

CHAPTER-IV

***STAMP DUTY AND
REGISTRATION FEES***

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4.1 Tax administration

Receipts from stamp duty and registration fee are regulated under the Indian Stamp Act 1899, (IS Act), Registration Act, 1908 (IR Act) and the rules framed thereunder as applicable in Andhra Pradesh State and are administered at the Government level by the Principal Secretary (Revenue). The Commissioner and Inspector General of Registration and Stamps (CIGR) is the head of the Revenue Department who is empowered with the task of superintendence and administration of registration work. He is assisted by 12 Deputy Inspectors General (DIG), 38 District Registrars (DR) and 417 Sub-Registrars (SR) respectively.

4.2 Internal audit

There is a separate Internal Audit wing in the department to examine the lapses of the registering officers if any, in the cases of undervaluation of properties registered which cause loss of revenue to the State exchequer. Monthly audit programmes are drawn up and teams consisting of DR (Market Value & Audit) and SR (Market Value & Audit) would conduct Audit of SRs and DRs of the State as per the given programme. An officer in the rank of DIG (Registration & Stamps) would supervise and review the Audit procedures.

4.3 Results of Audit

In 2013-14, the test check of records of 50 units of Registration and Stamps Department, showed non/short levy of stamp duty and registration fees etc. and other irregularities amounting to ₹ 717.54 crore in 178 cases, which fall under the categories given in **Table 4.1**.

Table 4.1

(₹ in crore)			
Sl. No.	Category	No. of cases	Amount
1.	Audit of Public Private Partnership (PPP) Agreements	1	709.48
2.	Short levy of duties due to suppression of facts	89	2.82
3.	Undervaluation of properties	47	1.27
4.	Short levy of duties due to adoption of incorrect rate	18	0.64
5.	Misclassification of documents	18	0.44
6.	Other irregularities	5	2.89
Total		178	717.54

During the course of the year, the Department accepted under-assessments and other deficiencies of ₹ 64.01 lakh in 34 cases, of which ₹ 45.77 lakh in six cases

were pointed out in earlier years. An amount of ₹ 13.27 lakh in 20 cases was realised during the year 2013-14.

Audit of certain Public Private Partnership (PPP) Agreements involving tax effect of ₹ 709.48 crore and a few illustrative cases involving ₹ 3.91 crore are discussed in following paragraphs.

4.4 Levy of Stamp Duty and Registration Fee on Public Private Partnership (PPP) Agreements

4.4.1 Introduction

Public-Private-Partnership or PPP is a mode of implementing government programmes/schemes in partnership with the private sector. The term private in PPP encompasses all non-government agencies such as the corporate sector, voluntary organizations, self-help groups, partnership firms, individuals and community based organizations. PPP involves a long-term relationship between the public sector and the private sector. While the collaboration between the two, may take various forms like buyer-seller relationship, donor-recipient relationship, the most stable partnership is in the form of 'contract' binding on both the parties¹⁰⁶. Since such contracts (also known as concession agreements or PPP agreements) provide for transfer of properties on terms equivalent to lease, these contracts are to be registered compulsorily and attract payment of stamp duty and registration fee.

Under Section 17(1)(d) of the Registration Act, 1908, all leases are to be compulsorily registered from 1 April 1999. Registration fee as notified by the Government from time to time will be applicable to them and is calculated as a certain percentage of the Average Annual Rent (AAR) received by the lessor from the lessee. Article 31 (Schedule 1-A) of IS Act specifies the rates of stamp duty on leases.

4.4.2 Objectives, scope and methodology of audit

An analysis of treatment of PPP agreements entered into by various Corporations and Departments of the State of Andhra Pradesh by the Commissioner and Inspector General (Registration and Stamps) was taken up during July 2013 to December 2013 to check whether the PPP agreements were correctly classified for registration and correct amounts of stamp duty and registration fees were levied.

Data relating to the PPP agreements entered into by various Departments/Corporations of the State government were obtained from the PPP cell of State Government and scrutinized with reference to the provisions of Indian Stamp Act 1899 and Registration Act 1908. As per the data available, there were 111 PPP agreements entered into by the Corporations/Departments during the period from April 1999 to August 2013¹⁰⁷.

¹⁰⁶ Source: Planning Commission's 'Report of the PPP Sub-Group on Social Sector' (2004).

¹⁰⁷ Data was sought in the beginning of audit i.e. in July 2013.

