

CHAPTER III STAMP DUTY AND REGISTRATION FEE

3.1 Tax administration

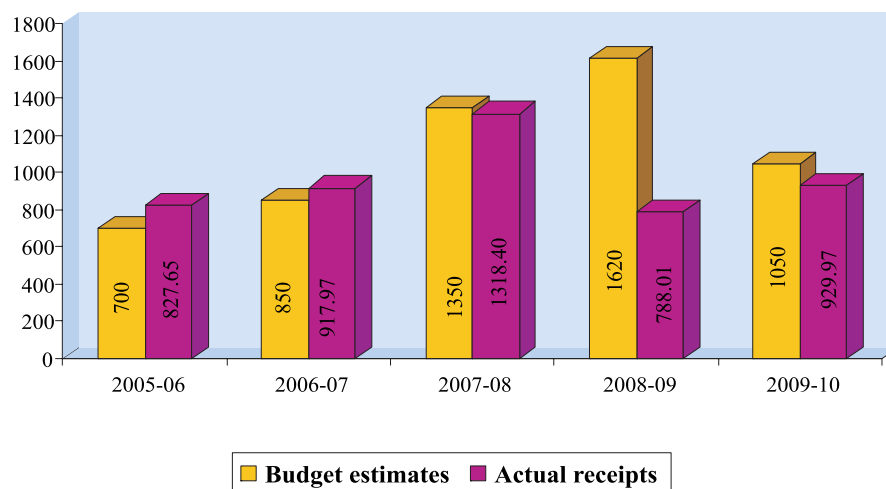
The Secretary (Revenue) is responsible for administration of the Indian Stamp Act and Indian Registration Act and rules framed there under. He is also the District Magistrate of Delhi and Inspector General of Registration. One Deputy Commissioner and one Additional District Magistrate assist him. There are nine zones each headed by a Deputy Commissioner. Each zone is further sub-divided into three sub-zones each headed by a Sub-Divisional Magistrate who also enjoys the power of Collector of Stamps. Each of the zones has an office of the Sub-Registrar who functions under the direct control of the Deputy Commissioner of the respective zone. There is one treasury for the National Capital Territory of Delhi, which is responsible for procurement and issue of both judicial as well as non-judicial stamps/stamp papers. The procurement is made from Indian Security Press, Nashik, by submitting indents through the Divisional Commissioner. The Government of NCT has introduced e-stamping with effect from 1 April 2008. The work has been awarded to M/s. Stock Holding Corporation of India Limited, a public sector undertaking on commission basis.

3.2 Trend of receipts

Actual receipts from stamp duty and registration fee during the years 2005-06 to 2009-10 along with the total tax receipts of the State during the same period are exhibited in the following table and graph:

(₹ in crore)							
Head of the revenue	Year	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax/receipts
Stamp duty and registration fee	2005-06	700.00	827.65	(+) 127.65	(+) 18.24	8939.28	9.26
	2006-07	850.00	917.97	(+) 67.97	(+) 8.00	10155.80	9.04
	2007-08	1350.00	1318.40	(-) 31.60	(-) 2.34	11782.80	11.19
	2008-09	1620.00	788.01	(-) 831.99	(-) 51.36	12180.70	6.47
	2009-10	1050.00	929.97	(-) 120.03	(-) 11.43	13447.86	6.92

TREND OF RECEIPTS



It is seen that the variation between BEs and actual receipts which was as high as 18 *per cent* during 2005-06 came down to two *per cent* during 2009-10.

3.3 Cost of collection

The gross collection in respect of the Stamp duty and Registration fee receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 2007-08 to 2009-10 along with the relevant all India average percentage of expenditure on collection to gross collection for the year 2008-09 are mentioned in the following table:

(₹ in crore)					
Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year 2008-09
Stamp duty and registration fee	2007-08	1318.39	44.05	3.34	2.77
	2008-09	788.01	26.62	3.38	
	2009-10	929.97	19.52	2.09	

From the given table, it was evident that the percentage of expenditure on collection of stamp duty and registration fee was more than the All India average percentage during the year 2007-08 and 2008-09 and less during the year 2009-10.

3.4 Revenue impact

During the last five years (including the current year's report), Audit through its audit reports has pointed out non/short levy, non/short realisation, underassessment/loss of revenue etc., with revenue implication of ₹ 5.38 crore

in 3 paragraphs. Of these, the Department/Government has not accepted the audit observations. The details are shown in the following table:

(₹ in crore)

Year of Audit Report	Paragraphs included		Paragraphs accepted		Amount recovered
	No.	Amount	No.	Amount	Amount
2004-05	1	3.24	0	0	0
2005-06	-	-	0	0	0
2006-07	1	0.07	0	0	0
2007-08	-	-	0	0	0
2008-09	1	2.07	0	0	0
Total	3	5.38	0	0	0

3.5 Internal audit

The internal audit wing of the Finance Department of Government of National Capital Territory of Delhi conducts the internal audit of the Revenue Department. The internal audit wing is required to conduct audit of the office of Inspector General of Registration, Treasury and 13 Sub-Registrar offices.

3.6 Results of audit

Test check of records relating to stamp duty and registration fee conducted during the year 2009-10 revealed short/non-levy of duty and other irregularities involving ₹ 467.76 crore in 107 cases which broadly fall under the following categories:

(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
1.	Levy and collection of stamp duty and registration fee (A review)	1	467.22
2.	Others	106	0.54
Total		107	467.76

A Review on “Levy and collection of stamp duty and registration fee” involving ₹ 467.22 crore is discussed in the succeeding paragraphs.

3.7 Levy and collection of Stamp Duty and Registration Fee

Highlights

There is no mechanism to ensure that stamp duty and registration fee had been levied on all the instruments due for registration as per provisions of the Acts. The non-levy of stamp duty and registration fee on documents such as debentures, shares allotted, lease deeds, etc. due for registration under the Acts but not presented for registration had deprived the Government of revenue of ₹ 464.38 crore.

(Paragraph 3.7.6)

Remission of fee on any instrument executed in respect of (a) a foreign or Commonwealth Diplomatic Mission in India, (b) any registered society, and (c) mortgage executed by a Government officer for securing advance for purchasing or constructing his own house; without an enabling provision as amendment to the Indian Registration Act was not legal and thus invalid.

(Paragraph 3.7.7)

The 'Catalogue of permanent records', 'stock register of receipt book' and 'movement register' were not being maintained in all the 13 Sub-Registrar Offices audited.

(Paragraph 3.7.9)

Non-reckoning of minimum circle rates for valuation of properties, introduced by the Government, resulted in short payment of stamp duty of ₹ 2.34 crore.

