

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2011-2014)**

**EIGHTEENTH REPORT**

(Presented on 13th December, 2012)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2013

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**EIGHTEENTH REPORT**

**On**

**Paragraphs relating to Registration Department contained in the Report of  
Comptroller and Auditor General of India for the year ended  
31st March, 2009 (Revenue Receipts)**

2342/2012.

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## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Eighteenth Report on paragraphs relating to Registration Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2009 (Revenue Receipts).

The Report of the Comptroller and Auditor General of India for the year ended 31st March, 2009 (Revenue Receipts) was laid on the Table of the House on 1st March, 2010.

The Committee considered and finalised this Report at the meeting held on 10th December, 2012.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,  
13th December, 2012.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## REPORT

### REGISTRATION DEPARTMENT

#### AUDIT PARAGRAPH

#### Results of audit

Test check of the records of the offices of the Registration Department during the year 2008-09 revealed undervaluation of documents, short remission of stamp duty etc., amounting to ₹ 7.02 crore in 235 cases which may be categorised as follows:

(₹ in crore)			
<i>Sl. No.</i>	<i>Category</i>	<i>No. of cases</i>	<i>Amount</i>
1.	Information Technology audit of Package for Effective Administration of Registration Laws (PEARL) (A review)	1	0.00
2	Undervaluation of documents	200	5.95
3	Other lapses	34	1.07
	Total	235	70.2

During the year 2008-09, the department accepted undervaluation and other deficiencies of ₹ 37.97 lakh involved in 54 cases out of which 20 cases involving ₹ 17.39 lakh were pointed out during 2008-09 and the balance in the earlier years. The department recovered ₹ 2.87 lakh in 52 cases during the year of which four cases involving ₹ 19,167 pertained to 2008-09.

A review of '*Package for Effective Administration of Registration Laws (PEARL) in the Registration Department*' and few other audit observations involving ₹ 1.07 crore are mentioned in the succeeding paragraphs.

#### **Information Technology review of Package for Effective Administration of Registration Laws (PEARL)**

##### *Highlights*

- Every user could login as Sub Registrar as passwords were shared by all, exposing to the risk of unauthorised modification of data.
- Stakeholders are totally helpless as validated electronic copy of data and documents were not kept in Sub Registry Office (SRO), Kottarakara where a fire mishap devastated 99 per cent of documents. It took four years to resume computerised activity in another SRO where hardware was stolen.

- Stamp duty calculated and stored in PEARL was short of requirement in 47 per cent of records.
- There is no restriction for any user to access and modify backend data. Data analysis found no login information in 12 per cent of records.
- The fields storing survey number details were blank in 3493 records and age fields of executants and claimants were blank in 87 per cent of records. Crucial data of boundary details contained trash data in 99 per cent of records.
- 44 per cent and 18 per cent mistakes were observed in data stored relating to accounts and registration documents respectively.
- Legal suits initiated against the department due to issuance of incorrect encumbrance certificates generated from not-validated data.
- Though computerisation started in the year 2000 and ₹ 24.41 crore was incurred, the System has not been fully operationalised; bugs are not rectified; only 1 out of 5 modules are put to use and the required amendments to Acts and Rules were not carried out till date.
- Though Government have taken no decision on commencement of scanning, scanners continued to be purchased (₹ 70 lakh) in all the six phases and annual maintenance contract also was provided (₹ 3 lakh) for scanners which remained packed.

## **Introduction**

### *Project*

Registration Department is one of the oldest Departments in the State and it touches the citizens at all levels at some time or other. Stamp duty and registration fees, at present is the third largest source of revenue to the State exchequer. The main objectives of registration laws are to :

- provide a conclusive proof of genuineness of documents
- afford publicity to transactions
- prevent fraud
- afford facility for ascertaining whether a property has already been transacted and
- afford security of title deeds and facility of providing titles in case the original deeds are lost or destroyed.

**The functions**

The main functions of Sub Registry Offices are :

- registration of documents;
- preparation of Encumbrance certificate and certified copies;
- perform the functions of Marriage officer under the Special Marriage Act, 1954 ; and
- perform the functions of the Registrar of Chitty under Kerala Chitties Act, 1975.

**Organisational set-up**

Principal Secretary (Taxes) is in-charge of the department at Government level and the Inspector General of Registration (IGR) is the head of the department with headquarter at Thiruvananthapuram. There are 4 zonal offices, 14 district offices and 309 Sub Registry Offices (SROs). Each zone is under the control of a Deputy IGR. Each district is under the charge and control of a District Registrar (DR) and the Sub Registry Offices (SRO) which are the functional units headed by Sub Registrars (SR).

**Objectives of computerisation**

The computerisation in Registration Department aimed at providing better service to citizens for the services rendered by the Registration Department. The software was designed to eliminate the maladies affecting the system of Registration through electronic delivery of all its services.

It aimed to :

- demystify the registration process,
- introduce a transparent system easily accessible to the citizen,
- bring in speed, efficiency and reliability,
- replace the manual system of copying and filing of documents with a sophisticated document management system that uses imaging technology,
- replace the manual system of indexing, accounting and reporting and
- improve the citizen interface substantially.

**The System**

Government of Kerala approved the project of Computerisation of Registration Department in January 2000. NIC developed the software — Package for Effective Administration of Registration Laws (PEARL) with Visual Basic and



MS SQL Server in Windows platform. The pilot phase comprising computerisation in 4 SROs\* was inaugurated in August 2000. The remaining 305 SROs were subsequently computerised in 5 phases†.

### **Hardware**

All the 309 SROs have been supplied with a server, 2 personal computers (3 PCs where there were two Sub Registrars), 2 dot-matrix printers, 1 laser jet printer and 1 scanner each along with the required UPS working in LAN. For issuing certified copies, a digital imaging unit comprising a digital camera, a PC and a laser printer each was provided to all the 309 SROs. The total cost of the hardware works out to ₹ 1,040 lakh.

### **Financial status**

Government incurred ₹ 2,441 lakh towards computerisation of 309 SROs under plan funds and MGP funds during the period 1999-2000 to 2008-09.

### **Scope and Methodology of audit**

#### *Scope of audit*

Audit evaluated the system to see whether the required controls were in place to ensure the security of the system including data, whether the objectives of computerisation were achieved, whether the social objective of serving public as envisaged was achieved and whether the computerised system effectively replaced the manual system.

#### **Audit methodology**

An entry conference was held in March 2009. Audit was conducted during February-May 2009 and the audit team visited 31 out of 309 SROs in 7 out of 14 districts and seven DR offices for on the spot verification of the working of the system and discussing with Sub Registrars and other end users on the basis of questionnaire prepared for the purpose to assess the usefulness and userfriendliness of the software. As separate databases were maintained for 309 SROs, backup data in respect of 3 SROs‡ was analysed using CAATs§. The review was sent to the Government on 1st July, 2009 and discussed in the exit conference in July 2009.

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\* Nemom, Palakkad, Thalassery and Thodupuzha.

† February 2001, December 2002, December 2004, December 2005 and March 2007.

‡ Sasthamangalam, Thodupuzha and Villiapally.

§ Computer Assisted Audit Techniques.

### **Audit criteria**

Indian Registration Act, 1908, Kerala Stamp Act, Registration Manual, Department Circulars, Software Requirement Specification and Software Design Document were relied upon for audit.

### **Audit findings**

#### *Deficiencies in general IT controls*

General computer controls are critical to the organisation's ability to safeguard its assets and ensure reliability of financial management information. Weakness in Information System's general controls affects the overall efficiency and security of computer operations.

#### **Ineffective physical access controls**

##### *Regarding physical access controls audit observed that*

- Most of the SROs were housed in very old and near-dilapidated buildings eg:— SRO, Nellai and SRO, West Hill.
- Many offices did not have a compound wall or even fencing.
- Even though the Departmental Manual stipulates that the registration offices should not be left unguarded; the system of deploying peons\* for the purpose was not effectively implemented. Against the strength of two peons per SRO, in 29 SROs there was only one peon each.

There was a theft of the lone server from SRO, Nellai and consequently the computerised process was suspended for four years from 18th November, 2003 to 26th November, 2007.

#### **Ineffective environmental controls**

According to the Registration Act and Rules, SROs are responsible for registration of different types of documents, upkeep and safe custody of the same. Non-availability of the documents registered assumes significance of an unimaginable dimension and repercussions. No orders, procedures, instructions etc. were issued by the department on environmental security.

##### *Regarding environmental controls, audit observed that :*

- The record rooms which house the copies of registered documents were not equipped adequately to meet the increased requirements. In the absence of sufficient racks and space, the volumes were seen dumped on the floor exposing them to the risk of damage due to dampening and mites, e.g:— SRO, West Hill.

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\* The duties of peon include that of chowkidar also.

- Fire fighting mechanisms such as fire extinguishers, smoke sensors etc. were not provided in any of the SROs.

### **Logical access controls and segregation of duties**

Logical access controls in the IT System are intended to protect computer resources against unauthorised access. For ensuring IT security, the duties and responsibilities of staff should be adequately segregated.

In this regard, the following deficiencies were noticed:

- Although two levels of users were provided and all the employees were supplied with separate usernames and passwords, in the entire test checked SROs the passwords were found to be shared among all.
- Every user performed the duties of others including that of Sub Registrar defeating the very purpose of segregation of duties.
- Delegation and rights of the Sub Registrars were exercised by subordinate staff by logging in as the Sub Registrar.
- Passwords were never changed.

Government stated (August 2009) that once the security policy was in place and implemented at all levels the issues connected with access control would be over.

### **Lack of audit trail**

Audit trail leaves evidence in respect of all access to the system and modifications of data which is required to prevent unauthorised access and manipulations and fixing responsibility. In PEARL when any modification is made to data, the System does not retain data such as the values before modification, who and when the modification was done, etc., for the audit trail.

### **Business continuity and disaster management plan**

Business Continuity Planning (BCP) is essential to ensure that the organisation can prevent disruption of business and resume processing in the event of a total or partial disruption in the information availability. Availability and trouble free working of hardware and software including data are to be ensured for the smooth and uninterrupted functioning of an IT system. Improper maintenance of hardware will result in the non-availability of the same when it is in need.

It was observed that no business continuity plan/disaster management policy has been evolved and documented by the department. In this connection audit observed that:

- All the 309 SROs have been provided with computers in the pattern of 1 server and 2 or 3 nodes. But no computer has been kept as reserve to meet any unforeseen eventuality. As a result non-availability of hardware for long periods (exceeding one year) was noticed in many SROs, in spite of availability of Annual Maintenance Contract (AMC).
- In SRO, Nellai, where the lone server was stolen, it took four years for replacement of the same compelling them to resort to manual system during the period.
- There was loss of records by fire mishap in SRO, Kottarakara (March 2009). 1998 out of 2012 (99 per cent) volumes of copies of registered documents were gutted in the fire. Though computers with data could be salvaged, the data salvaged was not validated. In the absence of original records, validation was no more possible. Digitised documents as envisaged were also not kept.

#### **Ineffective backup policy**

According to circulars issued by the department backup had to be taken daily in SROs in CD media, a half-yearly (30th June and 31st December) backup had to be submitted to the DRs and an annual backup (31st December) to be submitted to the IGR. An analysis of the backup CDs (as on 31st December 2008) stored in the department revealed the following:

- Backup of only 26 out of 41 SROs relating to Thiruvananthapuram district were available.
- In Kollam district, backup CDs of only 18 out of 30 SROs were available; of which 8 CDs were either blank or contained obsolete backup.
- In Kannur district backup CDs of only 20 out of 23 SROs were available.
- Out of 135 CDs relating to 5 districts checked, 120 CDs did not contain the data as on the specified date.
- Backup were not stored in external media in certain offices. It was stated that CDs were not supplied by the department for taking the backup.

- Owing to a system failure 8488 records were lost in SRO, Mararikulam (2007). The data had to be re-entered, with proneness to data entry mistakes, from original records as no backup was available.
- As a best practice, a second copy of the backup was not taken daily and kept in a different geographical location (i.e. a location other than the office premises) for the restoration of data in the event of data loss.

All of these establish that daily backup were not taken by SROs as per instructions in this regard and also not monitored by competent authorities at respective levels.