Audit Findings

Audit scrutiny revealed that out of the 111 PPP agreements, 34 were executed as lease agreements whereas 18 agreements contained clauses which made them leases, but were not executed as leases. As all these 52 agreements were executed on or after 1 April 1999, they were all to be registered compulsorily. Audit observed that only one of the 52 was registered. As the remaining agreements were not registered, stamp duty was not levied on any of them. Even in the one agreement which was registered, there was short levy of stamp duty. Details are explained in the following paragraphs.

4.4.3 Non-levy of stamp duty due to misclassification of leases

According to Section 105 of the Transfer of Property Act, 1882, a lease of an immovable property is the transfer of right to enjoy such property, made for a certain time, express or implied, or for perpetuity in consideration of a price paid or promised, or of money, a share of crops, service or any other thing of value, to be rendered periodically on specified occasions to the transferor by the transferee who accepts the transfer on such terms.

Under Article 31(d) of Schedule 1A to IS Act, where the lessee undertakes to effect improvements in the leased property and agrees to make the same to the lessor at the time of termination of lease, stamp duty is to be levied at five *per cent* on the value of the improvements contemplated to be made by the lessee as set forth in the deed in addition to the duty chargeable under other clauses of Article 31.

Audit noticed that 18 PPP agreements as noted above were executed between April 1999 and August 2013 on ₹ 100 non-judicial stamp papers. A scrutiny of recitals of these agreements revealed that those agreements fulfilled all conditions as provided in the definition of lease in terms of Section 105 of the Transfer of Property Act. Hence, these agreements were to be classified as leases and were to be registered compulsorily under Section 17 of the Registration Act 1908. Registration fee under Section 78 (Article 1C) of Registration Act 1908 and stamp duty under Article 31 of Schedule 1A to IS Act were leviable.

In these 18 agreements, the concessionaires (private parties) had to make certain improvements in the land/space provided to them by the Departments/Corporations and at the end of the period of agreement, transfer the property along with the improvements to the respective Department/Corporation. These agreements, therefore, attracted stamp duty under Article 31(d) of the IS Act on improvements made.

The misclassification of these 18 documents as agreements or memoranda of agreements instead of treating them as leases resulted in non-registration and consequent non-levy of stamp duty of ₹ 665.38 crore¹⁰⁸.

¹⁰⁸ ₹ 35.25 lakh under Article 31(c) and ₹ 665.03 crore under Article 31(d).

4.4.4 Non levy of stamp duty and registration fee on documents executed as leases

As per the provisions of Section 33 of the IS Act any instrument chargeable under Stamp Act is liable to be impounded by the Public Officers¹⁰⁹ before whom that instrument is produced or comes before him in the performance of his functions.

It was noticed that of 34 PPP agreements under Build Operate Transfer (BOT) schemes executed as leases during the period from April 1999 to August 2013, 33 had not been registered although they were required to be registered compulsorily under Section 17 of Registration Act. In addition to the registration fee, stamp duty as per Article 31(c) of the IS Act, was also leviable by taking into account the fine or premium or money advanced in addition to the rent reserved. Since, in all these cases, the concessionaire had to pay Annual Ground Licence Fee (AGLF), Additional Development Premium (ADP) or one-time Upfront Development Fee (UDF)/premium, these payments were to be taken into consideration for levy of stamp duty.

Total stamp duty and registration fee leviable on these 33 documents has been calculated in the following table:

(₹ in lakh)

Sl. No.	Lease Period (in years)	No. of documents [#]	Project cost	Premium/ Advance Fee	Annual Average Rent (AAR)	Market value (where applicable)	SD leviable	RF leviable
1	5-10	1	120	15	6.45	NA	7.23	0.03
2	10-20	3	430	14.50	27.34	NA	24.96	0.14
3	20-30	1 (Before 01 August 2005)	65	0.5	2	NA	3.58	0.01
		10 (Between 01 August 2005 and 13 May 2010)	7617	103.56	313.1	NA	464.30	1.57
4	>30	8 (Before 1 August 2005)	16225	56	544.82	NA	1085.01	3.57
		4 (Between 1 August 2005 and 13 May 2010)	35380	1649	863.84	NA*	2283.37	43.19
		6 (From 14 May 2010)	6809	2057.85	344.82	571.15	442.79	17.24
Total		33 documents					4311.24	65.75
							4376.99	

with the period of execution as rates were revised during those spans.

* As the value calculated on the basis of AAR is higher.