(Paragraph 3.7.10)

Failure to include interest and capitalisation and other costs in the consideration resulted in short payment of stamp duty of ₹ 41.41 lakh.

(Paragraph 3.7.11)

Misclassification of instruments and non-registration of Sale Deeds relating to agreement to sell resulted in non-realisation of stamp duty of ₹ 8.27 lakh.

(Paragraphs 3.7.12 and 3.7.13)

Stamp papers worth ₹ 1243.09 crore, not in use, were lying unsold in Delhi Treasury for more than 12 years. Non judicial Stamp papers of ₹ 22.71 crore as per records of Delhi Treasury were lying in stock with the State Bank of India, out of stamp papers worth ₹ 140.80 crore delivered to them after introduction of e-stamping.

(Paragraphs 3.7.14.1 and 3.7.14.2)

3.7.1 Introduction

The Indian Stamp Act, 1899, read with the Delhi Province Stamp Rules, 1934, and the Delhi Stamp (Prevention of undervaluation of instruments) Rules 2007 along with the notifications issued from time to time provide for levy of stamp duty on various instruments specified in the Schedule of the Act at specified rates in the National Capital Territory of Delhi. Such duties are paid by the executors of instruments either by using impressed stamp or by affixing

stamps of proper denomination on the instruments or through e-stamping with effect from 1st April 2008. Stamp duty on lease deeds being executed by Delhi Development Authority with the allottees are, however, deposited by way of cash/bank draft through challans into Government account. The State Government is empowered under the Act to reduce or remit prospectively or retrospectively, the levy of stamp duty.

The levy of registration fee on the instruments presented for registration is regulated by the Indian Registration Act, 1908, and rules framed there under. Undervaluation of properties, non-presentation of documents in the offices of the registering authority and non/short payment of stamp duty by the executants on the documents submitted before the registering authorities results in evasion of stamp duty and registration fee.

We reviewed the system of “Levy and collection of stamp duty and registration fee” for the period 2005-06 to 2009-10. The review revealed a number of system and compliance deficiencies, which are discussed in the succeeding paragraphs.

3.7.2 Audit objectives

The primary objectives of the review were to ascertain whether:

- stamp duty and registration fee due was correctly levied and collected in accordance with the provisions of the applicable Acts and Rules;
- exemptions of stamp duty/registration fee claimed by the executors and allowed by the Sub-Registrars had been correctly allowed; and
- effective internal controls existed in the Department to ensure proper levy and collection of stamp duty and registration fee while registering various instruments so as to prevent leakage of revenue.

3.7.3 Scope and methodology of audit

The appraisal was conducted in the office of the Inspector General, 13 Sub-Registrars and one Treasury for the period 2005-06 to 2009-10 during July 2010 to October 2010. We also collected information from various Departments of the Government and scrutinised annual reports of 26 Public Sector Companies of State as well as Central Government registered in Delhi and compared that with data available with the Revenue Department to ascertain whether stamp duty payable on share capital, bonds, debentures, lease deeds, purchase of immovable properties etc had actually been collected and remitted into the Government account.

We also scrutinised Instruments of Sale deeds, conveyance deeds, agreements to sell, gift deeds, mortgage deeds, partition and release deeds registered by Sub-Registrars in five months (one month in each year) selected on the basis of low, medium and high stamp duty. We pursued paras detected during the course of audit for the year 2008-09 and included them suitably in the performance appraisal.

3.7.4 Acknowledgement

The Indian Audit and Accounts Department acknowledges the co-operation of the Revenue Department in providing necessary information and records for the audit. The entry conference was held with the Department in July 2010 wherein the Department was appraised about the scope of audit and methodology. The draft review was forwarded to the Government and the Department in November 2010. The exit conference was held on 18 February 2011 in which results of audit and recommendations were discussed with the Special Inspector General (Registration). The replies of the Department during the exit conference and at other points of time have been appropriately incorporated in the respective paragraphs.

3.7.5 Trend of receipts

The budget estimates and actual receipts from stamp duty and registration fee from 2005-06 to 2009-10 were as given in the following table:

(₹ in crore)

Year	Budget estimate	Actual realisation	(-) Shortfall (+) excess	Percentage of variation
2005-06	700	827.65	(+) 127.65	(+) 18.24
2006-07	850	917.97	(+) 67.97	(+) 8.00
2007-08	1350	1318.40	(-) 31.60	(-) 2.34
2008-09	1620	788.01	(-) 831.99	(-) 51.36
2009-10	1050	929.97	(-) 120.03	(-) 11.43

As can be seen from the given table, the actual revenue realised was less than the estimates since 2007-08 onwards, with maximum variation during the year 2008-09. The Revenue Department stated (July 2010) that the main reasons for non-achievement of revenue collection as per targets were recession, high rate of interest on home loans and reduction in the rate of stamp duty from 8 per cent to 6 per cent in case of men and from 6 per cent to 4 per cent in case of women.

We recommend that the Department may fix realistic and achievable targets.

Audit findings

System deficiencies

3.7.6 Absence of a system of monitoring to ensure realisation of proper duty

As per proviso (3) to Section 33 (2) of the Indian Stamp Act, the State may determine what offices shall be deemed to be public offices and who shall be deemed to be persons in charge of public offices. Further, Section 73 also provides that every public officer having in his custody any records, documents and proceedings, the inspection whereof may tend to secure any duty, or to prove or lead to the discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit any person authorised in writing by the Collector to inspect for such purpose the records, documents and proceedings etc. All Government offices and Government undertakings are generally public offices but the Revenue Department had not inspected any office so far.

We observed that the Revenue Department had not determined and declared as to which office shall be deemed to be public office and who shall be deemed to be persons in charge of public offices. Thus the Department does not have a system to collect information from various Departments/public offices to ensure that the documents such as agreements, contracts, leases, conveyance deeds etc. are properly registered and stamp duty and registration fee is realised according to

the law. Some of the State Governments e.g. Rajasthan have declared some offices as public offices and persons deemed to be incharge of public offices for the purpose of ensuring correct collection of stamp duty and registration fee.

After we reported the matter, the Department stated (January 2011) that existing provision of Indian Stamp Act, 1899 and the Indian Registration Act, 1908 do not permit such inspection. The Department informed (February 2011) during the exit conference that the Central Government through a Sub-Committee was in the process of amending the Indian Stamp Act wherein the declaring of public offices is under active consideration. This would ensure sharing of the information by these offices with the Revenue Department through periodical returns. As of now the Department is totally dependent on the Registrar of Companies for information as discussed in paragraphs 3.7.6.1 & 3.7.6.2.