Government stated (August 2009) that once the latest version (3.1) was deployed in all SROs the issues related to backup of data would be solved. Government further stated that they were planning to switch over the storage of data to a centralised location.

#### **Non-uniformity in backup procedure affecting completeness of data**

Backups taken were either in SQL format or in text format. While the SQL format backups can directly be restored, text format requires a batch file for restoration. Two versions of batch files were found to be in use. Both these batch files can restore 178 tables to the database. Analysis of backup CDs, having text format, revealed that 41 CDs contained more than or less than 178 tables. Variation in the number of tables backed up and restored would result in data inconsistencies and will also render the integration of database difficult.

#### **Deficiencies in application controls**

Application controls are used in IT Systems to provide assurance to the management that all transactions are valid, authorised, complete and accurate.

#### **Non-uniformity in data structure**

Two versions of the software with different variants were in use in different SROs. The structure of data was not uniform. A test check of data relating to 135 SROs revealed that while the number of tables in 94 offices was 178, in the remaining 41 offices the number of tables was either more than or less than 178 tables. Owing to the non-uniformity of data structure, it would be difficult for the envisaged data integration.

#### **Weak input controls and validation checks resulting in incorrect data**

The objective of input control is to ensure that the procedures and controls reasonably guarantee that: (a) data received for processing are genuine, complete, not previously processed, accurate and properly authorised; and (b) data entered are

accurate and without duplication. Data validation is a process for checking transaction data for any errors or omissions and to ensure the completeness and correctness of input. In this regard, audit observed the following:

- While reasonable input controls for data integrity were provided in the online mode of data entry, such controls were not in place in the backlog data entry mode. In 90 per cent of the SROs test checked instead of online registration process, they resorted to backlog option. When data was entered through backlog mode completeness of data could not be ensured as essential fields were not made mandatory.
- For capturing survey numbers, two separate fields were provided for entering the survey number and the subdivision number. The survey number field consists of only numeric values whereas subdivision number consists of alpha numeric values. In the absence of input controls, subdivision numbers consisting of alphabets were also captured in the survey number field. This adversely affected the uniformity of data leading to incorrect search results in the preparation of ECs.
- The system calculates stamp duty and surcharge on the basis of value of documents and other parameters. However, owing to the non-availability of stamp paper of the exact denomination, executants would opt for stamp papers of higher denomination resulting in excess remittance of stamp duty. There are provisions in the software to capture both the values viz. stamp duty due and stamp duty paid. In no circumstances stamp duty paid can be less than what is due. Data analysis revealed that in 47 per cent of records pertaining to stamp duty stored was short of what was required. Shortage of fees was also noticed in 27 per cent of records.

**Avoidable re-entry of data resulting in mistakes and erosion of user-friendliness**

In a database management system any data should be entered only once. The data so entered should be available for any number of processes required at any

stage. Re-entering the same data for different modules/sub modules would be prone to data entry mistakes and finally resulting in incorrect outputs. In this regard, audit observed the following mistakes in data analysis:

- Owing to re-entry of dates there were differences relating to year in 5445 records.
- Owing to re-entry of codes there were mistakes relating to District/SRO codes in 92 records.
- Difference in page numbers of filing sheets were noticed in 88 per cent of records as data was re-entered without utilising the already captured data regarding the number of filing sheets used. Re-entry of data will also result in erosion of user-friendliness.

#### **Unauthorised modification of backend data affecting data security**

Unauthorised access or changes to data is considered to be one of the highest risks in any IT system. It was found that any user proficient in SQL Server could access the back end, make unauthorised modification to data and delete the user login information. Data analysis revealed that in 12 per cent of records, the user login information was not available.

#### **Control weakness by providing editing right to ordinary user**

The right to edit data once entered should be given to a higher level of user in order to check unauthorised modification and to ensure authenticity. But in PEARL, data once entered can be edited by the same user or any other ordinary user.

Government stated (August 2009) that the editing rights would be restricted to higher level functionaries. Insufficiencies pointed out would be brought to the attention of technical team of NIC for necessary modification to the software.

#### **Insufficiencies in the system**

The success of implementation of any IT system and user acceptance depend mainly on the software being user friendly and easy to operate. The system should be able to replace the manual system in a better way. In this regard, the following deficiencies were noticed:

- There was no provision to enter name of applicant applying for registration through private attendance.
- There was no provision to generate KVAT at four per cent, required to be collected from fee for additional sheets.

- When a registration is made through private attendance, an additional fee is to be collected at ₹ 25 per claimant. However, irrespective of the number of claimants involved, the System generated the fee of ₹ 25.
- Screens of the System were designed at a bigger size than the monitors provided to all the users, causing difficulties and hassles for all the users.

#### **Generation of incorrect/defective reports**

*Regarding generation of reports audit observed the following:*

- In version 2.0, accounts consolidation report generated was defective. While there is no stamp duty for 'will' documents which is included under Book III, stamp duty was shown against Book III in the accounts generated.
- Reports generated for 'Index II' were devoid of any uniform order in different offices.
- Reports could not be generated in the indexed order as required by the user for different purposes.
- 'Index II' reports printed the same document numbers repeatedly in cases, where there were more than one executants or more than one survey number. The same document number was seen repeated even up to 51 times.

#### **Data deficiencies**

The most valuable component of an IT system is its data. So data must be reliable, authentic, correct and complete. It must have proper authorisation. If the correctness of the data cannot be guaranteed the entire system is considered to be useless. During the course of audit the following data deficiencies were noticed.

#### **Non-validation of legacy data**

Legacy data relating to the last 13 years was entered as a prelude to the commencement of computerised operations in each office. The data entry was entrusted to three outsourced agencies\* at a per-record rate of honorarium. As per the agreement conditions, data entry was done at their premises bringing records from the respective SROs. However, it was found that the source input document was the Index registers and not the office copies of the registered documents (volumes) from which the Index registers were prepared. But the data entered was

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\* KUDUMBASREE (a women self dependant group—an NGO), KELTRON and Dinesh IT Systems.



never verified with the original records and correctness and completeness certified by the department before it was put to use. It was also observed that in SRO, Kottarakara, where 99 per cent of the records were gutted in a fire mishap, the electronic data, though salvaged was not validated as pointed out in para 4.2.5.1.

Though a provision exists in the front-end to eliminate junk data, it has not been put to use in any of the offices. The Department stated (June 2009) that the provision for eliminating junk data was not made use of because of reported data loss owing to certain deficiencies in the module.

#### **Deficiencies in the database**

*Analysis of data using CAATs revealed that :*

- Survey No. field, which is the most vital information for issue of encumbrance certificate, was blank in 3493 out of 317898 records. Survey No. field, which should contain only numerals, contained data other than numerals in 1145 records.
- 99 per cent of the records contained trash data in boundary details fields, by which a property is identified.
- Values in age field of claimants and executants were either null or invalid in 87 per cent of records.
- 35 per cent of records contained invalid Local Body name.
- 10 per cent of records contained invalid land type.
- Local Body type is crucial information based on which the rate of duty and fees are calculated. 13581 records contained invalid values.
- In the Account table while 3623 records contained blank account codes, 1849 records contained blank executant's name and 2352 records were devoid of claimant name.
- 449 records contained invalid years (ranging from 1797 to 9992) in the fields of registration and execution year.
- 303 records contained transaction codes, which were not available in the master table.
- In the cases of registration relating to other SROs, 174 records contained transaction codes, which were not available in the master table.
- In 272 records, SRO, district, taluk or village codes were blank.
- 244 records contained invalid measurement unit.

**Non-validation of current data**

The current data was entered by the staff, but a second level verification of the data was not done.

A physical test check of 420 records in the database with office copies of documents (Volume) in selected 30 SROs revealed that 18 per cent of records contained errors as shown below:

- there were 24 mistakes pertaining to Survey Number
- there were 21 mistakes pertaining to extent of property
- there were 28 mistakes pertaining to Local Body type

A test check of 888 records with account books in selected 30 SROs revealed that 44 per cent of records contained errors as detailed below:

- there were 301 mistakes pertaining to stamp duty collected
- there were 438 mistakes pertaining to fee collected
- there were 38 mistakes pertaining to value of documents.

**Dependence on unreliable data leading to legal issues**

The Encumbrance Certificate (EC), the only authorised document showing the details of transactions on a property, was generated through the system and issued to the applicants. As the data was not validated, there is no guarantee that the details generated from the system are correct. The data is critical as an incorrect EC might result in ineligible and unauthorised financial transactions which could lead to legal issues.

ECs have to be prepared after searching the records for any transaction for the required period. Name of the clients and survey number-wise searches were provided in the software for the purpose. Owing to improper capture of data in the Name and Survey number fields the search results obtained required manual editing to a certificate. However, in the entire test checked SROs, it was observed that the EC, prepared by one of the users, is issued by the SR without verification at a second level. This could result in issuance of incorrect/manipulated ECs.

In the latest version (PEARL 3.1) which is under trial run in SRO, Sasthamangalam, two independent searches were made systemically compulsory to mitigate the above deficiency. However, this would yield fruits only if the password policy was strictly adhered to. Audit observed a single user making both the searches using another's username and password.

To an audit query, the department stated (May 2009) that three legal suits were pending against the department in connection with incorrect ECs issued.

#### **Obsolete master data**

On an analysis of the master data relating to the classification of documents and rates of stamp duty and registration fee thereon, the following observations are made:

- Master data, though it should be same throughout, varied from office to office. The data was not validated and authenticated at any stage.
- Master data requires modification when rates are changed or new types of documents are included. But these changes were not seen made up-to-date.

Government stated (August 2009) that on installation of the new version, the master data would be up-to-date.

#### **Other findings**

##### *Defective internal control mechanism*

The success of any Department in its performance and achievement of targets is mainly based on the strength of the internal control mechanism it has. Internal Audit forms a main component of the Internal Control Mechanism.

Though each district had an internal audit wing headed by DR (Audit), they were not trained to audit in IT environment. An audit module was also not provided in PEARL.

#### **Inordinate delay in completion of the project**

Though nine years have elapsed and Government spent a sum of ₹ 24.41 crore on the project the general public is deprived of the benefits envisaged out of the computerisation. A scrutiny of different stages of computerisation shows that the delay can be attributed to the following:

- There was no perspective computerisation plan in the Registration Department.
- An empowered committee at apex level with sufficient powers was not constituted to take decisions and oversee the implementation. A steering committee at middle level also was not constituted for the implementation of the project.

- Failure on the part of the Department to prepare a User Requirement Specification.
- There was no effective liaison with NIC at top management level to ensure timely completion of the development of the system. Target dates fixed for the completion of each phase was not ensured. Bugs noticed could not be got rectified by the NIC.
- Facilities have been provided in PEARL to digitise documents and fingerprints of the executants, but could not be put to use pending legislation required for amending the relevant provisions in the Acts and Rules.
- There was delay on the part of NIC in keeping the schedule without any reason.

As no reason for the delay could be found which was beyond the control of the department the delay can be attributed to lack of commitment and initiatives on the part of the management. There had never been a fund constraint as evident from the fact that while ₹ 24.41 crore was spent on the project, ₹ 25.51 crore was surrendered during the period up to the year 2008-09.

As nine years have already completed, the system when completed would be an out-dated one with less efficiency and usefulness as the technology has advanced further like the web based applications used in other departments.

Government stated (August 2009) that the department did not have the technical expertise to oversee the implementation. It was also stated that the department has constituted a high level technical committee to decide the future course of action and prioritise the activities of the project.

#### **Non-achievement of objectives**

The objective of PEARL was to computerise all manual activities in the registration offices so that efficiency, speed and transparency are increased to the benefit of the public. Out of the five\* activities enumerated in a sub registry office only one viz. issuing encumbrance certificates was done through PEARL. The main objective viz. replacing the manual system of copying and filing of documents with a sophisticated document management system that uses imaging technology has not been commenced.

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\* Activities relating to: (a) Registration and issue of encumbrance certificates, (b) Digitisation of Documents and issue of certified copies, (c) Chitties, (d) Special Marriage, and (e) Fare Value of property.

