0.01	2.36
3.	DR, Ongole	10936/2019 Partition among family members	1,193.08	11.93	0.01	0.82	0.01	11.11
4.	SR, Adoni	600/2020 Partition among others	195.64	3.91	0.01	1.94	0.01	1.97
5.	SR Chintalapudi	3061/2020 Partition among others	91.42	1.83	0.01	0.80	0.01	1.03
6.	SR Kadiri	6414/2020 Partition among others	176.55	3.53	0.01	2.35	0.01	1.18
7.	SR Nakkapalli	2296/2020 Partition among family members	257.23	2.57	0.01	1.35	0.01	1.22
8.	SR, Pithapuram	393/2020 Partition among family members	513.00	5.13	0.01	2.35	0.01	2.78
9.	SR, Prathipadu	3732/2016 Partition among family members	535.48	5.35	0.01	3.60	0.01	1.75
10.		4889/2016 Partition among family members	374.50	3.75	0.01	1.95	0.01	1.80
							Total	26.02

Appendix – 4.25
(Reference to Paragraph 4.8; Page no. 50)

Short levy of duties on Gift deeds

Sl. No.	Name of the office	Document no. / Year	Value of the property	Stamp duty (SD) leviable	SD levied	Short levy of SD	Transfer duty (TD) leviable	TD levied	Short levy of TD	Total short levy
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)-(6)	(8)	(9)	(10)=(8)-(9)	(11)=(7)+(10)
1.	DR, Ananthapur	6357/2018 Gift in favour of Charitable institutions	110.78	2.77	3.33	0	1.66	0	1.66	1.10
2.	DR, Cuddapah	812/2018 Gift in favour of others	97.21	4.86	2.92	1.94	1.46	1.46	0	1.94
3.		6712/2019 Gift in favour of others	64.12	3.21	2.34	0.87	0.96	0	0.96	1.83
4.	SR, Gunadala	8954/2021 Gift in favour of Relatives	165.23	3.30	3.30	0	2.48	0	2.48	2.48
5.		7919/2021 Gift in favour of Relatives	110.00	2.20	2.20	0	1.65	0	1.65	1.65
6.	SR, Nallapadu	1530/2021 Gift in favour of Relatives	228.00	4.56	4.56	0	3.42	0	3.42	3.42
									Total	12.42

Appendix – 4.26
(Reference to Paragraph 4.9; Page no. 51)
Loss of revenue due to non-registration of compulsorily registerable documents

Sl. No.	Name of the office	Document no./ Year	Value of property	Stamp duty (SD) leviable	Short levy of registra- tion fee	Details of un-registered Sale agreements	Total short levy
1.	SR, Adomi	9881/2021	522.72	2.61	0.20	It was recited in page 4 of the document that agreement of sale written on 02 April 2021 for consideration amount of ₹4,55,59,998 .	2.81
2.	SR, Jangareddigudem	2458/2019	542.13	2.71	0.20	It was written in page no.5 of document that receipt of advance of ₹ 25,00,000 was acknowledged during the time of agreement of sale on 12 March 2019.	2.91
3.	SR, Kovvur	6434/2021	662.89	3.31	0.20	It was written in point no. 1 of page no.3 of document that advance of ₹ 1,00,000 was received during the time of agreement of sale on 18 October 2021.	3.51
4.	SR, Narsapur	3633/2019	213.74	1.07	0.20	In page no. 2 of the document it was recited that sale agreement written on 13 November 2017.	1.27
						Total	10.50

GLOSSARY

AA	Assessing Authority
AAR	Average Annual Rent
APGST	Andhra Pradesh Goods and Services Tax
APVAT	Andhra Pradesh Value Added Tax
ATN	Action Taken Notes
C&IGRS	Commissioner & Inspector General of Registration and Stamps
CGST	Central Goods and Services Tax
CST	Central Sales Tax
DGPA	Development agreements-cum-General Power of Attorney
DoTD	Deposit of Title Deeds
DR	District Registrar
EN	Explanatory Note
GPA	General Power of Attorney
GST	Goods and Services Tax
IGST	Integrated Goods and Services Tax
IR	Inspection Report
IS Act	Indian Stamp Act
LAO	Land Acquisition Officer
MPP	Mandal Praja Parishad Road
MV	Market Value
NH	National Highway
RDO	Revenue Divisional Officer
SGST	State Goods and Services Tax
SH	State Highway
SR	Sub-Registrar
TDS	Tax Deducted at Source
TP	Transfer of Property
ZPP Road	Zilla Praja Parishad Road

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in

<https://cag.gov.in/ag/andhra-pradesh/en>