3.7.6.1 Non-levy of stamp duty on debentures

Article 27 of Indian Stamp Act prescribes levy of stamp duty on debentures being a marketable security. The rate of stamp duty for debenture was ₹ 1.85 for every rupees 500 or part thereof in excess of rupees 1000 up to 11 September 2008 and thereafter at the rate of 0.25 *per cent* or rupees twenty five lakh whichever is lower. Further, under Section 128 and 129 of the Companies Act, 1956, every company is required to file a return in Form 10 in the office of Registrar of Company Affairs (ROC) and furnish details of debentures allotted. Thereafter the Company pays stamp duty in the Department of Revenue and issues the debentures to the subscribers.

We observed that no system has been evolved by the Department of Revenue to ensure that the companies, which issued the debentures, have paid the stamp duty. We also observed that Registrar of Company Affairs (ROC) has no information about the payment of stamp duty on such debentures.

We obtained information from the office of Registrar of Company Affairs (ROC) during July 2010 to October 2010 and noticed that 67

companies had filed returns with ROC and allotted debentures of ₹ 88809.71 crore during the period 2005-06 to 2009-10. The ROC has no information whether these debentures have been issued to the subscribers and stamp duty was paid. We also collected data of Companies, which had paid consolidated stamp duty during 2005-06 to 2009-10 from the Revenue Department. On comparison of the above data, we found that 66 Companies which had allotted debentures of ₹ 88808.21 crore, did not figure in the list of companies which had paid stamp duty to the Department of Revenue. The consolidated stamp duty of ₹ 257.74 crore was payable on such debentures if these have been issued to the subscribers. As the information was neither available with the ROC nor with the Department of Revenue, we could not verify the payment of consolidated stamp duty of ₹ 257.74 crore.

Non-evolving of system to ensure payment of stamp duty by the Revenue Department with the ROC had left wide scope for evasion of stamp duty and Department of Revenue was not in position to verify the correctness of stamp duty paid.

3.7.6.2 Non-levy of stamp duty on allotment of shares

Under Article 19 of the schedule to the Indian Stamp Act, 1899, stamp duty on allotment of shares is chargeable at one rupee for every one thousand, or a part thereof, of the value of the shares, scrip or stock. Further, under Section 75(1) (a) of the Companies Act, 1956, every company is required to file a return in Form 2 in the office of Registrar of Company Affairs (ROC) and furnish the details of allotment of shares. Thereafter the Company pays stamp duty in the Department of Revenue and issues the shares to the subscribers.

3.7.6.2.1 We observed that no system has been evolved by the Department of Revenue to ensure that the companies that issued shares have paid stamp duty. We also observed that Registrar of Company Affairs (ROC) has no information about the payment of stamp duty on shares issued.

We collected information from the office of Registrar of Company Affairs during July 2010 to October 2010 and noticed that 32958

companies have filed returns with the ROC on allotment of shares of ₹ 212500.49 crore during the period from 2005-06 to 2009-10. The ROC has no information whether the shares have been issued and stamp duty had been paid on them. We also collected data of companies, which have paid consolidated stamp duty during 2005-06 to 2009-10 from the Department of Registration. On comparing the above information we found 32848 Companies which have allotted shares of ₹ 205417.48 crore, did not figure in the list of companies who have paid the stamp duty. The consolidated stamp duty of ₹ 205.42 crore was payable on such shares if these have been issued to the subscribers. As the information was neither available with the ROC nor with the Department of Revenue, we could not verify payment of consolidated stamp duty of ₹ 205.42 crore. Non evolving of system to ensure payment of stamp duty by the Department of Revenue with the ROC have left wide scope for evasion of stamp duty and the Department of Revenue was not in a position to verify the correctness of stamp duty paid.

After we reported the matter, the Department stated (January 2011) that Registrar of the Company Affairs has been requested to furnish further information on the defaulting companies. The reply is not acceptable as the ROC is not required to ensure levy of stamp duty and the Revenue Department needs to take action against the defaulting companies after obtaining the information from the ROC on the companies who issued the debentures/shares. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

Had the Government declared ROC as Public Office they would be accountable for furnishing the information to the Revenue Department regarding collection of stamp duty and the Department would have also become duty bound to inspect records of the ROC or obtain information from them and verify the payment of stamp duty mentioned in the above paragraphs.

We recommend that in the interest of revenue, the Government may consider declaring ROC and other offices as Public Offices, and till such

time issue notices to the companies who have not paid stamp duty on issue of shares/debentures.

3.7.6.2.2 During test check of records of the office of Inspector General of Registration during July 2010 to October 2010, we noticed that M/s AIPL Ambuja Housing & Urban Infrastructure Limited applied to the Collector of Stamps, Kalkaji, in December 2007 for payment of consolidated stamp duty on equity and preference shares numbering 41250000. The total value of the shares including face value and premium came to ₹ 71.25 crore. The Department intimated to the company in January 2008 to pay consolidated stamp duty of ₹ 7.12 lakh. The company had, however, not paid the consolidated stamp duty, so far. The Department has also not taken any action against the company. This resulted in non-payment of consolidated stamp duty of ₹ 7.12 lakh.

After we reported the matter, the Department stated (January 2011) that the concerned Collector of Stamps has been requested to take necessary action to recover the deficient stamp duty, if any. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

3.7.6.3 Non-levy of stamp duty and registration fee due to non-registration of lease deeds by State Government Corporations/PSUs

Under the Registration Act, 1908, lease of immovable property for any term exceeding one year is compulsorily registrable. Where the lease deed purports to be for a term of not more than five years, stamp duty is leviable @ 2 per cent of the amount of the average annual rent received. In case the lease period exceeds five years or more or is in perpetuity then it is chargeable at the rate applicable as for conveyance.

3.7.6.3.1 We obtained information from Delhi Transport Corporation during July 2010 to October 2010 about its various properties and observed that the Corporation has acquired 11 bus depots/ terminals between 2005 to 2010

on perpetual lease from Delhi Development Authority, Gram Sabhas and Delhi Metro Railway Corporation. However, the Delhi Transport Corporation has not executed perpetual lease deeds in respect of these properties. Had these properties been registered the Government would have earned stamp duty of ₹ 82.87 lakh and registration fee of ₹ 1100.

3.7.6.3.2 We scrutinised annual report of India Trade Promotion Organisation for the year 2007-08 and observed that perpetual lease of four flats at Asian village and 1.5 acres of land for staff quarters at Ghazipur allotted by DDA and 123.51 acres of land at Pragati Maidan Complex given by the Ministry of Urban Development, Government of India to the Organisation for the consideration of ₹ 984.63 lakh had not been registered with the concerned Sub-Registrar. Non-registration of lease deed had resulted in non-payment of stamp duty of ₹ 29.54 lakh and registration fee of ₹ 600.