**Inefficient management of Annual Maintenance Contract**

The hardwares supplied to the SROs were covered under AMC with a single vendor across the State. As per the agreement conditions computers had to be set right within 24 hours failing which penalty was to be imposed on the vendor proportionate to the down time in excess of 24 hours. But a test check conducted in 30 selected SROs revealed that:

- The AMC did not yield required results as the system of recording and reporting faults was not in place in 90 per cent of SROs visited.
- In 80 per cent of offices inspected, where there were instances of nonfunctioning of the hardware, no records were available to assess the duration of non availability of the system as fault log registers were not maintained. It was observed that computers including servers remained faulty for periods exceeding one year, e.g. SRO, Njarakkal, Principal SRO, Thiruvananthapuram, SRO, Kadirur etc. But no penalty was levied from the vendor for the laxity.
- Although monthly reports on the conditions of hardware were sent from the SROs to the DRs concerned, 95 per cent of them did not contain the duration of down time. Remedial measures were not taken by DRs on the basis of the reports received.
- In cases of faults of server, one node was configured as server. But due to limited resources of the node, the software would not function properly and online registration would not be possible. In such cases data was entered through back log data entry option, where all the input controls were not available affecting data integrity and completeness of data.
- In SROs, Kadirur and Cherthala only one PC each was found in working condition.

Government stated (August 2009) that the department was planning to switch over from AMC to facility management system which would reduce the “down time”.

**No Business Process Re-engineering (BPR)**

An IT project should not only replace the manual system but also help to enhance efficiency through a process improvement for the ultimate benefit of the stakeholders.

In the manual system, in order to assist the citizens in preparing documents there is an authorised system comprising of document writers outside the department who act as an interface between the public and the Department. Licenses are issued to document writers by the department after qualifying an examination conducted by the Department. Nevertheless, the drafting, language, etc., used in the documents were not in a standardised form across the State. As a result the documents are unnecessarily lengthy and complex with worn out words and styles causing difficulties not only to the public but also to the department as far as data entry is concerned.

With the introduction of a module the System could generate any type of documents by supplying the required details which could be collected from the executants/claimants through a pro forma. As a result the concept of document writers would then become insignificant and could be dispensed with. This would not only simplify the registration process, but also ensure speed, efficiency, transparency, elimination of the intermediary etc. to the ultimate benefit to the public. Computerised issuance of the ECs and the certified copies of document has enhanced the image of the Department and its staff manifold when the public started getting these services within a day's time without the help of any intermediary.

Government stated (August 2009) that elimination of intermediaries had far reaching consequences and wider ramifications. As such a policy decision by the Government in the matter was required.

#### **Unfruitful expenditure on the purchase of scanners**

One of the main objectives of computerisation was doing away with the practice of storing hard copies of the registered documents by digitising them and maintaining as soft copies in order to improve manageability, easy retrievability, providing better and prompt services to citizens, savings in manpower, storage space etc. With this in view, a module was incorporated in PEARL at the pilot stage itself for digitising and archiving the documents. Audit observed the following in this regard:

- Although, scanning did not commence for want of Government decision, the scanners continued to be purchased in all the five more phases.
- The first batch of scanners is now nine years old. In 99 per cent of the SROs the scanners were still to be unpacked (September 2009).
- The cost of scanners purchased in different phases would indicate that the cost had been steadily falling down (The cost of scanners purchased varied from ₹ 35,000 to ₹ 16,750).

- The optimum life of computer peripherals being around five years, there is no probability of utilising the scanners purchased in the initial years.
- There is no guarantee that the old scanners would work with the new versions of operating systems and hardware due to compatibility issues.
- Scanners had not been put to use in any of the SROs and date of commencement of scanning was not yet decided by the Government. Nevertheless AMC was awarded to scanners periodically. An avoidable expenditure of ₹ 3.01 lakh was incurred on AMC for scanners alone during the period up to 31st March, 2009.

The warrantee given by the manufacturers also could not be availed of as they were not put to use. The procurement without proper planning resulted in unfruitful expenditure of ₹ 70 lakh.

#### **Injudicious decision resulting in avoidable expenditure of ₹ 2.87 crore**

Digitisation of the registered documents was one of the main objectives of computerisation in the Registration Department. In the absence of storing digitised images of documents in the database, Government decided to go for a separate set of digital image printing (DIP) unit comprising one PC, a digital camera and a laser printer together with an image editing software for issuing certified copies of documents. Had the Department utilised the facilities in the software, expenditure of ₹ 2.87 crore spent for the purchase of the imaging unit could have been avoided.

During the last two years 6,50,150 certified copies were issued by the department using the DIP unit. However, the scanned images were not stored for future use.

Government stated (August 2009) that storage of digital image would consume more disk space and was not required as copies were available in the 'register volume'. However, Audit is of the opinion that preservation of 'register volume' was costlier and more cumbersome than digital storage and also these paper documents were more susceptible to destruction by mite, fire etc. The entire documents kept in 'register volumes' right from the oldest one should have been digitised and stored in the database so that certified copies of documents could have been issued easily. Objectives of computerisation envisaged digitisation of documents and PEARL software had provisions for the same. But audit observed that Government introduced the DIP unit as a remedy for coping up with the delay. The fact remains that heavy accumulation of pendency in issue of certified copies was caused by improper implementation of computerisation.

**Conclusion**

Though the project is under implementation for over nine years, the System was not free from bugs; it was not formally accepted by the department; data remained unreliable; no modules, except one, were put to use and no time frame fixed for validation of data, completion and online use of the software in its fullness. Required amendments to provisions in the Act and Rules to legalise the computerised activities were not made. After incurring an expenditure of ₹ 24.41 crore, stakeholders are deprived of the benefits envisaged out of the computerisation. This system when completed would not help to achieve the objectives in full.

**Recommendations**

- Officers should be nominated for effective liaison with NIC for completion and acceptance of the project;
- Validation of data should be given utmost priority. Completeness and correctness of data should be certified at appropriate levels;
- Individual databases should be merged and centralized;
- AMC conditions should be strictly enforced;
- Data backup policy should be revised. Offsite storage of daily backup should be made;
- Digitisation of documents should be commenced;
- A suitable Business Continuity/Disaster Management Plan should be formulated and implemented;
- A password policy should be formulated and its compliance should be ensured;
- Environmental/physical access control weaknesses should be remedied in a timely fashion;
- Enactment required for the computerised operation should be made; and
- A business process re-engineering should be done in order to impart the intended benefit of computerisation to the stakeholders.

[Paragraph 4.2 contained in the Report of the C&AG of India for the year ended 31<sup>st</sup> March, 2009 (R.R.) Vol.I]

(Note received from Government on the above audit paragraph is included as Appendix II.)



The Committee wanted to know the latest position of the logical access control in IT system of the Registration Department. The Secretary, Taxes Department informed that the report furnished to the Committee was prepared earlier and they had sorted out the entire recommendations by incorporating certain modifications. The department had designed a computer software viz., PEARL which had later modified to PEARL 3.1 version, rectifying the deficiencies pointed out by the Accountant General. Later the erstwhile PEARL, the application software namely OPEN PEARL was migrated to open source platform with necessary access controls. He added that all problems related to manipulation of the records after entry, double entry, re-entry, unauthorised modifications etc., and the deficiencies associated with data storing and back entry could be avoided after the establishment of state level data centre. It had been envisaged to link ten Sub Registrar Offices to state level data centre in the current year, 50 numbers in the next year and accordingly all the Sub Registrar Offices could be linked within a few years. When the Committee enquired the opinion of the Accountant General in this regard, he replied that the department was implementing a revised version which takes care of their concern and they would wait sometime for its stabilisation and once the system attains the required stability, the follow up audit could be done. The Committee appreciated the department for responding positively.

2. With regard to the audit paragraph, the Secretary, Taxes Department informed that a separate module for audit had already been incorporated in the revised version of the software, viz., PEARL 3.1 version. The Committee accepted the clarification furnished by the department as the defects noticed by the audit were rectified.

#### **Conclusion/Recommendation**

**3. Though appreciated the positive attitude taken by the Registration Department in this case, the Committee is of the opinion that the Department should conduct a review of the efficiency and serviceability of the new system evolved in place of the old one and recommends that a detailed report of the same may be furnished to the Committee including the performance and progress of the IT Oriented Services after linking it to the State Data Centre at the earliest.**

AUDIT PARAGRAPH

#### **Other Audit observations**

Scrutiny of records of various Registration Offices revealed several cases of non-compliance of the provisions of the Kerala Stamp Act, 1959 (KS Act) and Indian Stamp Act, 1899 and other cases as mentioned in the succeeding paragraphs.

These cases are illustrative and are based on a test check carried out in audit. Such omissions on the part of the Sub Registrars (SRs) are pointed out in audit each year but not only the irregularities persist; these remain undetected till an audit is conducted. There is need for Government to improve the internal control system including strengthening of internal audit.

[Paragraph 4.3 contained in the Report of the C&AG of India for the year ended 31<sup>st</sup> March, 2009 (R.R.) Vol.I]

(Note received from Government on the above audit paragraph is included as Appendix II.)

### **Conclusion/Recommendation**

#### **No Comments.**

#### AUDIT PARAGRAPH

#### **Non-compliance of provisions of Acts/Rules**

The provisions of the KS Act and Registration Rules require:—

- (i) initiating action in cases where documents were undervalued; and
- (ii) correct classification of documents.

It was noticed that the SRs did not observe some of the above provisions at the time of registration of documents. This resulted in short levy/evasion of stamp duty of ₹ 1.07 crore as mentioned in the paragraphs 4.4.1 to 4.4.2.

#### **Short levy due to undervaluation**

Under the Kerala Stamp Act 1959, if the registering officer is of the opinion that the consideration conceded in the instrument for registration has not been truly set forth, he may, after registering the document, refer the document to the District Collector for determining the value or consideration and the duty payable thereon. Also, the Collector may, *suo motu*, within two years from the date of registration of any instrument not already referred to him, call for and examine the instrument and determine its value or consideration and the duty payable thereon. Government in October 1986, appointed District Registrars (DRs) as Collectors for this purpose. As no guidelines on value of land at different localities are issued by the Government, large scale undervaluation is taking place all over the State. A few observations are mentioned below:

1. During scrutiny of records in sub registry office, Tripunithura, in September 2008, it was noticed that a sale deed for 90.726 cent of land was registered vide a document in June 2006 for a consideration of ₹ 36.29 lakh. The

above property along with another land of 9.724 cent together forming 100.45 cent was sold in the same month vide another document for a consideration of ₹ 5 crore. As such, the property in the first document was undervalued to the extent of ₹ 4.15 crore and the matter has not been reported as a case of undervaluation. This resulted in short levy of stamp duty and registration fees of ₹ 60.22 lakh.

After the case was pointed out, the department stated in April 2009 that the SR has no authority to report the previous document as undervalued. The reply was not tenable as the DR can take action in undervaluation cases only on the basis of the report of the SR.

The matter was reported to the Government in March 2009; their reply has not been received (September 2009).

2. During scrutiny of records in the sub-registry office, Pooyappally in October 2008, it was noticed that two documents were registered as sale deeds on the same date in respect of land in two survey numbers for an extent of one hectare 50 ares and 20 sq.m. each for a consideration of ₹ 15 lakh each. The same properties were subsequently registered as a single sale deed vide a document at sub-registry office, Chadayamangalam along with a small plot at Chadayamangalam, after two weeks for a total consideration of ₹ 10 lakh and the fact informed at sub-registry office, Pooyappally on the same date itself. As such the document registered at Chadayamangalam was under valued for ₹ 20 lakh. However, on verification of the document it was seen that the above aspect was not reported to the DR. This resulted in short levy of stamp duty and registration fees of ₹ 2.40 lakh.

After the case was reported to the department in November 2008, the department stated in April 2009 that the document has been reported to the DR as a case of undervaluation in April 2009. Further development has not been received (September 2009).

The matter was reported to the Government in January 2009; their reply has not been received (September 2009).