Since the documents/lease agreements were executed by the governmental agencies, it was the responsibility of public officers to ensure registration of these documents by impounding them and referring to the jurisdiction Collectors. Non-compliance of the provisions of Section 33 by the Public Officers resulted in non-registration of these 33 documents and consequently in non-levy of stamp duty and registration fee amounting to ₹ 43.77 crore.

¹⁰⁹ Every person having by law or consent of parties authority to receive evidence, and every person-in-charge of a public office.

The matter was brought to the notice of the Department between September and December, 2013.

In response, the Commissioner and Inspector General of Registration and Stamps stated (December 2013 and February 2014) that the matter would be pursued with the respective Departments wherever such observations were made as the documents were not presented before the Registration and Stamps Department or sent for collection of deficit stamp duty by public officers.

4.4.5 Short levy of stamp duty on improvements made in the leased property

Under Article 31(d) of Schedule 1A to IS Act, where the lessee undertakes to effect improvements in the leased property and agrees to make the same to the lessor at the time of termination of lease, stamp duty is to be levied at five *per cent* on the value of the improvements contemplated to be made by the lessee as set forth in the deed in addition to the duty chargeable under other clauses of Article 31.

In case of one PPP agreement, which was executed and registered as a lease, stamp duty on improvements worth ₹ 6.70 crore, under Article 31(d) was not levied, resulting in short levy of stamp duty of ₹ 33.50 lakh.

The matter was brought to the notice of the Department in March 2014. The reply is awaited (November 2014).

4.4.6 Conclusion

Absence of coordination between the CIGR and the Departments/Corporations executing PPP agreements (who are public officers as per Section 33 of IS Act) to ensure compulsory registration of the documents pertaining to such agreements has caused loss of ₹ 709.50 crore to the government.

4.5 Non-levy of stamp duty on vehicles registered with hypothecation agreements

As per Article 7(b) of Schedule I-A to the Indian Stamp Act 1899, the pawn, pledge or hypothecation of movable property, where such pawn, pledge or hypothecation has been made by way of security for the repayment of money advanced by way of loan or an existing or future debt; 0.5 *per cent* of the amount secured subject to a maximum of ₹ two lakh towards stamp duty, shall be levied, if such loan or debt is repayable on demand or more than three months from the date of the instrument, evidencing the agreement. Further, every instrument has to be properly stamped as per the provisions of the Act.

During the test check of data relating to registration of vehicles, it was noticed that 11,80,586 vehicles were hypothecated to private banks during the period from July 2012 to December 2013 on which stamp duty amounting to ₹ 93.24 crore was not levied resulting in foregoing of revenue by the Government. As the amount of loan secured was not available in the vehicle

registration files/data, audit adopted 80 *per cent* of the cost of the vehicles amounting to ₹ 14,917.72 crore as the total loan amount.

Though a comment was made on the above subject in the Report for the year 2012-13 (financial year 2010-11) recommending the adoption of a mechanism to ensure co-ordination between the CIGR and the Transport Commissionerate, no steps were taken in this regard.

In response, the Transport Commissioner replied (January 2014) that during the meeting held in December 2013, the Principal Secretary, Revenue (Registration & Stamps) assured to examine the issue and make necessary amendments in their laws to collect the stamp duty on such vehicles as officials of Transport Department were not empowered to ask for hypothecation documents.

Matter was referred to Department in August 2014 and to Government in September 2014. Their reply has not been received (November 2014).

4.6 Short levy of duties due to non-verification of facts

4.6.1 As per Section 27 of the IS Act, the consideration, if any, the market value of the property and all other facts and circumstances affecting the levy of duty on any instrument, shall be fully and truly set forth therein. The section provides that a registering officer or any other officer appointed under the Registration Act, 1908 may inspect the related property, make necessary local enquiries, call for and examine all the connected records and satisfy that the provisions of this Section are complied with. As per the Rule 7 of AP Revision of Market Value Guidelines Rules, different values have been fixed for agricultural lands fit for house sites/residential localities under the classification code 25. Further, Rule 4 (1)(ii)(a) of the Rules *ibid* provides for different rates for valuation of agricultural land and non-agricultural land for levy of stamp duty and registration fee. Section 64A of the IS Act provides for recovery of deficit stamp duty, if any.

During test check of records of eight DRs¹¹⁰ and eight SRs¹¹¹, Audit noticed (between July 2012 and April 2014) that in respect of 62 sale deeds, six Sale Agreements cum General Power of Attorney (SAGPA) and one gift deed executed between March 2011 and March 2013, the registering authorities, while registering the documents, did not verify the status and category of the land from the Land Revenue authorities and adopted the agricultural rate for the lands which had already been converted for non-agricultural purposes. The properties were thus undervalued resulting in short levy of stamp duty and registration fees of ₹ 2.52 crore.