3.7.6.3.3 We collected information from the Delhi Tourism and Transportation Development Corporation in June 2010 and noticed that the Corporation had invited tenders to operate Coffee Home at Connaught Place, New Delhi on license fee basis. After evaluating technical and financial bids, the license was awarded to four different private parties to operate two ‘coffee homes’ for a period of five years and another two ‘coffee homes’ for a period of ten years between November 2004 and November 2009. The licensees paid monthly rent for grant of licenses and had also furnished security. The Corporation accepted the instruments as agreements on non-judicial stamp paper of the denomination of ₹ 100 each and did not insist upon the licensees to get these instruments registered as lease deeds with the concerned registering authorities. Non-registration of lease deeds by the licensees deprived the Government of stamp duty of ₹ 2.90 lakh and registration fee of ₹ 400.

3.7.6.3.4 We also scrutinised annual reports of two Public Sector Corporations and observed that lease deeds of land, buildings and other assets acquired in the National Capital Territory of Delhi by them over the years have not been executed as detailed in the following table:

Sl. No.	Name of the Company	Property of which lease deed has not been executed
1	India Tourism Development Corporation Ltd.	Hotel Samrat and office premises in scope building, Ashok Institute of Hospitality and Travel Management, and Tennis Court at New Delhi.
2	Central Warehousing Corporation	Freehold land, warehouse godowns and container yards at four sites

We could not, however, estimate the quantum of non-payment of stamp duty, as the above Corporations did not furnish the required details called for in September 2010.

After we reported the matter, the Department stated (January 2011) that the concerned Collector of Stamps has been requested to take necessary action to recover the deficient stamp duty from the defaulter companies. We reported the matter to the Government (November 2010) but have not received any reply (December 2010).

To prevent evasion of stamp duty and registration fee, the Government may consider declaring these offices as public offices and lay down norms/targets for the inspection of such offices by the Registrars/Sub-Registrars of the concerned districts/zones to ensure that compulsorily registrable documents are registered with the concerned registering authorities and correct stamp duty and registration fee paid on them. The Government may also, in the interest of revenue, consider prescribing a suitable periodical return to be furnished by these offices to the Revenue Department on the number and nature of documents presented and deficient stamp duty/registration fee.

3.7.7 Irregular grant of exemption of registration fee

Section 78 of the Indian Registration Act empowers the State Government to fix the fee for the registration of various documents and other instruments enumerated in clauses (a) to (i). However, there is no enabling provision in the Indian Registration Act similar to Section 9 of the Indian Stamp Act, empowering the State Government to remit fees payable in respect of any matter enumerated in clauses (a) to (i) of Section 78 of the Act. Seven States/Union Territories have amended the Indian Registration Act by inserting a provision under Section 78-A, which empowers the Government to remit the fee payable in respect of any matter enumerated in clause (a) to (i) under Section 78 either generally or for any particular class or person.

The Government of National Capital Territory of Delhi issued a notification on 1st July 2010 remitting registration fee on any instrument executed for or on behalf of (i) a foreign or Commonwealth Diplomatic Mission in India specified in this behalf by the Administrator of National Capital Territory of Delhi, (ii) any society for the time being registered or deemed to be

registered under any law relating to Co-operative Societies for the time being in force or instruments executed by any officer or member of any such Society and relating to business of the Society and (iii) mortgage executed by an officer of Government in civil or military employment for securing the repayment of an advance received by the mortgager from the Government for the purpose of constructing or purchasing a dwelling house for his own use.

We observed that such a remission of fee without an enabling provision amendment to the Indian Registration Act was not legal and thus invalid.

After we reported the matter, the Department stated (January 2011) that vide notification dated 1st July 2010 the Government of NCT of Delhi has only revised the registration fee table and the chapter of exemptions had not been touched in any manner and it remains same as was notified on 27 June 1964.

The reply of the Department is not acceptable, as enabling provision for granting exemptions does not exist in The Indian Registration Act, 1908. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

The Government of National Capital Territory of Delhi may take steps for inserting an explicit provision under the Indian Registration Act, to specify the power to remit the registration fee on lines of similar amendment done by seven other States.

3.7.8 Delay in revision of circle rates

In July 2007, the Government of National Capital Territory of Delhi prescribed the circle rates for valuation of immovable properties for the purpose of assessing stamp duty. While introducing the circle rates, Government also decided that the Deputy Commissioner of each District will undertake the exercise of valuation of immovable properties including flats and buildings once in two years in the month of April.

We observed that as per decision of the Government of National Capital Territory of Delhi circle rates were due for revision in April 2009. However, these were revised after a delay of more than one and a half year in February 2011. The delay in carrying out revision of circle rates has deprived the State Government of legitimate revenue, which cannot be quantified for want of

specific details.

3.7.9 Poor maintenance of records

3.7.9.1 The office of Sub-Registrar is required to maintain the following records:

- (i) as per Rule 8 of the Delhi Registration Rules, 1976 a year-wise catalogue of permanent record is to be maintained in every Registration Office;
- (ii) Under Rule 190 (2) (ii) of the General Financial Rules 2005, Stock Register of the manual receipt-books (Receipt-b) detailing the procurement and issuances of the various receipts books is required to be maintained in the Sub-Registrar offices. Also, in accordance with Rule 192(2) of General Financial Rules 2005, a physical verification of all the receipts books should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action of the competent authority; and
- (iii) as per Rule 11 of the Delhi Registration Rules, 1976 if the production of a register, book or any document in the custody of Registration Officer is required by any court, it should first be entered in 'Movement Register' which shall be maintained in the prescribed form by each Registering Officer and then the same be forwarded to the court under the charge of responsible official of the Registration Office.

3.7.9.1 During test check of records of the 13 registering authorities, during July 2010 to October 2010, we noticed that they are not maintaining some important records. We also observed irregularities in maintenance of records which are as follows:

During test check of records, we observed that 'catalogue of permanent record', 'stock register of receipt book' and 'movement register' were not being maintained in all the

13 Sub-Registrar offices¹. In the absence of the catalogue, there was no book wise and year wise, list of volumes containing details of their commencement, completion and dispatch to the Central Record Room, maintained in the registering offices. As these volumes contain instruments that have immense legal value, maintenance of 'catalogue' was essential to locate instruments. Further, as stock register of receipt books was not maintained, there was no guarantee of the authenticity of receipt book in use. As movement registers were not maintained, there was a risk that instruments are taken out of the Sub-Registrar's Office without noting down their details and proper authorisation.