3. During scrutiny of records in eight offices between February 2008 and January 2009 it was noticed that eight documents registered for sale of properties/ power of attorney were undervalued, resulting in short levy of stamp duty and registration fee of ₹ 26.56 lakh as detailed below:

<i>Sl. No.</i>	<i>Name of office/ Month &amp; year of audit</i>	<i>Short levy of stamp duty and registration fees (₹)</i>	<i>Nature of objection</i>
(1)	(2)	(3)	(4)
1	SRO, Kazhakutam January 2009	5.23 lakh	A document comprising of 29.6 cents of land registered for a consideration of ₹ 11.84 lakh was seen undervalued when 17.59 cent of land belonging to the above property was sold subsequently for a consideration of ₹ 32 lakh, vide three documents within three months of the first document. The matter was reported to the DR as a case of undervaluation. However, the value reported was much below the compared value.
<p>After the case was pointed out, the sub-registrar stated in January 2009 that the matter would be examined and detailed reply furnished. Further reply has not been received (September 2009).</p> <p>The matter was reported to the department in January 2009 and Government in March 2009; their reply has not been received (September 2009).</p>			
2	SRO, Chadayamangalam November 2008	4.32 lakh	Property of 28 ares was divided into four adjacent plots with an approach road and sold on the same day. However, one document was registered for ₹ 0.53 lakh per are and two documents at ₹ 3.71 lakh each and the other one at ₹ 2.06 lakh per are. As such the first

(1)	(2)	(3)	(4)
			document was undervalued to the tune of ₹ 35.98 lakh when compared to the least value of the other three documents ie., ₹ 2.06 lakh per are.
			After the case was pointed out, the department stated in May 2009 that action was taken to rectify the mistake. Further development has not been reported (September 2009).
			The matter was reported to the Government in February 2009; their reply has not been received (September 2009).
3	SRO, Kothamangalam December 2008	3.71 lakh	A property comprising of 6 ares and 7 sq.m. bought by a sale deed for ₹ 80,000 was resold within four months for ₹ 26.40 lakh. Hence the first document was undervalued which was not reported to the DR.
			After the case was pointed out, the department stated that the sub-registrar has no authority to report the previous document as undervalued. The reply was not correct as undervaluation cases are decided by the DR based on the report of SR.
			The matter was reported to the Government in March 2009; their reply has not been received (September 2009).
4	SRO, Kakkattil December 2008	3 lakh	A document comprising of 20 cents of land (which is included in a total extent of 40 cents) was executed for a consideration of ₹ 20 lakh. The case was reported as undervalued for an amount of ₹ 1 crore. After three months another 10 cents of land included in the same property was again sold by the same executants for a consideration of ₹ 10 lakh. However, this case was reported as undervalued for ₹ 25 lakh only resulting in short reporting of undervaluation of

(1)	(2)	(3)	(4)
			₹ 25 lakh when compared to the value reported for the first document.
			After the case was pointed out the sub-registrar stated in December 2008 that the case would be examined. Further reply has not been received (September 2009).
			The matter was reported to the department in January 2009 and Government in March 2009; their reply has not been received (September 2009).
5	SRO, Puthanambalam February 2008	2.78 lakh	A document of 38.5 ares of land executed for a consideration of ₹ 2.75 lakh and reported by the SR as undervalued to the tune of ₹ 63,000 was subsequently sold after two months for a consideration of ₹ 26.55 lakh. However, the value of ₹ 26.55 lakh received after two months was not considered for undervaluation of the first document.
			After the case was pointed out in March 2008, the department stated in August 2008 and May 2009 that once the document is reported for undervaluation, the SR need not report the same for higher value. The reply was not correct as the value of property has increased to almost seven times of its previous value within two months and as the DR is taking action based on the report of SR, the factual position should have been brought to the notice of higher authority for evaluating the land under consideration in the interest of revenue.
			The matter was reported to the Government in January 2009; their reply has not been received (September 2009).
6	SRO, Murukumpuzha March 2008	2.70 lakh	A document comprising of 16 ares and 18 sq.m. executed for a consideration of ₹ 1.50 lakh was seen undervalued when 12 Are and 94 sq.m. area of land included in the

(1)	(2)	(3)	(4)
			same property was sold after 13 days for a consideration of ₹ 19.20 lakh. The case was not reported to the DR.
			After the case was pointed out, the sub-registrar stated in March 2008 that the case would be examined. Further development has not been reported (September 2009).
			The matter was reported to the department in April 2008 and Government in March 2009; their reply has not been received (September 2009).
7	SRO, Kuttanallor December 2008	2.59 lakh	An irrevocable power of attorney was executed for a value of ₹ 1 lakh, in the name of a company for development and construction of multistoreyed apartments/complex and to sell, lease or gift the said properties to any person(s). However, the executants of the power of attorney became the absolute owners of the said property by another document just two months before the execution of power of attorney for a consideration of ₹ 17.60 lakh. As the value shown in the power of attorney was not a match for the construction purpose and its sale value, at least the value of the land as shown in the sale deed should have been adopted as the consideration for the power of attorney.
			After the case was reported to the department in December 2008 and Government in February 2009, the Government stated in June 2009 that in the referred document there is no mention about the transfer of property other than authorising the agent to do certain things and the document was

(1)	(2)	(3)	(4)
			clearly a power of attorney. The reply was not correct as the document was a power of attorney authorising the company to develop and construct multistoreyed buildings which are liable to stamp duty at conveyance rate.
8.	SRO, Karunagapally October 2008	2.23 lakh	A document comprising of 27.42 cent of land and building registered for a consideration of ₹ 2 lakh (land value ₹ 1.40 lakh) was seen undervalued when sold within four months for a consideration of ₹ 38 lakh (land value ₹ 20 lakh). The undervaluation in respect of landed property alone worked out to ₹ 18.60 lakh.

After the case was pointed out, the sub-registrar stated in October 2008 that the previous value cannot be assessed for the second transaction. The fact remains that the land value increased almost 14 times within a time span of four months for which no justification is recorded. Further, the matter has not been reported to the DR also.

The matter was reported to the department in November 2008 and Government in March 2009; their reply has not been received (September 2009).

During scrutiny of the records in sub registry office, Kattakkada in June 2008, it was noticed that two sale deeds for 50 cent each of land were registered vide two documents in April 2006. Another sale deed of 16 cent of land and building was executed vide another document in March 2006 with a consideration of ₹ 5.50 lakh for land and ₹ 14.50 lakh for building. All the three plots lie in a single site of 2.78 acre, in the same survey number and have same road access. The first two documents were reported as cases of under valuation, in comparison to the land value of the third document, by the SR fixing the value of land as ₹ 4.00 lakh. However, the land value of the first two documents when worked out at the rate conceded in the third document comes to ₹ 34.38 lakh. This resulted in under reporting of consideration by ₹ 30.38 lakh and consequent short levy of stamp duty and registration fees of ₹ 3.65 lakh.

After the case was pointed out in July 2008, the department stated in April 2009 that the document to which the undervalued documents were compared was heavily priced in order to get maximum loan from banks and the undervaluation



reported was based on the guideline value fixed by the department. The reply was not correct as the guideline value was not acceptable as it was not fixed by the Government. In the absence of fixed fair value, undervaluation can be estimated based on the prevailing market value of the adjacent plot.

The matter was reported to the Government in February 2009; their reply has not been received (September 2009).

[Paragraph 4.4 contained in the Report of the C&AG of India for the year ended 31<sup>st</sup> March, 2009 (R.R.) Vol.I]

(Note received from Government on the above audit paragraph is included as Appendix II.)

4. The Committee sought to know the procedure followed in the department while detecting short levy due to under valuation, the witness answered that within a period of one month from the date of registration, the Sub Registrar himself could make a submission to District Registrar and accordingly District Registrar could inspect the records and determine its value and the duty payable thereon within a period of two years. When the Committee enquired whether any cases were registered on that behalf, the Secretary, Taxes Department replied positively and informed that notice would be issued to parties for remitting the additional amount. The witness supplemented that regarding the cases mentioned in the audit paragraph, the two year time limit, might have been quashed since the audit was carried out in 2008, while the document registration was done in 2006. At this juncture, the Accountant General informed that the Sub Registrar should report the cases to the District Registrar within a month without waiting for an audit. Then the Secretary, Taxes Department clarified that if one document was registered on a particular day and another document registered at a higher value after a few months that could not be attributed to the earlier document i.e., revaluation of the earlier document based on the rates given in the second document could not be possible. When the Committee asked the cases at Kazhakuttom and Kattakkada mentioned in the audit paragraph, the witness answered that it was included under the compounding scheme. The Accountant General intimated that the compounding scheme came into force later and their finding was that under valuation cases were not reported in time by the Sub Registrars. The witness then informed that the time limit to report a case was one month for Sub Registrar and in that short span, the Sub Registrar could not report it to the District Registrar. He further explained that two years time limit was given to the District Registrar for *suo motu* inspection. But during that period they could not rectify the defects. In the case of short levy detected at Sub Registrar office at Kazhakuttom, the department had taken corrective action on the basis of compounding scheme. The Committee

observed that in certain cases action would be taken by the department whereas in some other cases they would turned a deaf ear even to cases of glaring undervaluation. The Secretary, Taxes Department affirmed that he would re-examine all those cases in detail and informed that an amount of ₹ 69 crore towards short levy due to under valuation was collected under Amnesty Scheme. The Committee then remarked that the amount collected under Amnesty Scheme was so meager, and opined that if the department could realise 69 crore simply by advertising through media only, the department would be able to collect the entire amount under Amnesty Scheme provided a concerted effort could be made to that effect which would come to a tune of ₹ 200 crore.

#### **Conclusion/Recommendation**

**5. In the cases of short levy due to under valuation the Committee finds that in certain cases rectifying action had been taken by the department, but were idle in some other cases. The Committee also suggests that if the department could collect 69 crore under Amnesty Scheme, only by advertising through medias, then by a concerted effort considerable amount have been collected. The Committee strongly recommends that the Amnesty Scheme should be continued in a much more effective and attractive manner.**

#### AUDIT PARAGRAPH

##### **Short levy due to misclassification**

Under the schedule attached to Kerala Stamp Act as amended by Kerala Finance Act, 2007, if an agreement relating to giving authority or power to a promoter or developer for construction, development or sale or transfer of any immovable property is executed, the same duty as a conveyance on the sale or the estimated cost of the proposed construction/development of such property may be recovered.

During scrutiny of records in the sub-registry office, Tripunithura, in September 2008, it was noticed that out of a total extent of 122 cents of land, a power of attorney was executed, in respect of 103.950 cents of land paying stamp duty of ₹ 150 and registration fee of ₹ 50, vide a document, in order to develop the property, construct buildings in the property and to enter into agreements with persons interested in purchasing undivided share of the said property for constructing apartments/commercial spaces/offices. From the narration of the document it could be seen that the document was not a mere power of attorney but was giving power of attorney to the promoter for construction or development of immovable properties which came under the amended provision of 5(c). The value of the property was not set forth in the document. Further scrutiny of

records revealed that the balance property of 18.050 cents of land was transferred by the executant of the power of attorney to his wife by a deed of settlement vide another document, for a consideration of ₹ 21 lakh i.e., at a rate of ₹ 1.16 lakh per cent. As the value of the estimated cost of the proposed construction/development was not mentioned in the first document, the property should have been valued at the rate conceded in the second document. Failure to do so resulted in short levy of stamp duty and registration fees of ₹ 14.51 lakh.

After the case was reported to the department in October 2008 and Government in February 2009, the Government stated in June 2009 that the document was authorising the agent to do certain things other than selling the property and was clearly a power of attorney and the donor was not authorising the agent to sell the property. The reply was not correct as the power of attorney conferred on the builder was to develop, arrange for parties to sell undivided right in the property and to fix the sale price, which would tantamount to construction/development. Moreover, the agent was a well known developer in the construction field. Further replies have not been received (September 2009).

[Paragraph 4.4.2 contained in the Report of the C&AG of India for the year ended 31<sup>st</sup> March, 2009 (R.R.) Vol.I]

(Note received from Government on the above audit paragraph is included as Appendix II.)

6. The Committee sought to know whether Fair Value System was introduced in the department. The Inspector General, Registration Department answered that even though it was implemented, a general revision would be required. The Committee remarked that implementation of the fair value was postponed many times for last 20 years and asked whether individual cases were being reviewed by the District Collectors. The Secretary, Taxes Department answered positively. Then the Committee remarked that as the mechanism was not functioning in a proper way, necessary measures should be taken for the effective implementation of fair value. The Committee also observed that the strong protest against the fair value arose mainly from the part of professional brokers who were acting as a powerful group and that the fair value was less than half the market value except for occasional cases.