After audit pointed out these cases, two registering officers¹¹² while accepting the suppression of the facts in five cases (between January 2014 and April 2014) stated that the higher stamp duty could not be collected as the

¹¹⁰ DRs – Adilabad, Bhimavaram, Chittoor, Eluru, Karimnagar, Nalgonda, Proddutur and Vizianagaram.

¹¹¹ SRs – Bhongir, Farooqnagar, Jadcherla, Kalwakurthy, Medchal, Prattipadu, Wanaparthy and Warangal (Rural).

¹¹² DR Proddutur and SR Wanaparthy

revenue authorities had not communicated the change in the nature of land. Similarly, two other SRs¹¹³ in respect of three cases, stated (January 2014 and August 2014) that the registering officers were not at fault as the fact of conversion was not disclosed by the parties. However, the provisions of Section 64A of the IS Act can be invoked by the registering officers to collect the deficit stamp duty. In the remaining 61 cases (between September 2013 and April 2014), registering officers replied that the matter would be examined and reply sent in due course.

The matter was referred to the department in May 2014. Their reply has not been received (November 2014).

4.6.2 The CIGR in circular¹¹⁴ dated 11 July 2008 instructed all sub-registrars to check undervaluation of property and to plug all loopholes to arrest leakage of revenue. These instructions were issued in the wake of splitting of the high valued land abutting National Highways by their owners with a view to escape stamp duty.

During test check of records of SR, Warangal (Rural) it was noticed (September 2013) that sale of land measuring 3.45 acres was registered (May 2012) on two consecutive days by splitting into two documents (3.25 and 0.20 acres), and adopting two different market values of ₹ 10.00 lakh and ₹ 26.62 lakh per acre respectively. The documents were split up in such a way that the smaller plot of high market value abutted the National Highway and bigger plot of lesser market value had no direct access to the road. In both these transactions, the vendors were the same and there was a common vendee. The registering authorities did not check undervaluation by linking the documents which resulted in short levy of duties of ₹ 5.12 lakh.

Sub Registrar replied that the matter would be examined and detailed reply furnished in due course. The matter was referred to the department in December 2013 and their reply is awaited (November 2014).

4.7 Short levy of duty due to undervaluation of properties

Under Section 3 of the IS Act read with Article 47-A of Schedule 1-A to the IS Act, instruments of sale are chargeable to stamp duty at five *per cent* on the amount set forth in the instrument or market value of the property, whichever is higher. Transfer duty is leviable at three *per cent* under provisions of various Acts of Local Bodies, besides registration fee leviable at 0.5 *per cent*.

Instruments of “settlement” are chargeable to stamp duty on the market value of the property as per Article 49A. Further, as per Article 6(B) of the Schedule, documents relating to agreement of sale combined with GPA are chargeable to stamp duty on sale consideration or market value, whichever is higher.

¹¹³ Bhongir and Kalwakurthy.

¹¹⁴ Rc.No.MV2/10472/2008 dt 11 July 2008.

During test check of records of six DRs¹¹⁵ and SR Mangalagiri, Audit noticed (between November 2013 and March 2014) that while registering four gift deeds and 11 sale deeds (between April 2011 and February 2014), the registering officers undervalued the properties for the reasons mentioned in the following table.

Name of the office	Documents		Date of registration	Reasons for undervaluation
	Type	No.		
DR Anakapally	Gift deed	1	October 2012	Rates of lands as per basic value registers were more.
	Sale deed	1	April 2012	
DR Karimnagar	Sale deeds	3	January and February 2012	
DR Mahboobnagar	Gift deeds	2	April 2011	In two gift deeds registered on same date, the donor adopted two different rates for the land split and donated to a donee.
	Gift deed	1	June 2012	The value of building/structure was not considered in a gift deed.
	Sale deeds	2	June 2011 and April 2012	Rates of lands as per basic value registers were more.
SR Mangalagiri	Sale deed	1	June 2012	Lesser value was adopted by omitting the fact about the land being adjacent to Highway.
DR Narasaraopet	Sale deed	1	March 2011	The value of buildings/structures was not considered in the sale deed.
DR Nizamabad	Sale deed	1	April 2012	The land registered was in municipal limits of Nizamabad town but rural area rates were adopted for valuation instead of urban rates.
	Sale deed	1	February 2014	Lesser value was adopted for valuation whereas the same property was mortgaged to bank at higher value.
DR Srikakulam	Sale deed	1	April 2011	Land rate as per basic value register was more.