3.7.9.2 (i) Under sub clause 2 of Rule 3 of the Delhi Document writers Licensing Rules, 1966, no Registering officer shall accept any document for registration which is not written by a Licensed Document writer or the executants themselves.

3.7.9.2 (i) During test check of the records, we noticed that name and registration number of deed writers were not being mentioned on the body of the instruments registered. Therefore, we could not ascertain in

audit whether a licensed deed writer wrote the instrument or executants themselves had written it as required in the rules. In the absence of the above details no action can be taken against the deed writer if he has violated any conditions of license.

(ii) As per Rule 12 of the Delhi Registration Rules, 1976 and instructions No. 7 issued by the Inspector General of Registration vide order No. F.1(13)/Regn./75-76 dated 13.08.76, the Registering officer is required to certify after the last copy of each volume (a) the number of documents pasted in that volume and the number of pages on which they are written, (b) to certify any errors or defects that he may discover; and (c) certify the consecutive number of copies of documents in each book.

(ii) During test check of the volumes of registered documents we noticed that no such certificate was being recorded. In the absence of such certificate the completeness of the volumes could not be ascertained.

¹ SR-I: Kashmere Gate, SR-II: Janakpuri, SR-II-A: Nangloi, SR-III: Asaf Ali Road, SR-IV: Seelampur, SR-IV-A: Seemapuri, SR-V: Mehrauli, SR-VI-A: Pitampura, SR-VI-B: Alipur, SR-VI-C: Saraswativihar, SR-VII: INA, SR-VIII: Geeta Colony and SR-IX: Kapashera

(iii) As per instruction No. 6 stipulated in the Manual-Volume-II of the Registration Department the books shall be maintained in the shape of butts wherein the documents shall be securely pasted and properly page numbered.

(iii) We noticed that there was delay in pasting of documents in the shape of butts in the office of three registering authorities², ranging from seven to thirty eight months. The documents registered were kept loosely in bundles in violation of the manual and

were therefore prone to misplacement/ loss.

(iv) As per rule 5 of the Delhi Registration Rules, 1976, once in six months all Sub-Registrars shall submit a certificate to the Registrar/Inspector General of Revenue to the effect that records in their charge have been examined. If any injury happens to any of the records, whether by white ants, fire, rain, water or otherwise, or if any of them be lost, an immediate report shall be made to the Registrar and Inspector General of Revenue. The Registrar shall record at the same time his opinion as to whether anyone, and if so, who is to be blamed, and also the measures to be taken to repair the injury or loss so far as may be possible and send a report to the Inspector General of Registration.

(iv) We report that the Sub-Registrars sent no such certificates to the Registrars/ Inspector General of Revenue. Therefore, we could not comment about the state of records maintained in the Sub-Registrar Offices.

(v) The guard file containing all the instructions, directions, orders and guidelines issued by the Department, Government or by the competent authority, is required to be maintained by each subordinate office.

(v) During test check of guard files maintained in Sub-Registrar offices we noticed the following short-comings:

a) circulars/orders/ notifications were not filed chronologically;

b) table of contents was not recorded; and

c) page numbering was not done.

We also noticed that action taken on orders/circulars/notifications by the Sub-Registrars was not ascertainable from the file. Therefore, it could not be verified from the file that instructions issued by the higher authorities from time to time were scrupulously followed by the Sub-Registrars.

After we reported the matter, the Department stated (January 2011) that observations have been sent to all the Registrars/Deputy Commissioners for

² SR-IV: Seelampur, SR-IV-A: Seemapuri and SR-IX: Kapashera

strict compliance. We reported the matter to the Government (November 2010) but have not received any reply (December 2010).

The Government may take necessary action to ensure that records are maintained properly.

Compliance deficiencies

3.7.10 Short payment of stamp duty due to undervaluation of properties

In order to check evasion of stamp duty the Government of National Capital Territory of Delhi introduced the minimum circle rates relating to land and buildings situated in various categories of colonies with effect from 18 July 2007. These rates of land and constructed portion of the properties were to be taken into account for computing their value and calculating stamp duty payable thereon at the time of their registration. Under Section 47-A of the Indian Stamp Act, if the registering authority has reasons to believe that the value of the property or the consideration has not been truly set forth in the instruments, he may, after registering such instruments refer the same to the Collector of Stamps for determination of the value or the consideration and the proper duty payable.

During test check of records of seven registering offices³ between April 2008 and October 2010, we noticed that 240 instruments of Sale Deeds, Agreement to sell, General power of attorney with consideration, were registered between July 2007 and March 2010. The registering authorities were required to determine the consideration for levy of stamp duty on the basis of minimum circle rates fixed by the Government but

registered these documents on stamp papers valued at ₹ 64.87 lakh on the basis of the consideration set forth in the instruments. We found that the value of these properties covered under the instruments, as per minimum circle rates fixed by the Government, however, worked out to ₹ 45.17 crore on which stamp duty of ₹ 2.99 crore was leviable.

³ SR-II-A: Nangloi, SR-II: Janakpuri, SR-VI-A: Pitampura, SR-VI-B: Alipur, SR-VI-C: Saraswati Vihar, SR-VIII: Geeta Colony and SR-IX: Kapashera.

Non-reckoning of minimum circle rates of the immovable properties by the registering authorities resulted in short levy of stamp duty of ₹ 2.34 crore as mentioned in the following table:

(₹ in lakh)

Sl. No.	Name of the SROs	No. of cases	Nature of the instrument	Value as per minimum circle rates	Value adopted	Stamp duty leviable	Stamp duty levied	Stamp duty short paid
1	SR-II A, Nangloi	2	ATS	138.99	59.00	9.03	4.43	4.60
		19	GPA	85.78	NA	3.28	0.23	3.05
2	SR-II Janakpuri	8	ATS	147.95	35.15	13.07	2.46	10.61
		83	Sale deed	1993.18	460.66	131.56	31.88	99.68
3	SR-VI A Peetampura	5	ATS	38.52	15.97	2.82	1.15	1.67
		17	Sale Deed	357.25	66.85	24.09	4.83	19.26
4	SR-VI B Alipur	19	ATS	141.36	51.41	9.25	3.36	5.89
5	SR-VI C, Saraswati Vihar	2	ATS	30.33	15.00	1.73	0.84	0.89
6	SR-VIII, Geeta Colony	6	Sale deed	70.57	46.40	3.96	1.93	2.03
7	SR-IX Kapashera	7	ATS	213.82	31.37	14.77	2.41	12.36
		56	Sale Deed	1108.48	149.66	77.60	10.66	66.94
		16	GPA	191.25	17.40	7.62	0.69	6.93
Total		240		4517.48	948.87	298.78	64.87	233.91

After we reported the matter, the Department stated (January 2011) that the concerned Deputy Commissioners have been requested to take necessary action to recover the deficient stamp duty, if any. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

The Government may consider strengthening of internal audit wing to ensure timely detection and correction of errors in levy and collection of revenue and avoid recurrence of mistakes pointed out.