7. The Committee was of the opinion that most of the Sub Registrar Offices are in a dilapidated condition and enquired about the steps taken by the department for the modification of the Sub Registrar Offices. The witness stated that the maintenance works were being done stage-by-stage and in the last year's budget there was a proposal to improve the amenities of Sub Registrar Offices in association with SIDCO. As a part of this a compactor worth ₹ 17 lakh was

introduced by SIDCO for keeping the records in a scientific method. At this time, the Accountant General pointed out another case related to Power of Attorney. He stated that though an amendment was made to levy stamp duty and Registration fee on Power of Attorney there was a lacuna in the Act. He put forth a case that if a person possessed a property worth ₹ 17.6 lakh and he gave it to a developer for ₹ 1 lakh, stamp duty and registration fee on the Power of Attorney would be levied for ₹ 1 lakh only. The Act should somehow say about the mechanism for determining the value because the value of the property was ₹ 17.6 lakh and the duty was paid for ₹ 1 lakh. Regarding the issue, the witness informed that the department had re-examined the whole thing and found it as a genuine case. At this juncture, the Inspector General, Registration Department pointed out that there is a mismatch in the provisions of the Kerala Stamp Act, 1959.

#### **Conclusion/Recommendation**

**8. Regarding the implementation of Fair Value System, the Committee recommends that as the mechanism is not functioning in a proper way, necessary measures should be taken for effective implementation of fair value in the state.**

**9. The Committee observes that there is a mismatch in the provisions of the Kerala Stamp Act 1959 in respect of stamp duty and registration fee in exercising the Power of Attorney and urges the department to take necessary steps to amend the relevant provisions in the Act without delay.**

Thiruvananthapuram,  
13th December 2012.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## APPENDIX I

## SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl.No.</i>	<i>Paragraph No.</i>	<i>Department concerned</i>	<i>Conclusion/Recommendation</i>
(1)	(2)	(3)	(4)
1	3	Registration	Though appreciated the positive attitude taken by the Registration Department in this case, the Committee is of the opinion that the Department should conduct a review of the efficiency and serviceability of the new system evolved in place of the old one and recommends that a detailed report of the same may be furnished to the Committee including the performance and progress of the IT oriented Services after linking it to the State Data Centre at the earliest.
2	5	„	In the cases of short levy due to under valuation the Committee finds that in certain cases rectifying action had been taken by the department, but were idle in some other cases. The Committee also suggests that if the department could collect 69 crore under Amnesty Scheme, only by advertising through medias, then by a concerted effort considerable amount have been collected. The Committee strongly recommends that the Amnesty Scheme should be continued in a much more effective and attractive manner.
3	8	„	Regarding the implementation of Fair Value System, committee recommends that as the mechanism is not functioning in a proper way, necessary measures should be taken for effective implementation of fair value in the state.

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(1)	(2)	(3)	(4)
4	9	Registration	The Committee observes that there is a mismatch in the provisions of the Kerala Stamp Act, 1959 in respect of stamp duty and registration fee in exercising the Power of Attorney and urges the department to take necessary steps to amend the relevant provisions in the Act without delay.

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## APPENDIX II

STATEMENT OF ACTION TAKEN ON THE REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
FOR THE YEAR ENDED 31-3-2009 (RR)

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusion/ Recommendation</i>	<i>Action Taken</i>
(1)	(2)	(3)	(4)	(5)
1	4.2.4.4	Registration	Logical access control and segregation of duties	As per the recommendations of the Technical Committee of the Department, the Department has initiated action plan for migration of the existing PEARL application software viz. OPEN PEARL to open source platform with necessary access controls. The pilot project has already implemented in the Pattom SRO. The system is now being replicated in 10 more SRO's in the Thiruvananthapuram District.
2	4.2.5	„	Lack of Audit Trail	A separate module for audit has been integrated in the upgraded version of the software.
3	4.2.5.1	„	Lack of business Continuity and Disaster Management Plan	The Government have already accorded sanction for implementing Facility Management System which provides adequate provision for business continuity.  The Department proposes to centralize the SRO database in the State Data Centre which have its own disaster management policies and the department is

(1)	(2)	(3)	(4)	(5)
				<p>bound to abide by the mechanism so decided by the Government in this regard.</p> <p>Once the database placed in a central location daily data synchronization can be done obviating the need for data back-up in external media.</p>
4.2.5.2	Registration	Ineffective back-up policy		<p>The back-up policy being formulated in the Sub Registry offices was to take individual back-up in external media such as CD's and DVD's.</p> <p>Even though this method is not suitable for critical applications like PEARL, it was decided to have an effective backing up policy for the registration databases.</p> <p>Accordingly the new application being piloted in the Department is capable of scheduled back-up at regular intervals thus obviating the need for individual data back-up and, it was decided to have an effective backing up policy for the registration databases.</p>
4.2.5.3	„	Non-uniformity in back up procedures affecting completeness of data		<p>The procedure in force is to take back-up every day in Re writable Compact disks after closure of business and the CD is to be labeled with the date of back-up taken. The database back-up during every six months is to be submitted</p>



(1)	(2)	(3)	(4)	(5)
				<p>to District Registrars concerned and the back-up during every calendar year is to be submitted to the Inspector General of Registration.</p> <p>The currently running version (3.1) of PEARL application is having a uniform procedure for taking backup in text format and SQL formats are required.</p> <p>In the event of an application failure, adequate provision is there to backup the database using provision available in the Operating System.</p>
4.2.6.1	Registration	Non-Uniformity in data structure		<p>The currently running version (Version 3.1) of the PEARL application is having unified data structure. The special instructions in the form of a script were sent to all the Data Processing Officers in the Department to ensure uniformity in the data structure in the application Software. The Updation process using the script was done with the support of NIC.</p>
4.2.6.2	„	Weak input controls and validation checks resulting in incorrect data		<p>The privilege to edit data once entered and saved is restricted at administrator level in the new version being piloted in the SRO at Pattom for centralization of the Registration database.</p>

(1)	(2)	(3)	(4)	(5)
4.2.6.3	Registration	Avoidable re-entry of data resulting in mistakes and erosion of user friendliness	The task to be performed is stupendous. However the Department has given directions to validate and verify the data with the available staff along with their other normal duties and the process is still in progress.	Apart from that the Department has also entrusted the updation and validation of the legacy data by utilizing the funds provided under NLRMP scheme sponsored by the Govt. of India.
4.2.6.4 & 4.2.6.5	„	Unauthorized modification of backend data affecting data security	In the current version this vulnerability has been patched by providing necessary input controls over the data entry procedure.	Once the database is centralized no backend modification of the data will be possible.
4.2.6.6	„	Insufficiencies in the system	The new version for centralization of the Application software in the SRO was completed after taking into account all the insufficiencies pointed out in the Report.	Even though the computerized Registration System is in place, certain activities in the registrar offices are done manually to enhance the effectiveness in the functionalities of an SRO.

(1)	(2)	(3)	(4)	(5)
				<p>Additional modules and provisions mitigating all the flaws pointed in the earlier version were rectified and all the interfaces have been modified as per standards of an e-Governance application.</p> <p>The new version is capable of generating a query based reporting system for various decision making process.</p>
	4.2.6.7	Registration	Generation of incorrect/ defective reports	A query based reporting system has been incorporated in the new version being piloted in the Department for centralization of the Registration data.
	4.2.7.1	„	Non-validation of legacy data	The Data validation process has been taken as a separate component and is being done with the help of Keltron by utilizing the funds provided under Centrally Sponsored Scheme (NLRMP).
	4.2.7.2, 4.2.7.3, 4.2.7.4	„	Deficiencies in the database	<p>The deficiencies pointed out based on sampling technique were fully rectified in the new system.</p> <p>The conversion of the database for migrating to Unicode format is being done after rectifying the errors and omissions in the existing database.</p> <p>The department has devised a plan for timely rectification and compilation of the</p>

(1)	(2)	(3)	(4)	(5)
				<p>database with the help of manpower sourced from NIC and Keltron.</p>
	4.2.7.5	Registration	Obsolete Master data	<p>The master database is to be converted for compliance with the Unicode format. Before this, necessary data validation and error correction will be undertaken before making the data Unicode compliant.</p> <p>The process has already been initiated by the Department with the technical support of NIC and Keltron. Once this process is completed, the master database shall be updated automatically.</p>
	4.2.8.1, 4.2.8.2 & 4.2.8.3	„	Other findings	<p>In order to add more functionality in the Registration Software and to enable the application compatible with latest technologies, the Department have initiated action plan for web enabling the application software.</p> <p>The existing two-tier application has its limitations and restricts the limits and extent of availability of information at higher levels.</p> <p>This has warranted the demand for centralized database with a 3-tier web application and steps were taken with the technical support of NIC for development of the same.</p>

(1)	(2)	(3)	(4)	(5)
				<p>Considering the level of services required to be extended to citizens, NIC has designed and developed a system with daily synchronization of data to the central server for information dissemination.</p> <p>With the evolution of Unicode for local language, it is proposed to convert the existing legacy data in proprietary format to Unicode. CDAC has developed a tool for conversion of the Malayalam database and the process has already been in progress.</p> <p>The new 3-tier web application aims to provide:—</p> <ol style="list-style-type: none"> <li>(1) Citizen with an interface for online application submission module online query module open to public.</li> <li>(2) Online query module for the Department for the purposes of management.</li> <li>(3) Web service module for synchronization of data between SRO and centralized database server.</li> </ol>
4.2.8.4	Registration	Inefficient Management of Annual Maintenance Contract		Government vide G.O. (Rt.) No. 1170/08 dated 9-12-2008, have accorded administrative sanction to implement Facility Management System (FMS) in

(1)	(2)	(3)	(4)	(5)
				the Department for the effective management and Maintenance of Computer systems and peripherals. The System provides provisions for total solutions to the computerized operations in the Department from a single vendor there by enabling administrative convenience in managing the computerization activities in the Department.
4.2.8.5	Registration	No business Process Re-engineering (BPR)	Business process Re-engineering was done before the designing of PEARL. Since testing, implementation, live running and review, essentially form part of the system development life cycle, appropriate process re-engineering was undertaken at the time development of the new system. Elimination of intermediaries and introduction of PRO FORMA/QUESTIONNAIRE are decisions having far reaching consequences and wider ramifications. This issue is under consideration of the Government.	
4.2.8.6	„	Unfruitful expenditure on the purchase of scanners	Scanners were made part of the systems acquired for the computerization programme for scanning the images of the documents registered. For	

(1)	(2)	(3)	(4)	(5)
				<p>enabling the scanning module uniformity in documents registered is necessary and the department has initiated necessary amendments to rules which will facilitate activating of the scanning module.</p> <p>Since the scanners formed part of the systems acquired for making the computerization programme operational, the scanner could not have been left out of the ambit of AMC as it was to be operational at any time. Had it been otherwise by the time the scanning module is activated the scanner would be disfunctional jeopardizing the entire operation.</p>
4.2.8.7	Registration	Injudicious decision resulting in avoidable expenditure of ₹ 2.87 crore		<p>It seems that the observation is resulting from a wrong premise. Even if scanning had been started in the year 2000 itself and images of documents captured and stored in server memory, the problem of issuing certified copies to the public would have remained a problem area. The Department preserves copies of registered documents since 1865 in bulky register volumes. Since the originals of recently registered documents will be readily</p>

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(1)	(2)	(3)	(4)	(5)
				<p>available with the parties concerned, usually the applications for certified copies are in respect of old ones, usually more than 30 years old, on an average. The only option open to the department for preparation of certified copies was hand copying. This resulted in inordinate delay in making the service delivery. At the time of conceiving the idea of developing a mechanized option for preparation of certified copies, the backlog of applications for certified copies at SRO, Chevayur in Kozhikode District was 7 years' applications. Almost all the SROs had arrears though at a lesser degree than at SRO, Chevayur. This was one service delivery area that generated most of the complaints from the public against the Department besides being a fertile breeding ground for corruption. The equipment was designed and developed in this backdrop. The equipment fills a vacuum where computerization could not have done anything so cost effectively. Hence the observation is incorrect.</p>

