

CHAPTER-V
REVENUE AND DISASTER
MANAGEMENT DEPARTMENT

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5.1 Administration

Management of levy and collection of stamps duty and registration fees is the responsibility of both Government of India (GoI) and the State Government. The Indian Stamp Act, 1899 (IS Act) enacted by GoI prescribes the rates of stamp duty in respect of bills of exchange, cheques, promissory notes, bills of lading, letter of credit, policies of insurance, transfer of shares, debentures, proxies and receipts as specified in Entry 91 of List-I Union list of the Seventh Schedule to the Constitution of India. The states are empowered under Entry 63 of List-II State list of the Seventh Schedule to the Constitution of India to prescribe the rate of stamp duty on instruments other than the instruments specified in Entry 91 of Union list. Receipts from stamp duty and registration fees in Assam are regulated under the IS Act, 1899; the Registration Act, 1908 and Rules made thereunder. Stamp duty is leviable (*ad valorem* or fixed) on value of instruments executed at the rates prescribed from time to time in the IS Act and registration fees is payable at the rates prescribed in the Registration Act, 1908.

At the Government level, the Secretary to Government of Assam, Revenue & Disaster Management Department is responsible for administration of Acts and Rules in the State. The Inspector General of Registration (IGR) is the executive regarding levy and collection of stamp duty and registration fee. The IGR is assisted by Additional Inspector General of Registration and two Assistant Inspectors General of Registration. At the District and sub-divisional levels, implementing officers are Senior Sub-Registrars, Deputy Sub-Registrars and Sub-Registrars.

5.2 Results of Audit

During test-check of records of nine offices and 15 offices (out of total 80 offices and 79 offices) relating to Senior Sub-Registrar, Deputy Sub-Registrar and Sub-Registrar in the State during 2020-21 and 2021-22, Audit noticed deficiencies as shown in **Table-5.1**.

Table 5.1: Results of Audit

Sl. No.	Category	2020-21		2021-22	
		Number of IRs	Amount (₹ in crore)	Number of IRs	Amount (₹ in crore)
1	Short levy of revenue due to under valuation of land	5	1.19	7	0.27
2	In cases of collection of user fees and other irregularities	34	0.01	72	0
Total		39	1.20	79	0.27

Compliance Audit Observations

5.3 Under-valuation of sale deeds due to incorrect application of zonal value.

Sub-Registrars of Kamrup (Sadar) and Rangia registered 18 deeds of sale considering zonal value of agricultural class of land instead of zonal value of non-agricultural (Industrial) class of land. This resulted in under valuation of land and consequent short levy of stamp duty and registration fee of ₹ 66.58 lakh.

As per Section 3 (ii) of the Assam Agricultural land (Regulation of Re-classification and Transfer for Non-Agricultural purpose) (AALR) Act¹⁸¹, 2015, no agricultural land shall be transferred for intended non-agricultural purposes without the prior permission of the Deputy Commissioner (DC). The Deputy Commissioner shall be competent to accord permission only after re-classification of the land. Further, as per sub-section 6 of Section 5 of the AALR Act, 2015, on approval of re-classification of agricultural land into non-agricultural class of land, it shall be mandatory on the part of the owner of the land to remit the prescribed re-classification premiums¹⁸² at the rate of 10 or 15 *per cent* of the prevailing minimum zonal value¹⁸³ of the agricultural land in that area in respect of re-classification or re-classification-cum-transfer respectively. Section 5 (7) of the Act *ibid* provides that after issue of No Objection Certificate (NOC) by the DC, the Circle Officer shall reclassify such agricultural land into appropriate non-agricultural class and make necessary entries in the land records and where the land is made for reclassification-cum-transfer, the Registrar of Land Registration shall register the deed of transfer after reclassification by the Circle Officer.

¹⁸¹ Introduced vide notification No.LGL.131/2015/Pt/7 dated 30 September 2015.

¹⁸² At the rate 10 *per cent* in the case of reclassification and 15 *per cent* in the case of reclassification cum sale.

¹⁸³ Minimum base value of land for a particular class of land in an area that is fixed and notified by the DC of the District from time to time.

As per Serial Number 23 of Schedule-I of Indian Stamp (Assam Amendment) Act, 2013 (as applicable in Assam) and the Registration (Assam Amendment) Act, 2013, stamp duty and registration fee is prescribed at the rate of three *per cent* (two *per cent* for women) and two *per cent* (one *per cent* for women) respectively of the consideration/agreed value or zonal value of land, whichever is higher.

The DCs, Kamrup (Sadar) and Rangia had fixed the zonal value of land, revenue village-wise¹⁸⁴ in 2018¹⁸⁵.