3.7.11 Short payment of stamp duty on conveyance deed of Industrial plots and sheds

While deciding an appeal, Divisional Commissioner in April 2006 held that stamp duty is chargeable on total and full consideration which has been paid by an individual to the Delhi State Industrial and Infrastructure Development Corporation for acquiring a title in conveyance deed of an industrial shed. The consideration could have been expressed in parts and parts may be known by any name such as penalty or interest or delayed interest by the vendor. Under Section 47-A of the Indian Stamp Act, if the registering authority has reasons to believe that the value of the property or the consideration has not been truly set forth in the instruments, he may, after registering such instruments refer the same to the Collector of Stamps for determination of the value or the consideration and the proper duty payable.

During test check of records of one registering authority⁴ during July 2010 to October 2010 we noticed that 62 cases of conveyance deed of industrial plots and sheds were registered between December 2007 and March 2010. The registering authority was required to determine the consideration for levy of stamp duty by including cost of land and construction of sheds, capitalisation and other cost and interest on cost of

shed and delayed payments, but we found that these documents had been

⁴ SR-IV: Seelampur.

registered after recovering stamp duty of ₹ 17.99 lakh on the basis of consideration of ₹ 3.89 crore set forth in the instruments. The correct consideration after including cost of land and construction of sheds, capitalisation and other cost and interest on cost of shed and delayed payments, however, works out to ₹ 9.97 crore on which stamp duty of ₹ 59.40 lakh was leviable. Non-reckoning of interest and other costs by the registering authority resulted in short levy of stamp duty of ₹ 41.41 lakh.

We also called for similar details of 384 industrial plots from Department of Industries in July 2010, but have not received any reply so far.

After we reported the matter, the Department stated (January 2011) that the concerned Deputy Commissioners have been requested to take necessary action to recover the deficient stamp duty, if any. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

3.7.12 Non-recovery of stamp duty on 'agreement to sell'

Under Article 23A of schedule 1A of Indian Stamp Act, 1899, Stamp duty on contracts for transfer of immovable property in the nature of part performance under Section 53A of the Transfer of property Act, 1882 is chargeable at 90 *per cent* of the duty prescribed for 'Conveyance.' The remaining 10 *per cent* is charged when final 'Sale deed' is executed by the vendor in favour of the vendee as agreement to sell is only an intermediary instrument and the same is not complete unless concluded by a sale deed. **We observed that no time limit for completing the remaining transactions has been prescribed by the Department.** The Registration Department clarified in September 2007 that Agreement to sell or Instruments of part performance do not confer active title and nobody can call himself as owner by purchase on the basis of agreement to sell and the power of attorney executed by the vendor in favour of the prospective purchaser in the absence of sale deed. **We observed that properties were being purchased and sold on the basis of 'Agreement to sell' without completing the transaction by executing the sale deed.**

During the test check of records of one registering authority⁵ during July 2010 to October 2010, we found that 27 instruments of 'Agreement to sell' were executed during the month of November 2006 on receipt of consideration of ₹ 8.61 crore on which stamp duty of ₹ 75.05 lakh was paid. The stamp duty included MCD transfer duty and 90 *per cent* of the duty payable to Registration Department on conveyance.

However, the transactions have not been completed so far after a lapse of four years by executing the 'Sale Deed'. Thus, remaining stamp duty of 10 *per cent*

⁵ SR-IX: Kapashera.

payable to the Registration Department could not be recovered from the executants.

We also noticed that 27 instruments of 'agreement to sell' were registered during September 2005 to October 2007 by the two registering authorities⁶ related to properties which had been purchased earlier also on 'agreement to sell'. These properties were purchased for a consideration of ₹ 1.84 crore during July 2003 to October 2007 after payment of stamp duty of ₹ 12.32 lakh, which included MCD transfer duty and 90 *per cent* of the stamp duty payable to Registration Department on conveyance. As the 'agreement to sell' does not confer any title of the property, Sale Deeds were required to be registered before their sale. The registering authorities did not insist upon registering the Sale Deeds first before allowing the properties to be sold on 'agreement to sell' resulting in non-recovery of stamp duty of 10 *per cent*, payable to Registration Department. Thus, properties were being sold by the persons who did not hold the title to the properties resulting in evasion of the stamp duty. The non-registration of the Sale Deeds led to non-payment of stamp duty of ₹ 4.34 lakh in the above 54 cases. After the Government issued clarification in September 2007, the Department began to charge the stamp duty at full rate. However, they did not take any action to review the past cases.

After we reported the matter, the Department stated (January 2011) that the concerned Deputy Commissioners have been asked to take necessary action to recover the deficient stamp duty, if any. We reported the matter to the Government (November 2010) but have not received any reply (December 2010).

The Department stated (February 2011) during the exit conference that a draft bill on Urban Titling has been submitted to the Central Government for their approval in which provision of clear title has been made mandatory at the time of registration of the instruments. However, as of now the registration of Sale Deed is purely voluntary.

The Government may issue instructions to registering authorities to review all such cases and ask the executants to come forward to register the Sale Deeds to safeguard their interest.

⁶ SR-IX: Kapashera and SR-VIB: Alipur

3.7.13 Short levy of stamp duty due to misclassification of documents

Section 54 of the Transfer of Property Act, 1882 defines 'sale' as transfer of ownership in exchange for a price paid or promised or part paid or part promised. The classification of an instrument depends upon the nature of the transaction recorded therein. In case possession of the property is handed over after receipt of the full amount of consideration or promise to pay consideration later on, the instrument becomes a conveyance deed and stamp duty becomes leviable under the stamp duty Act.

During test check of the records of one registering office ⁷ between July 2010 and October 2010, we noticed that 42 instruments of agreement to sell conveying possession and transfer of property after

receipt of full consideration of ₹ 8.26 crore to the vendees were executed between April 2006 and March 2009. Since the vendors had received full consideration in lieu of the property sold and the possession of the immovable property was also handed over to the purchasers in all these cases, the deeds were liable to be treated as conveyance deeds on which stamp duty of ₹ 63.27 lakh was leviable. However, registering authorities misclassified and registered these instruments as agreements charging stamp duty of ₹ 59.34 lakh. This resulted in short realisation of stamp duty of ₹ 3.93 lakh.