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(1)	(2)	(3)	(4)	(5)
	4.2.9	Registration	<p>Required amendments to provisions in the Act and rules to legalize the computerized activities were not made. After incurring an expenditure of ₹ 24.41 crore. Stake holders are deprived of benefits envisaged in the computerization. This system when completed would not help to achieve the objectives to all.</p>	<p>Storing of image consumes a lot of hard disk space, besides it is not required also. The copy is always available in the register volume. As and when applications are submitted, the applicants remit the fees for meeting the expenditure for preparing the copy. If the images of the certified copies are to be stored, the disk space available in the PC would not be sufficient and at all the locations servers will have to be procured and installed.</p> <p>Business Process Re-engineering was done before the designing of PEARL. Since testing, implementation, live running and review, essentially form part of the system development life cycle, appropriate process re-engineering was undertaken at the time development of the new system. Elimination of intermediaries and introduction of PRO FORMA/QUESTIONNAIRE are decisions having far reaching consequences and wider ramifications. The related proposals are under consideration of the Government.</p>

(1)	(2)	(3)	(4)	(5)
4.2.10	Registration	Recommendation	<p>The PEARL project was conceived during the year 1999 and was extended to all offices in a phased manner. The Department was not having any technical expertise to oversee the implementation in the initial stages of computerization in the Department.</p>	<p>Specific user requirement specification (URS) was there at the time of designing the application taking into account the relevant provisions of the Acts and Rules. There was continuous efforts on the part of the Department during the last 5 years in requesting NIC to enable the software a fully functional having compatibility in advance technologies. To decide the future course of action and to prioritize the activities of the project, the Government have constituted a high level Technical Committee as requested by the Department and, the Technical Committee, in its first meeting recommended to migrate the existing application to work on a centralized architecture.</p>

<i>Para No.</i>	<i>Department</i>	<i>Conclusion/ Recommendation</i>	<i>Action Taken Report</i>
(1)	(2)	(3)	(4)
4.3	Registration	Scrutiny of various Registration offices revealed several cases of non-compliance of the provision of the Kerala Stamp Act, 1959 and Indian Stamp Act, 1899 and other cases as mentioned in this chapter. These cases are illustrative and are based on a test check carried out in audit. Such omission on the part of the Sub Registrar are pointed out in audit in each year but not only the irregularities persist, these remain undetected till an audit is conducted. There is need for Government to improve the internal control system including strengthening of internal audit.	<p>The issue was previously pointed out in the PAC 85th Report and this office had taken urgent and necessary action to improve the Internal audit and Internal Audit Wing. In compliance with the Conclusion/Recommendation vide para 33 of the Public Accounts Committee's Report, the Department has taken action for strengthening the proper functioning of the Internal Audit Wing of the Department. A circular to this effect, directing to revamp the Audit Wing with competent officers, monitoring the functioning and effective intervention for plugging loop holes at the source itself has been issued on 14-7-2010, numbered ARA.1.11966/2010.</p> <p>(The copy of the above same is submitted herewith.)</p> <p>Further more this department again issued another circular numbered RR.7-12918/2011 dated, 29-7-2011 in the intension to strengthen the internal audit wing and to clear off the inspection arrears.</p> <p>(The copy of the same is submitted herewith).</p>

(1)	(2)	(3)	(4)
4.4	Registration	Non-compliance of provisions of Act/Rules	Instructions have been issued to the Registering officers to adhere to and observe the provisions noted at each and every intervals through circulars, orders, letters etc.
4.4.1.1	,,	<p data-bbox="576 763 879 831"><i>Short levy due to Undervaluation :</i></p> <p data-bbox="576 842 879 1608">During scrutiny of records in the SRO, Thripunithura in September 2008, it was noticed that a sale deed for 90.726 cents of land was registered vide a document in June 2006 for a consideration of ₹ 36.29 lakh. The above property along with another land of 9.724 cents together forming 100.45 cents was sold in the same month vide another document for a consideration of ₹ 5 crore. As such the property in the first document was undervalued to the extent of ₹ 4.15 crore and the matter has not reported as a case of undervaluation. This resulted a short levy of SD and RF of ₹ 60.22 lakh.</p>	<p data-bbox="903 763 1251 1249">The audit remark relates to document No. 2583/06 comprising 90.726 cents of land in survey number 481/1 for ₹ 36.29 lakh. Since the above property along with another land of 9.724 cents was seen sold on 16-6-2006 for a consideration of ₹ 5 crore, the former is said to be undervalued. The second document comprising more land was purchased for ₹ 5 crore for constructing hotels and resorts.</p> <p data-bbox="903 1272 1251 1753">Moreover fair value was not prevalent at the time of registration of document. Subsequent documents bearing higher value than the previous document is a common phenomenon. The Department is also insisting subordinate officers to encourage the parties to set forth higher values to achieve Revenue target given by the Government. Any under-valuation action on the previous document comparing, with subsequent higher value</p>

(1)	(2)	(3)	(4)
			<p>document will adversely affect the mindset of parties as well as the revenue collection. Comparing the previous document with subsequent document and assuming the former as undervalued is not fair. No Registering officer can foresee any considerable increase of price in the subsequent transactions while registering the documents. He cannot report the former for undervaluation proceeding on the ground that another document registered afterwards with the same survey number has set forth considerably higher value.</p> <p>Moreover the Government vide G.O.(Rt.) 354/10/TD dated 13-4-2010 had allowed the appeal filed by the SR, Ayyanthole in a similar case and held that the Accountant General's contention that valuation in a document registered earlier should be higher since the subsequent document was registered at a higher value was not tenable. It may kindly be considered as a precedent. (copy attached)</p>
4.4.1.2	Registration	In SRO, Pooyappally in October 2008 it was noticed that two documents were registered as sale deeds	It was reported by the District Registrar, Kollam that the document had already been reported for undervaluation and included in the compounding

(1)	(2)	(3)	(4)
		<p>on the same date in respect of land in two survey numbers for an extent of one hectare 50 Ares and 20 sq.m. each for a consideration of ₹ 15 lakh each. The same properties were subsequently registered as a single sale deed vide a document at SRO, Chadayamangalam along with a small plot and the fact is informed at the SRO, Pooyappally on the same date itself. As such the document registered at Chadayamangalam was undervalued for ₹ 20 lakh. However on verification it was seen that the above aspect was not reported to the DR. This resulted in short levy of SD and RF for ₹ 2.40 lakh.</p>	<p>scheme vide G.O.(P) 57/09/TD dated 27-3-2009. But the concerned party has not remitted the deficit amount.</p>
4.4.1.3 Registration	<p>During scrutiny of Record in eight offices between February 2008 and January 2009 it was noticed that 8 documents registered for sale of properties/power of attorney were undervalued, resulting in short levy of</p>		

(1)	(2)	(3)	(4)
		<p>SD and RF for ₹ 26.56 lakh as detailed below. :</p> <p>1. <i>SRO, Kazhakuttom:</i> <i>Short levy ₹ 5.23 lakh :</i></p> <p>A document comprising of 29.6 cents of land registered for a consideration of ₹ 11.84 lakh was seen undervalued when 17.59 cents of land belonging to the above property was sold subsequently for a consideration of ₹ 32 lakh vide 3 documents within 3 months of the first document.</p> <p>2. <i>SRO, Chadayamangalam</i> <i>Short levy ₹ 4.32 lakh :</i></p> <p>Property of 28 ares was divided into 4 plots with an approach road and sold on the same day. However one document was registered for ₹ 0.53 lakh per Are and two documents at ₹ 3.71 lakh each and other one for ₹ 2.06 lakh for Are. As such the first document was undervalued to the tune of ₹ 35.98 lakh when compared to the least value of the other three documents ie. ₹ 2.06 lakh.</p>	<p>The above document had already been reported for undervaluation and included in the compounding scheme vide G.O.(P) 57/09/TD dated 27-3-2009. But the concerned party has not remitted the deficit amount.</p> <p>The above document had already been reported for undervaluation and included in the compounding scheme vide G.O.(P) 57/09/TD dated 27-3-2009. The aforesaid document also deserves the benefit of the scheme and thus the case has been settled through this scheme. An amount of ₹ 3000 has been remitted as per chalan number 27/25-1-2010 in the Sub Treasury, Chadayamangalam by the concerned party.</p>

(1)	(2)	(3)	(4)
		<p data-bbox="571 544 871 607">3. <i>SRO, Kothamangalam</i> <i>Short levy ₹ 3.71 lakh :</i></p> <p data-bbox="571 627 871 920">A property comprising of 6 Ares and 7 sq.m. brought by a sale deed for ₹ 80,000 was resold within four month for ₹ 26.40 lakh. Hence the first document was undervalued which was not reported to the DR.</p> <p data-bbox="571 940 871 1003">4. <i>SRO, Kakkattil: Short levy ₹ 3 lakh :</i></p> <p data-bbox="571 1023 871 1756">A document comprising of 20 cents of land (which is included in a total extent of 40 cents) was executed for a consideration of ₹ 20 lakh. The case was reported as undervalued for an amount of ₹ 1 crore. After three months another 10 cents of land included in the same property was again sold by the same executants for a consideration of ₹ 10 lakh. However this case was reported as undervalued for ₹ 25 lakh only resulting in short reporting of undervaluation of ₹ 25 lakh when compared to the value reported for the first document.</p>	<p data-bbox="906 573 1244 763">Suomotu action has been taken by the District Registrar and the action regarding the same is going on. The concerned party has not remitted the deficit amount.</p> <p data-bbox="906 972 1244 1352">Both the documents mentioned in the Para were reported for undervaluation and they deserve the benefit of compounding scheme introduced vide G.O.(P) 57/09/ TD dated 27-3-2009. An amount of ₹ 4,000 (₹ 2,000 each) has been remitted as per chalan number 19/19-7-2010 in the Sub Treasury, Kakkattil (copy attached).</p>



(1)	(2)	(3)	(4)
	<p data-bbox="571 539 874 600"><i>5. SRO, Puthanambalam: Short levy ₹ 2.78 lakh :</i></p> <p data-bbox="571 633 874 1077">A document of 38.5 ares of land executed for a consideration of ₹ 2.75 lakh and reported by the SR as undervalued to the tune of ₹ 63,000 was subsequently sold after 2 months for a consideration of ₹ 26.55 lakh. However the value of ₹ 26.55 lakh received after 2 months was not considered for undervaluation of first document.</p>	<p data-bbox="898 566 1249 824">Action under section 45 B of the Kerala Stamp Act is going on. Included in the compounding scheme vide G.O.(P) 57/09/TD dated 27-3-2009. But the concerned party has not remitted the deficit amount.</p>	
	<p data-bbox="571 1099 874 1160"><i>6. SRO, Murukkumpuzha: Short levy ₹ 2.70 lakh :</i></p> <p data-bbox="571 1171 874 1760">A document comprising of 16 ares and 18 sq.m. executed for a consideration of ₹ 1.50 lakh was seen undervalued when 12 ares and 94 sq.m. area of land included in the same property was sold after 13 days for a consideration of ₹ 19.20 lakh. The case was not reported to the DR.</p>	<p data-bbox="898 1126 1249 1760">The subsequent document registered after 14 days with remarkable material changes may cause the increase in value. It is clearly mentioned in the document numbered 357/2006 that a road passage of width 3.6 meter was constructed through the plot for vehicular access and also for attaining electric connection, waterline facilities to the plot. These constructions were made within a time limit of 13 days after the registration of the document numbered 287/06. These construction of road passage may surely change the nature of the plot. Since the</p>	