Undervaluation of these properties resulted in short levy of stamp duty, transfer duty and registration fees of ₹ 47.93 lakh.

After audit pointed out the cases, the DR Anakapally contended (April 2014) that the land in question is a vacant residential land whereas audit objection was based on nearest vacant commercial land and these higher rates are not applicable to the residential lands though falling in the same area. The reply was not supported by any documentary evidence. In the remaining cases, the registering authorities replied (between November 2013 and February 2014) that the matter would be examined and reply sent in due course.

The matter was reported to the Commissioner and Inspector General of Registration and Stamps between January and July 2014. Their reply is awaited (November 2014).

¹¹⁵ DR- Anakapally, Karimnagar, Mahboobnagar, Narasaraopet, Nizamabad and Srikakulam.

4.8 Leakage of stamp revenue on account of unregistered lease deeds

As per Section 17(1)(d) of the Registration Act, 1908, all leases are to be compulsorily registered and as per Article 31 of Schedule 1A to IS Act 1899, a lease deed is chargeable with stamp duty as applicable from time to time. Registration fee at 0.5 *per cent* on average annual rent shall also be levied. As per Section 73 of Indian Stamp Act, 1899, the inspections of Public Offices are intended to curb leakage of stamp revenue. The CIGR, through a Circular¹¹⁶ dated 11 April 2012, issued instructions to subordinate officers to conduct audit of at least five public offices every month and to take effective steps to collect duty due, if any.

Audit collected information from four¹¹⁷ offices of Prohibition and Excise Superintendents (P&ES) (between March 2012 and March 2013) about bar licenses and observed that in respect of 24 cases, lease deeds submitted by the licensees for obtaining licences were not registered, resulting in non-realisation of stamp duty and registration fees. This resulted in non-levy of stamp duty and registration fee amounting to ₹ 55.49 lakh.

The matter was brought to the notice of the Department in September 2014. Their replies are awaited (November 2014).

4.9 Short levy of stamp duty and registration fees due to misclassification of documents

Under Section 3 of IS Act read with Article 41(C) of Schedule 1A where the property belonging to one or more partners is distributed or allotted or given to another partner or partners, when the partnership is dissolved, stamp duty is chargeable at five *per cent* on the market value of the property so distributed under the instrument of dissolution.

Article 49 (A)(a) of Schedule IA to IS Act, read with Government Order¹¹⁸, stamp duty in respect of gift settlement in favour of family members was reduced to one *per cent* of the market value of the property settled. In any other case, settlements are chargeable with stamp duty at six *per cent* under Article 49 (A) (b) of Schedule IA to the Act.

According to Section 27 of IS Act, the consideration if any, the market value of the property and all other facts and circumstances affecting the chargeability of any instrument with duty and the amount of duty with which it is chargeable shall be fully and truly set forth therein.

As per Article 16 of Schedule IA to the Indian Stamp Act, 1899, in case of Certificate of Sale granted to the purchaser of any property sold through public auction by a Civil or Revenue Court or Collector or other Revenue Officer,

¹¹⁶ S5/11266/11, dt. 11 April 2012.

¹¹⁷ Dhoolpet, Hyderabad, Rajendranagar and Secunderabad.

¹¹⁸ G.O.Ms.No.1129 Revenue (Regn-I) Department dated 13 June 2005 effective from 01 July 2005.

stamp duty is to be levied at the same rates applicable to a conveyance. In all other cases of public auction, the transactions should be treated as sale as defined in Section 54 of the Transfer of Property Act, 1882 and duty levied as per Article 47-A of Schedule 1-A to IS Act.

As per Article 35 (a) of Schedule IA, a mortgagor, who gives or has given to the mortgagee a power of attorney to collect rents, or has given to the mortgagee a lease of the property mortgaged or part thereof, is deemed to have given possession thereof within the meaning of this Article. Section 3 of IS Act read with Section 78 of Registration Act, provides for levy of stamp duty at five *per cent*, registration fee at 0.5 *per cent* and transfer duty at three *per cent* on the loan secured.