After we reported the matter, the Department stated (January 2011) that the concerned Deputy Commissioners have been requested to take necessary action to recover the deficient stamp duty, if any. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

The Government may take necessary steps to recover the deficient stamp duty from the executants.

3.7.14 Irregularities in maintenance of accounts of stamp papers

There is one Treasury in Delhi, which has been authorised to sell stamps/stamp papers to stamp vendors/special stamp vendors and the general public. The State Bank of India was also given special stamp vendor license to sell stamp papers to the general public. The practice of selling non-judicial stamp papers by the State Bank of India and Treasury was, however, discontinued after introduction of e-stamping in April 2008, but huge stock of stamps/stamp papers are still lying with them.

3.7.14.1 During test check of records of Delhi Treasury between July 2010 and October 2010, we noticed that a large number of stamps/stamp papers, which were purchased during January 1998 to April 2005, are lying

⁷ SR-IX: Kapashera.

unsold as detailed below:

(₹ in lakh)				
Sl. No.	Category of stamps	Denomination of stamps	Date from which lying	Total value
1	Foreign Bills	25 paise 50 paise ₹ 1 ₹ 2	16.01.1998 01.04.2005 16.08.2003 11.09.2003	27.66
2	Revenue stamps	15 paise	01.11.2004	34.62
3	G O I Insurance	₹ 1, ₹ 2, ₹ 5, ₹ 10 and ₹ 25	19.10.2000 -do-	49.48
4	Non-Judicial	₹ 501 and above	01.08.2008	124197.00
Total				124308.76

These stamps/stamp papers worth ₹ 1243.09 crore are now not in use. Some of these are lying unsold in the treasury for more than 12 years and can be misused. The Department has not taken any action to dispose them off.

After we pointed out the case in August 2010, the Department stated in August 2010, that the process to dispose off the stamps is under consideration since June 2010. Thus the Department has not acted to dispose them off for over two years after the introduction of e-stamping.

3.7.14.2 Revenue Department in December 2005 issued special vendor license to the State Bank of India for sale of non-judicial stamp papers to general public through its 30 branches in Delhi. For this work, the bank was paid commission/discount @ 2.5 per cent of the amount of sale made on monthly basis after reconciliation of sale figure with Pay Accounts Office-VI. The Tis Hazari branch of the bank was designated as nodal branch which would maintain all the records related to receipts of stamp papers and their sale through its branches and claim commission from Delhi Treasury. However, on introduction of e-stamping through Stock Holding Corporation of India Limited in April 2008, the sale of non-judicial stamp papers through State Bank of India branches was discontinued with effect from 1 August 2008.

During test check of records of the Delhi Treasury, we noticed that huge stock of un-used non-judicial stamp papers were lying with the State Bank of India. As per Delhi Treasury accounts duly reconciled with the Pay and Accounts Office-VI, non-judicial stamp papers of ₹ 22.71 crore are lying with the bank. This position is contested by the bank which claims to have stock of stamp papers of ₹ 23.07 crore. In fact stamp papers worth ₹ 140.80 crore were delivered to State Bank of India for sale between April 2008 and July, 2008, i.e., well after the introduction of e-stamping in April, 2008 which contributed to the huge stock the bank is having now. We also noticed that the bank has made sale of non-judicial stamp papers worth ₹ 1.11 crore in the month of August 2008. This sale was made after the date from which it was asked to discontinue the business. Due to non-reconciliation of accounts of the stamp papers, the bank did not return the un-used stock of stamp papers to the treasury. Failure of the Department to reconcile the accounts of un-used stock of non-judicial stamp papers resulted in non-recovery of un-sold stamp papers from State Bank of India.

After we reported the matter, the Department stated (January 2011) that they have vigorously taken up the reconciliation with SBI authorities. They further stated that the SBI authorities have so far not given the details of sold and unsold accounts of Stamp papers issued to them due to which there is delay in reconciliation and recovery of unsold stock. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

The Department informed (February 2011) during the exit conference that matter of reconciliation of accounts of stamp papers with the SBI has been taken up at the highest level.

The Department may recover un-used stamp papers from State Bank of India and dispose them off along with the obsolete stamp papers lying with the Delhi Treasury so that their misuse in future is avoided.

3.7.14.3 The Stock Holding Corporation of India collects money and generates e-stamping certificates having unique number through a computer system which are used for registration of various instruments. The e-stamping certificate is locked by the sub-registrar after registration of the document for which it was purchased. In case of the deal not materialising, the purchaser can apply for refund which is granted after canceling the e-stamp certificate. The e-stamp certificates which are neither used for registration nor for obtaining refunds remain unlocked.

We obtained information from 'Stock Holding Corporation of India' for the period from 01 April 2005 to 31 March 2010 relating to the locked e-certificates, cancelled e-stamp certificates and unlocked e-stamp certificates and verified if certificates used for registration or obtaining refunds have been properly locked or cancelled as the case may be. We did not notice any irregularity while conducting the above exercise.

3.7.15 Undue delay in finalisation of impounded cases

Under Section 47-A of the Indian Stamp Act, if the registering authority has reasons to believe that the value of the property or the consideration has not been truly set forth in the instruments, he may, after registering such instruments refer the same to the Collector of Stamps for determination of the value or the consideration and the proper duty payable. The Collector, after issue of notice to the concerned person, is required to conduct summary enquiry as he may deem proper and assess the amount of deficient duty recoverable from the persons concerned after determining the value of the property. The cases so referred to the Collector are entered in register in Form-D maintained in office of Sub-Registrar. After their finalisation these cases called 'adjudication cases' are returned to the concerned registering authority who will watch the recovery of deficient duty. **We observed that no time limit had been fixed for disposal of such cases under adjudication.**

During test check of the Register of impounded cases of seven registering authorities⁸, we noticed that 461 cases referred to the Collectors during 2005-06 to 2009-10 were pending adjudication as follows:

Sl No	Name of the Sub-Registrar Office	No. of instruments pending					
		2005-06	2006-07	2007-08	2008-09	2009-10	Total
1	SR-III Asaf Ali Road	Nil	Nil	Nil	Nil	119	119
2	SR-IV Seelampur	Nil	Nil	9	12	Nil	21
3	SR-IV A Seemapuri	Nil	Nil	Nil	41	11	52
4	SR-V Mehrauli	Nil	Nil	Nil	Nil	31	31
5	SR-VI C Saraswativihar	Nil	Nil	34	16	13	63
6	SR-VII, INA Vikas Sadan	Nil	NA	NA	NA	1	1
7	SR-IX Kapashera	65	55	23	21	10	174
	Total	65	55	66	90	185	461

We further report that details of stamp duty involved in these cases was not available in the register. Delay in deciding the cases resulted in delay in realisation of the revenue and in certain cases the possibility of recovering the dues may become remote.