(1)	(2)	(3)	(4)
			<p>consideration set forth in the subsequent document is higher.</p> <p>Moreover the Government vide G.O.(Rt.) 354/10/TD dated, 13-4-2010 had allowed the appeal filed by the SRO, Ayyanthole in a similar case and held that the Accountant General's contention that valuation in a document registered earlier should be higher since the subsequent document was registered at a higher value was not tenable.</p>
		<p><i>7. SRO, Kuttanalloor: Short levy ₹ 2.59 lakh :</i></p> <p>An irrevocable power of attorney was executed for a value of ₹ 1 lakh in the name of a company for the development and construction of a multi-storey apartment and sell, lease or gifts the said properties to any person. However the executants of the power of attorney became the absolute owners of the said property by another document just 2 months before the execution of the power of attorney for a consideration of ₹ 17.60 lakh. As the value shown in the power of attorney was not match for the</p>	<p>The Finance Act, 2007 stipulates the revised rates of SD for power of attorney classified under article 44 (f). i.e. when authorising a person other than his father, mother, wife, son, daughter, brother/sister to sell immovable property situated in Kerala should be charged with the same duty as conveyance for the amount of consideration/ estimate.</p> <p>The Sub Registrar can not insist the party to set forth the same consideration in the power of attorney as set forth the title deed. The power of Attorney should be charged under article 21 or 22 of the schedule of the Kerala Stamp Act. The stamp duty chargeable @8.5% is levied.</p>

(1)	(2)	(3)	(4)
		<p>construction purpose and its sale value of the land as shown in the sale deed should have been adopted as the consideration of the power of attorney.</p>	<p>At the time of registration of Power of Attorney the fair value of land was not fixed by the Government and therefore the SR could not deny the document for the reason that the document is undervalued. It is also to be noted that the Power of Attorney cannot be reported for undervaluation.</p>
		<p>8. <i>SRO, Karunagappally:</i> <i>Short levy ₹ 2.23 lakh :</i></p> <p>A document comprising of 27.42 cent of land and building registered for a consideration of ₹ 2 lakh (land value of ₹ 1.40 lakh) was seen undervalued when sold within four months for a consideration of ₹ 38 lakh (land value of ₹ 20 lakh) the undervaluation in respect of landed property alone worked out to ₹ 18.60 lakh.</p>	<p>The registering officer is not entitled to take into account the market value while “Fair Value” is not prevalent in the state. There is no rule prevailing that empower the registering officer to initiate undervaluation proceedings against a pre document if there is variation in values when compared with the values shown in subsequent transactions.</p> <p>The time gap of 4 months is enough for making improvements like erection of compound wall, widening of pathway, leveling of land and renovation made in the buildings etc.</p> <p>There is no rule prevailing that empowers the registering officer to check the market value at the time of presentation and to refuse to register the document on the ground that the document was not stamped on the basis of the market value.</p>

(1)	(2)	(3)	(4)
4.4.1.4 Registration	<p>During the scrutiny of the records in the SRO, Kattakkada in June 2008, it was noticed that 2 sale deeds for 50 cents each of land were registered vide documents in April 2006. Another sale deed of 16 cents of land and building was registered vide another document in March 2006 with the consideration of ₹ 5.50 lakh for land and ₹ 14.50 lakh for building. All the three plots lie in a single site of 2.78 acres</p>	<p>Since the fair value was not prevalent in the state, then there is no other option in front of the registering officer, but to accept the document for registration. He has to agree with the consideration passed between the parties and set forth in the document. A number of judgements (case laws) uphold the above aspect.</p> <p>The audit observation would have been fair, if the consideration set forth in the previous was higher than the subsequent document. The Government also expressed the same opinion vide order number 354/2010/TD dated 13-4-2010.</p>	<p>Both the documents mentioned in the para (859/06 and 860/06) were reported for undervaluation. They deserve the benefit of compounding scheme introduced vide G.O.(P) 57/09/TD dated 27-3-2009 by considering the extent of transaction, rather than the value reported. An amount of ₹ 4,000 (₹ 2,000 each) has been remitted as per TR.5 receipt 98 and 99/15-2-2010 in the Sub Registrar Office, Kattakkada.</p>

(1)	(2)	(3)	(4)
		<p>in the same survey number and have same road access. The first two cases were reported for UV by the SR fixing the value of land for ₹ 4.00 lakh. However the land value of the first two documents when worked out at the rate conceded in the third document comes to ₹ 34.38 lakh. This resulted under reporting of consideration by ₹ 30.38 lakh and subsequent short levy of ₹ 3.65 lakh.</p>	

4.4.2 Registration *Short Levy due to misclassification:*

During scrutiny of records in the SRO Tripunithura in September 2008, it was noticed that out of a total extent of 122 cents of land, a power of attorney was executed in respect of 103.950 cents of land paying a SD of ₹ 150 and RF of ₹ 50 vide a document in order to develop the property, construct buildings in the property, and to enter into agreements with persons interested in purchasing undivided shares of the said property for constructing apartments/offices. From the narration

Power of attorney is an instrument by which a person is authorised to act as an agent of the person granting it. Although the principal empowers the Skyline Foundation & Structures (P) Ltd. to develop the property there is no mentioning in the document that the expense for the development is that of the agent. Moreover it is narrated in the document that the advance money received by the agent should be accounted to the principal. As per the rules of power of attorney the sale deeds will be executed by the principal himself. So in this case the agent cannot be

(1)	(2)	(3)	(4)
		<p>of document it could be seen that the document was not mere a power of attorney but was giving power of attorney to the promoter for construction or development of immovable properties which came under the amended provision of 5 (c). The value of the property was not set forth in the document. Further scrutiny of records revealed that the balance property of 18.50 cents of land was transferred by the executants of the power of attorney to his wife by a deed of settlement by another document for a consideration of ₹ 21 lakh i.e, at the rate of ₹ 1.16 per cent. As the value of the estimated cost of the proposed construction was not mentioned in the first document, the property should have been valued at the rate conceded in the second document. Failure to do so resulted in a short levy of SD and RF of ₹ 14.51 lakh.</p>	<p>considered as a promoter or developer. As per the recitals in the document “subject to the conditions that I shall execute sale deed/s in pursuance of such agreements or otherwise myself directly”. The Principal does not give the authority or power to the agent to execute the sale deed in respect of the property developed by the agent. The document is only a power of attorney and it is duly stamped as per article 44(c) to the schedule of the Kerala Stamp Act, 1959.</p>

എ.ആർ.എ.1-11966/2010.

രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ  
ജനറലിന്റെ ഓഫീസ്,  
തിരുവനന്തപുരം,  
തീയതി 14-7-2010.

സർക്കുലർ

വിഷയം:—രജിസ്ട്രേഷൻ വകുപ്പ്—ഇന്റേണൽ ഓഡിറ്റ് വിഭാഗത്തിന്റെ  
കാര്യക്ഷമത—മാർഗ്ഗനിർദ്ദേശങ്ങൾ നൽകുന്നത് സംബന്ധിച്ച്.

- സൂചന:—(1) നികുതി വകുപ്പ് പ്രിൻസിപ്പൽ സെക്രട്ടറി അവർകളുടെ  
2-7-2010-ലെ 9714/ഇ1/09/നി.വ. നമ്പർ കത്ത്.
- (2) ബഹുമാനപ്പെട്ട പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റിയുടെ 85-ാമത്  
റിപ്പോർട്ട്.
- (3) രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലിന്റെ 30-5-1994-ലെ  
ആർ.ആർ.1-35765/93-ാം നമ്പർ സർക്കുലർ.

2006 മാർച്ച് 31-ന് അവസാനിച്ച വർഷത്തെ സി & എ.ജി.-യുടെ ഓഡിറ്റ്  
റിപ്പോർട്ട് സംബന്ധിച്ച് നിയമസഭയുടെ പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റിയുടെ 85-ാമത്  
റിപ്പോർട്ടിൽ രജിസ്ട്രേഷൻ വകുപ്പിന്റെ ഇന്റേണൽ ഓഡിറ്റ് വിഭാഗത്തിന്റെ പ്രവർത്തന  
ത്തിൽ അസന്തുഷ്ടിയും അത്യുപതിയും പ്രകടിപ്പിച്ചിരിക്കുന്നു. ആഫീസുകളിലെ  
പിഴവുകൾ കണ്ടെത്തുന്നതിലുള്ള പരിശോധനാ വിഭാഗത്തിന്റെ കഴിവുകേടിനെ  
അപലപിച്ചിരിക്കുന്നു. ഇന്റേണൽ ഓഡിറ്റ് വിഭാഗത്തെ ശക്തിപ്പെടുത്തി ശരിയായ  
ഓഡിറ്റ് പ്രവർത്തനം ഉറപ്പുവരുത്തുന്നതിനാവശ്യമായ നടപടി സ്വീകരിക്കുവാൻ  
പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റി ശുപാർശ ചെയ്തിരിക്കുന്നു.

ഫലപ്രദമായ ഇന്റേണൽ ഓഡിറ്റിംഗും പരിശോധനകളും നടക്കാത്തതുമാലമാണ്  
നികുതിചോർച്ചയുടെ പ്രവണതകൾ തുടക്കത്തിൽത്തന്നെ കണ്ടെത്താനും  
പരിഹരിക്കാനും കഴിയാത്തത്. ഈ പരാജയം തന്നെയാണ് ജീവനക്കാർക്ക്  
ലയബിലിറ്റി ഉണ്ടാക്കുന്ന സാഹചര്യങ്ങളും സൃഷ്ടിക്കുന്നത്. വകുപ്പിലെ  
പരിശോധന/ഓഡിറ്റ് ചുരുക്കങ്ങളുള്ള ഉദ്യോഗസ്ഥർ നേതൃത്വപരമായ തങ്ങളുടെ  
ചുമതലകൾ യഥാവിധി നിർവഹിക്കുകയും വകുപ്പുമുഖേന നടപ്പാക്കപ്പെടുന്ന  
നിയമങ്ങളും ചട്ടങ്ങളും ശ്രദ്ധയോടെ പഠിച്ച് തങ്ങളുടെ കീഴിലുള്ള ഉദ്യോഗസ്ഥരെ  
നേർവഴിക്ക് ചിന്തിക്കാനും പ്രവർത്തിക്കാനും കഴിയുന്നതിന് പ്രാപ്തരാക്കുകയും,  
സ്വയം മാതൃകാ ഉദ്യോഗസ്ഥരായി മാറുകയും ചെയ്യുന്നത് ഏറെ പ്രയോജനം ചെയ്യും.  
രണ്ട് വർഷത്തിലൊരിക്കൽ മാത്രം ഓഫീസുകളിലെത്തി ടെസ്റ്റ് ഓഡിറ്റ് മാത്രം  
നടത്തുന്ന അക്കൗണ്ടന്റ് ജനറൽ ഓഫീസിലെ ഉദ്യോഗസ്ഥർക്ക് വകുപ്പുമുഖേന  
നടപ്പാക്കപ്പെടുന്ന നിയമങ്ങളിലും ചട്ടങ്ങളിലുമുള്ള അവഗാഹംപോലും നിത്യേന ഈ  
നിയമങ്ങൾ കൈകാര്യം ചെയ്യുന്ന വകുപ്പിലെ ഉദ്യോഗസ്ഥർക്കില്ലാതെ പോകുന്നത്  
തികച്ചും പരിതാപകരമായ അവസ്ഥയാണെന്നതിൽ പക്ഷഭേദമുണ്ടാകുമെന്ന്  
കരുതുന്നില്ല.

വകുപ്പിലെ ഉദ്യോഗസ്ഥരുടെ കഴിവില്ലായ്മയെക്കുറിച്ച് പബ്ളിക് അക്കൗണ്ട്സ് കമ്മിറ്റി പോലെയുള്ള ഒരുനത അധികാരസ്ഥാനത്തിന്റെ പ്രതികൂല പരാമർശം ഏറ്റുവാങ്ങേണ്ടി വന്നത് വകുപ്പിലെ പരിശോധന/ഓഡിറ്റ് സംവിധാനത്തിന്റെ അത്യന്തം പരിതാപകരമായ അവസ്ഥയെയാണ് പ്രതിഫലിപ്പിക്കുന്നത്. വകുപ്പിലെ പരിശോധന/ഓഡിറ്റ് ചുമതലയുള്ള ഉദ്യോഗസ്ഥർ ശുഷ്കാന്തിയോടെ പ്രവർത്തിക്കണമെന്ന് കർശനമായി നിർദ്ദേശിക്കുന്നു.