Out of 7,858 deeds¹⁸⁶ of sale registered in the office of the Sub-Registrars, Kamrup (Sadar) and Rangia between April 2018 and March 2020, Audit scrutinised (October 2020 and February 2021) 208 registered deeds¹⁸⁷ of sale during 2020-21. Audit noticed that in 18 cases, the DCs had issued NOC allowing re-classification-cum-transfer of agricultural land into non-agricultural land (Industrial purposes) in respect of land measuring 100.655 Bigha¹⁸⁸ and directed the circle officer to correct the land record as per approved class of land with immediate effect. However, the Sub-Registrars while registering the deeds of sale considered the zonal value of other class of land instead of zonal value of industrial land/trade site land (as reclassified by the DCs) of the respective circles. This resulted in short levy of stamp duty and registration fee of ₹ 66.58 lakh¹⁸⁹ as detailed in **Appendix-XLIII**.

On this being pointed out, Sub-Registrar, Rangia stated (November 2021) that the registration fee and stamp duty have been calculated on the basis of actual consideration or as mentioned in NOC, whichever is higher. Moreover, there is neither any provision for viewing zonal value of land in *e-panjeeyan* software nor any separate column for zonal value in NOC. The Sub-Registrar's reply is not tenable as zonal value of class of land in which it has been reclassified and entries appearing in the land records are applicable for the purpose of levy of stamp duty and registration fee while executing deed of sale.

The case was reported to the Government/Department in September 2022; their replies have not been received (February 2023).

¹⁸⁴ North Guwahati Revenue Circle and Rangia Revenue Circle.

¹⁸⁵ Kamrup (Sadar) – in October 2018 and Rangia – in July 2018.

¹⁸⁶ Registered 5130 deeds of sale during 2019-20 in Sub-Registrar, Kamrup (Sadar) and Registered 2,728 deeds of sale during 2018-20 in Sub-Registrar, Rangia.

¹⁸⁷ In Kamrup Sadar- 105 cases and in Rangia – 103 cases.

¹⁸⁸ 5 Katha= 1 Bigha , 1 Katha= 20 Lessa, 1 Lessa= 4 Pawa.

¹⁸⁹ Stamp duty of ₹ 4018260 and Registration fee of ₹ 2639711.

5.4 Lower value of land considered during registration of sale deeds

Sub-Registrars considered lower value of land instead of value of land fixed by the Government during registration of 24 deeds of sale. This resulted in short levy of stamp duty, registration fee and surcharge of ₹ 45.50 lakh.

As per Serial number 23 of Schedule-1 of Indian Stamp (Assam amendment) Act, 2013 (as applicable in Assam) and the Registration (Assam Amendment) Act, 2013, stamp duty and registration fee was prescribed at the rate of three *per cent* (two *per cent* for women) and two *per cent* (one *per cent* for women) respectively of the consideration/agreed value or zonal value of land, whichever is higher.

The Deputy Commissioners, Kamrup (Metro), Kamrup (Sadar) and Rangia had fixed the zonal value of land in August 2011, October 2018 and September 2018 respectively.

In addition to registration fee and stamp duty, a surcharge at the rate of one *per cent* and two *per cent* of total consideration value of land within the municipal¹⁹⁰ area and GMC area respectively is leviable.

Out of a total of 67,200 deeds of sale of land/flat including land registered in the three Sub-Registrar offices of Kamrup (Metro), Kamrup (Sadar) and Rangia during 2020-21 and 2021-22 (up to August 2021), Audit scrutinised (October 2020-September 2021) 2,407 registered deeds¹⁹¹. Audit noticed that in 24 cases, the Sub-Registrars, while executing the deeds of sale in respect of land/house, considered value of property as agreed upon between the seller and the purchaser instead of zonal value as fixed by the respective DCs, which was higher. Thus, consideration of lower value of property resulted in short levy of stamp duty of ₹ 20.43 lakh and registration fee of 13.34 lakh (**detailed in Appendix-XLIV**). In case of six properties (out of 18) located in Guwahati Municipal Corporation area, surcharge at the rate of two *per cent* of value of property amounting to ₹ 11.73 lakh is additionally leviable.

On this being pointed out, the Sub-Registrar, Rangia stated (November 2021) that during registration of deed, the value of properties had been considered in accordance with the NOC. Further, it was stated that there is neither any provision of viewing zonal valuation in the *e-panjeeyan* software nor was there any separate column for zonal value in NOC. However, Audit observed that while issuing NOC, the DC had inserted a condition stating that stamp duty and registration fee should be levied on the amount agreed upon by the seller and the purchaser or the zonal value, whichever is higher.

¹⁹⁰ Introduced vide Memo No. REGN 69/2020/40-A dated 27th July, 2021.

¹⁹¹ 2020-21: 607 deeds and 2021-22: 1800 deeds.

The matter was reported to Government/Department in September 2022; their replies have not been received (February 2023).

Recommendation: *During registration of sale deed, Registration authorities may ensure levy of Stamp Duty and Registration fee on the amount agreed upon by the seller and purchaser or the zonal value applicable, whichever is higher.*



(KUMAR ABHAY)

Accountant General (Audit), Assam

Guwahati

The 27 May 2024

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi

The 6 June 2024