After we reported the matter, the Department stated (January 2011) that the concerned Deputy Commissioner and Collector of Stamps have been asked to take immediate steps to recover the deficient stamp duty. We reported the matter to the Government in (November 2010) but have not received any reply (December 2010).

The Government may consider fixing time frame for finalisation of cases of undervaluation referred to the Collector for adjudication.

⁸ SR-III: Asaf Ali Road, SR-IV: Seelampur, SR-IV-A: Seemapuri, SR-V: Mehrauli, SR-VI-C: Saraswati Vihar, SR-VII, INA Vikas Sadan and SR-IX: Kapashera

3.7.16 Internal control

Inspection is an important internal control in the hands of the administration for ascertaining that rules and procedures prescribed by the Department are being followed and are sufficient to safeguard proper collection of revenue. As per orders issued by the Divisional Commissioner in January 2008, periodical stamp audit/inspection and examination of the deeds/instruments registered in the Sub-Registrar Offices and particulars filed by the executants in the Form 'A' should be conducted by the Deputy Commissioner/Collector of stamps to check the evasion of stamp duty. **We report that no target for stamp audit/inspection and examination of instruments registered in the office of registering authorities had been prescribed.**

During test check of records of 13 registering authorities⁹ between July 2005-06 and 2009-10, we noticed that periodical stamp audit/ inspection and examination of the deeds/ instruments registered in the Sub-Registrar Offices and particulars filed by the executants in the Form 'A' have not been conducted by the Deputy Commissioner/ Collector of stamps to check the evasion of stamp duty.

After we reported the matter, the Department stated (January 2011) that there is no provision in the Registration Act, 1908 and Delhi Stamp (Prevention of Undervaluation of Instruments) Rules, 2007 to carry out the inspection in pursuance of Form 'A' submitted by the executants of the instruments for registration. They further stated that the matter would be examined by the Department for necessary action on the advice given by Audit.

The Department is silent about the circular issued by the Divisional Commissioner in January 2008, which forms the basis of the audit observations. We reported the matter to the Government (November 2010) but have not received any reply (December 2010).

The Government may fix target for stamp audit/inspection and examination of instruments registered in the office of registering authorities and prescribe returns from Registrars/Sub-Divisional Magistrates containing details of inspections carried out by them and result thereof.

⁹ & ¹⁰ SR-I: Kashmere Gate, SR-II: Janakpuri, SR-II-A: Nangloi, SR-III: Asaf Ali Road, SR-IV: Seelampur, SR-IV-A: Seemapuri, SR-V: Mehrauli, SR-VI-A: Pitampura, SR-VI-B: Alipur, SR-VI-C: Saraswativihar, SR-VII: INA, SR-VIII: Geeta Colony and SR-IX: Kapashera

3.7.17 Internal audit

Internal audit is a vital component of the control mechanism and is generally defined as control of all controls to enable an organisation to assure itself that the prescribed systems are functioning reasonably well. The internal audit wing of the Finance Department of Government of National Capital Territory of Delhi conducts the internal audit of the Revenue Department. The internal audit wing is required to conduct audit of the office of Inspector General of Registration, Treasury and 13 Sub-Registrar offices.

During test check of records of the 13 registering authorities¹⁰ between July 2010 and October 2010, we noticed that only 10 units were audited during the period from 2005-06 to 2009-10 as mentioned in the following table:

Sl. No.	Year	No of units actually inspected by IAW
1	2005-06	Nil
2	2006-07	4
3	2007-08	5
4	2008-09	Nil
5	2009-10	1
Total		10

As can be seen from the above the coverage of various units of registration department by the internal audit wing was inadequate. Hence, the deficiencies in maintenance of records and levy of duties remained unchecked. We called for the year-wise breakup of inspection reports/paragraphs issued by the internal audit wing during the years 2005-06 to 2009-10. The Department did not furnish the required details. Therefore, efficiency of the Department in taking remedial action could not be vouched safe in audit.

The Department accepted (February 2011) the fact during the exit conference and intimated that Finance Department has been requested to take up the audit of various units of the Department on regular basis.

The Government may ensure that the internal audit wing conducts the number of inspections required and ensure time bound action by the registering authorities on the observations of the internal audit wing so as to safeguard the interest of revenue and avoid recurrence of mistakes pointed out.

3.7.18 Conclusion

Stamp duty and registration fee is an important tax revenue of the State. Evasion of stamp duty and registration fee is commonly effected through under valuation of properties, non-presentation of documents in the office of the registering authority and short payment of stamp duty by the executants on documents submitted. The Department failed to co-ordinate with the various offices receiving registrable instruments that led to wide spread leakage of revenue which remained undetected. The internal controls of the Department are very weak as is evidenced by the number of inspections conducted.

Neither has any time limit been prescribed for disposal of the cases under adjudication nor any return prescribed for sending the information to the higher authorities. This resulted in very large pendency of cases. Finally, the Sub-Registrar Offices responsible for maintaining the property documents of executants were not maintaining the records efficiently to ensure proper storage and retrieval.

3.7.19 Summary of recommendations

The Government may consider taking the following actions for rectifying the systemic and other issues:

- *declaring all offices in which documents are presented as public offices and laying down norms/targets for the inspection of these public offices by the Registrars/Sub-Registrars of the concerned districts/zones to ensure that compulsorily registrable documents are registered with the concerned registering authorities and correct stamp duty and registration fee paid on them. The Government may also consider prescribing a periodical return to be furnished by these offices to the Revenue Department on the number and nature of documents presented and deficient stamp duty/registration fee paid;*
- *strengthening the internal audit wing to ensure timely detection and correction of errors in levy and collection of revenue and avoid recurrence of mistakes pointed out;*
- *ensuring that the Department reviews registers and ensures prompt disposal of all pending adjudication cases. The monitoring at the apex level may be done by prescribing periodical returns. A time limit for finalisation of these cases may also be prescribed;*
- *prescribing a report/return to be furnished by the Registrars/Sub-Divisional Magistrates mentioning the quantum of inspections done against the target fixed; and*
- *ensuring that all the records as prescribed under various rules are properly maintained in the registering office and periodically submitted to the higher authorities.*