Audit noticed (March 2013 to April 2014) during test check of records of three¹¹⁹ DRs and SR, Nagarkurnool, that four documents were misclassified resulting in short levy of stamp duty, transfer fee and registration fee amounting to ₹ 10.66 lakh as detailed in the following table :

(₹ in lakhs)

Sl. No.	Registering Authority	Documents registered as	Documents should have been registered as	Case details	Duties short levied
1.	DR, Narsaraopet	Partition Deed	Dissolution of Partnership Deed	Land, buildings with machinery and assets belonging to a partnership firm were distributed among its partners and the firm was dissolved. Instead of treating it as a deed for dissolution of a partnership firm under Article 41(C), DR registered this as a partition deed.	4.08
2.	DR, Nizamabad	Settlement deed among family members	Settlement deed among others	Partners of a firm settled the schedule of property belonging to the firm, in favour of one partner who was their brother also. Property settled was of the firm and both the executants and the claimant were partners of the firm, but the DR treated the deed as 'settlement among family members' instead of 'settlement among others' under Article 49 (A)(b) of Schedule 1A.	2.82
3.	DR, Proddutur	Conveyance Deed	Sale Deed	A private bank had taken the possession of the scheduled property for failure to repay the loan amount and issued a Sale Certificate in favour of the claimant after conducting an auction. The transaction was treated as 'conveyance' instead of 'sale'. While registering the property it was undervalued too.	1.91
4.	SR, Nagarkurnool	Simple mortgage	Mortgage with possession	Loan amount of ₹ 23.70 lakh was raised against mortgage of a property. Although the document contained clauses allowing the mortgagee to grant, convey and transfer the mortgaged land and buildings, which was tantamount to possession, the SR registered the documents as 'Simple Mortgage' instead of 'Mortgage with possession',	1.85
Total					10.66

¹¹⁹ Narsaraopet, Nizamabad and Proddutur

The Registering Authorities replied (March 2013-April 2014) that the matter would be examined and detailed report furnished in due course.

The cases were referred to the Department during May 2013 to May 2014. Their reply is awaited (November 2014).

4.10 Short-levy of stamp duty on DGPAs due to undervaluation

Under Article 6(B) of schedule I-A to IS Act read with Government Order dated 10 April 2008 and 30 November 2007¹²⁰, Development Agreements-cum-General Power of Attorney (DGPA) are chargeable to stamp duty at one *per cent* on the amount of sale consideration or the market value or estimated market value for land and complete construction made or to be made in accordance with the schedule of rates approved by the CIGR, whichever is higher.

Audit noticed (between February and April 2014) during test check of records of offices of two SRs¹²¹ and two DRs¹²² that in six out of eight DGPAs registered between June 2011 and March 2013 for development of the land by building multi-storied residential/commercial complexes, the Registering Authorities did not consider the stilt area of the structures for computation of market value of the properties; in two other cases, certain part of the land and the structure to be constructed was not taken into consideration and thus the property registered was undervalued. This resulted in short levy of stamp duty of ₹ 6.86 lakh.

After Audit pointed out these cases, all the registering officers replied that the matter would be examined and reply sent in due course.

The matter was referred to the department between February and September 2014. Their reply is awaited (November 2014).

4.11 Non-registration of partition deed resulted in non-levy of stamp duty

As per Section 17 of the Registration Act 1908, partition deeds are to be compulsorily registered. Under Section 2(15) of the IS Act read with Article 40 of Schedule I-A to IS Act, in case of partition of property among family members, stamp duty shall be leviable at one *per cent* on the amount or the market value of the separated share/shares of the property partitioned after exempting the major share. Act 17 of 1986¹²³ effective from 16 August 1986 extended the definition of partition given in Section 2(15) to include any memorandum or Agreement relating to past partitions, which thus became chargeable under Article 40 of Schedule-IA, as partitions.

Audit noticed (April 2014) during test check of records of DR, Rangareddy (East), that in respect of a sale deed registered in January 2013, the recitals

¹²⁰ G.O.Ms.No.568 Revenue (Regn.I Dept.) dated 10 April 2008 and G.O.Ms.No.1481 Revenue (Regn.I) Dept. dated 30 November 2007.

¹²¹ Medchal and Quthbullapur.

¹²² Narasaraopet and Nizamabad.

¹²³ Indian Stamp (Andhra Pradesh) Amendment Act 1986.

disclose that the vendor had got the schedule of land measuring 1.17 acres through partition among family members. The above sale deed was executed without proper execution of the Partition deed which is against to the provisions of Section 17 of the Registration Act 1908. Non-registration of partition deed resulted in non-levy of stamp duty of ₹ 12.80 lakh.

After Audit pointed out the case, the Registrar, Rangareddy (East) replied (April 2014) that the matter would be examined and reply sent in due course.

The matter was referred to the department in May 2014. Their reply is awaited (November 2014).