ഈ സാഹചര്യത്തിൽ വകുപ്പിലെ ഇന്റേണൽ ഓഡിറ്റ് സംവിധാനം ശക്തിപ്പെടുത്തുന്നതിലേക്കായി സൂചന (3) പ്രകാരം നൽകിയിട്ടുള്ള സർക്കുലറിന്റെ അനുബന്ധമായി താഴെപ്പറയുന്ന മാർഗ്ഗ നിർദ്ദേശങ്ങൾ നൽകുന്നു :

- (1) രജിസ്ട്രേഷൻ മാനുവലിൽ നിഷ്കർഷിക്കുവിധം സമയബന്ധിതമായും കാര്യക്ഷമമായും പരിശോധന/ഓഡിറ്റ് നടത്തുക.
- (2) പരിചയ സമ്പന്നരും രജിസ്ട്രേഷൻ നിയമങ്ങളിലും നടപടിക്രമങ്ങളിലും പ്രാവീണ്യവുമുള്ള ഉദ്യോഗസ്ഥരെ ഓഡിറ്റ് ടീമിൽ ഉൾപ്പെടുത്തുവാൻ ശ്രദ്ധിക്കുക.
- (3) നിയമങ്ങളും ചട്ടങ്ങളും യഥാവിധി നടപ്പിലാക്കപ്പെടുന്നു എന്നും വകുപ്പു തലത്തിലും ഗവൺമെന്റ് തലത്തിലും ഇറക്കുന്ന ഉത്തരവുകളും നിർദ്ദേശങ്ങളും യഥാവിധി പാലിക്കപ്പെടുന്നുവെന്നും പരിശോധന/ഓഡിറ്റ് മുഖേന ഉറപ്പുവരുത്തുക.
- (4) ഓഡിറ്റ് മോഡിറ്ററിംഗ് കമ്മിറ്റി യഥാസമയം കൂടി പ്രവർത്തന പുരോഗതി വിലയിരുത്തി കാണപ്പെടുന്ന പോരായ്മകൾ അപ്പഴപ്പോൾ പരിഹരിക്കപ്പെടുന്നു എന്നുറപ്പുവരുത്തുക.
- (5) നികുതിചോർച്ച പ്രവേസമാനത്ത് വെച്ചുതന്നെ കണ്ടെത്തി പരിഹരിക്കുന്നതിനുള്ള കർമ്മപദ്ധതി ആവിഷ്കരിച്ച് ഫലപ്രദമായ ഇടപെടലുകളിലൂടെ തടയുക.

പരിശോധന/ഓഡിറ്റിൽ കണ്ടെത്താതിരുന്ന പ്രമാദമായ വീഴ്ചകൾ പിന്നീട് വെളിവാകുന്ന സാഹചര്യം ഉണ്ടായാൽ ആയതിന്റെ ഉത്തരവാദിത്വം പരിശോധന/ഓഡിറ്റ് നടത്തിയ ഉദ്യോഗസ്ഥരിൽ നിക്ഷിപ്തമായിരിക്കുന്നതാണ്.

ഈ സർക്കുലർ കൈപ്പറ്റിയ വിവരം അറിയിക്കേണ്ടതാണ്.

(ഒപ്പ്)

രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ.

ഉള്ളടക്കം:—പബ്ളിക് അക്കൗണ്ട്സ് കമ്മിറ്റിയുടെ 85-ാമത് റിപ്പോർട്ടിന്റെ പകർപ്പ്.



ആർ.ആർ.7-12918/11.

രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ  
ജനറലിന്റെ കാര്യാലയം,  
തിരുവനന്തപുരം,  
തീയതി 29-7-2011.

**സർക്കുലർ**

വിഷയം:—രജിസ്ട്രേഷൻ വകുപ്പ്—ഇന്റേണൽ ഓഡിറ്റ്/ഇൻസ്പെക്ഷൻ കുടിശ്ശിക അടിയന്തിരമായി പൂർത്തിയാക്കുന്നതിനായി നടപടി സ്വീകരിക്കുന്നത് സംബന്ധിച്ച്.

സൂചന:—(1) അക്കൗണ്ടന്റ് ജനറലിന്റെ 27-4-2011-ലെ SRA(HQOV/22-1161/10-11) നമ്പർ കത്ത്.

(2) ഈ ഓഫീസിലെ 30-3-2006-ലെ ആർ.ആർ.2-6767/06-ാം നമ്പർ ജനറൽ മെമ്മോറാണ്ടം.

സബ് രജിസ്ട്രാർ ഓഫീസുകളിലെ ഇന്റേണൽ ഓഡിറ്റ്/ഇൻസ്പെക്ഷനുകൾ യഥാവിധി നടത്തുന്നതിനും നടപടികൾ സ്വീകരിക്കുന്നതിനുമുമ്പായി സൂചന (2) മുഖേന നിർദ്ദേശം നൽകിയിട്ടുള്ളതാണ്. പട്ടം സബ് രജിസ്ട്രാർ ഓഫീസിൽ അക്കൗണ്ടന്റ് ജനറൽ നടത്തിയ പരിശോധനയിൽ 2009-10 കാലയളവിൽ ക്യാഷ് ബുക്ക്/ബന്ധപ്പെട്ട രേഖകൾ പ്രകാരം 33,729 രൂപയുടെ Non/Short Remittance ഉള്ളതായി കണ്ടെത്തിയിരിക്കുന്നു. വിവിധ സബ് രജിസ്ട്രാർ ഓഫീസുകളിലെ ഓഡിറ്റ് റിപ്പോർട്ടുകളിലും മേൽപ്രകാരമുള്ള റിമാർക്ക് അക്കൗണ്ടന്റ് ജനറൽ രേഖപ്പെടുത്തി കാണുന്നു. ഇന്റേണൽ ഓഡിറ്റ്/ഇൻസ്പെക്ഷനുകൾ സംബന്ധിച്ച് സൂചന(2) പ്രകാരമുള്ള നിർദ്ദേശങ്ങൾ യഥാവിധി പാലിക്കാത്തതുകൊണ്ടാണ് മേൽ പ്രകാരം അക്കൗണ്ടന്റ് ജനറലിന്റെ റിമാർക്കുകൾക്കിടവരുന്നത്. ആയതിനാൽ സബ് രജിസ്ട്രാർ ഓഫീസുകളിലെ ഇന്റേണൽ ഓഡിറ്റ്/ഇൻസ്പെക്ഷനുകൾ സംബന്ധിച്ച് സൂചന (2)-ലെ നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കണമെന്നും, പരിശോധനാ വേളയിൽ ക്യാഷ് ബുക്കും ബന്ധപ്പെട്ട രേഖകളും വിശദമായി പരിശോധിച്ച് കൃത്യമായി പരിപാലിക്കുന്നുണ്ടെന്ന് ഉറപ്പ് വരുത്തണമെന്നും പോരായ്മകൾ കാണുന്ന പക്ഷം കർശന നടപടി സ്വീകരിക്കണമെന്നും ഇന്റേണൽ ഓഡിറ്റ്/ഇൻസ്പെക്ടർ കുടിശ്ശികകൾ അടിയന്തിരമായി പൂർത്തിയാക്കുന്നതിനുള്ള നടപടികൾ സ്വീകരിക്കണമെന്നും ഇതിനാൽ നിർദ്ദേശിക്കുന്നു.

(ഒപ്പ്)

For രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ.

- പകർപ്പ്:—(1) എല്ലാ ജി.ഒ. (ജ/ആ)-മാർക്കും.
- (2) എല്ലാ രജി. ഡി.ഐ.ജി.-മാർക്കും.
- (3) ഈ ഓഫീസിലെ എല്ലാ സെക്ഷൻ സൂപ്രണ്ടുമാർക്കും.
- (4) ഫയൽ.
- (5) സ്റ്റോക്ക് ഫയൽ.

## GOVERNMENT OF KERALA

**Taxes (E) Department**

## NOTIFICATION

G. O. (P) No. 57/2009/TD.

*Dated, Thiruvananthapuram, 27th March, 2009.*

**S.R.O. No. 281/2009.**— In exercise of the powers conferred by clause (c) of sub-section (1) of section 9 of the Kerala Stamp Act, 1959 (Act 17 of 1959) the Government of Kerala, being of the opinion that, it is necessary in the public interest, so to do hereby order compounding of duties payable on the instruments referred to the Collector or called for by him under sections 45A, 45B or 45C of the said Act at the rates specified in the Schedule below in respect of all pending cases subject to the following terms and conditions, namely:—

- (i) The liability to pay stamp duty shall stand completely discharged on additional payment of stamp duty as specified in the Schedule without realizing any additional registration fee.
- (ii) The cases that were finally disposed off and referred for revenue recovery proceedings for recovering the deficient stamp duty shall also be covered except those cases in which the parties have already paid the due amount in part or full.
- (iii) After realizing of the amount, the Sub-Registrar shall record on the instrument that the case has been settled under this notification mentioning the amount collected.
- (iv) This benefit will be available only for one time settlement and shall be effective from the 1st day of April, 2009 to the 30th day of September, 2009.

## SCHEDULE

<i>Sl. No.</i>	<i>Extent</i>	<i>Corporation area</i>	<i>Municipal area</i>	<i>Panchayat area</i>
(1)	(2)	(3)	(4)	(5)
1	Transactions up to 5 cents	₹ 2,000	₹ 1,000	Fully exempted

(1)	(2)	(3)	(4)	(5)
2	Above 5 cents up to 10 cents	₹ 5,000	₹ 3,000	₹ 1000
3	Above 10 cents up to 50 cents	₹ 10,000	₹ 5,000	₹ 2,000
4	Above 50 cents	6% of the stamp duty already paid or ₹ 12,000 whichever is higher	4% of the stamp duty already paid or ₹ 7,000 whichever is higher	2% of the stamp duty already paid or ₹ 3,000 whichever is higher.

By order of the Governor,  
P. MARA PANDIYAN,  
*Principal Secretary to Government.*

#### Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

There are 20,10,969 numbers of stamp duty under valuation cases are pending disposal since 1986 and the amount to be realized from these cases is ₹ 2,409 Crores. Steps for fixing fair value of the land and resultant reduction in stamp duty rates is to be implemented during 2009-10. As a prelude to this, the Government have announced in the Budget Speech 2009-2010, a new scheme as "one time settlement" for clearing all pending under valuation cases. As such a new clause (c) has been inserted in the Kerala Stamp Act, 1959, under sub-section (1) to section 9 through the Kerala Finance Bill, 2009, which empower the Government to provide for compounding of duties payable on the instruments referred to the Collector or called by him under sections 45A, 45B or 45C at the rates and period specified by order.

This notification is intended to achieve the above objects.

GOVERNMENT OF KERALA

സംഗ്രഹം

നികുതി വകുപ്പ്—രജിസ്ട്രേഷൻ—ചാലക്കുടി സബ് രജിസ്ട്രാർ  
ശ്രീ. പി. പി. ജേക്കബിന്റെ അപ്പീൽ ഹർജി  
തീർപ്പാക്കി—ഉത്തരവാകുന്നു.

നികുതി (ഇ) വകുപ്പ്

സ. ഉ.(സാധാരണ) നമ്പർ 354/2010/നി.വ. തീയതി, തിരുവനന്തപുരം, 13-4-2010.

- പരാമർശം:—(1) അയ്യന്തോൾ സബ് രജിസ്ട്രാർ ഓഫീസിലെ 2003-2004-ലെ SRA (HQ)V/11/22-196/05-06 നമ്പർ ലോക്കൽ ആഡിറ്റ് റിപ്പോർട്ട്.
- (2) രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലിന്റെ 6-5-2008-ലെ എ.ആർ.എ3.-12259/05 നമ്പർ കത്ത്.
- (3) ശ്രീ. പി. പി. ജേക്കബിന്റെ 10-7-2009-ലെ അപ്പീൽ ഹർജി.
- (4) രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലിന്റെ 10-8-2009-ലെ എ.ആർ.എ3-12259/05 നമ്പർ കത്ത്.

ഉത്തരവ്

ശ്രീ. പി. പി. ജേക്കബ്ബ് അയ്യന്തോൾ സബ് രജിസ്ട്രാർ ഓഫീസിൽ ഹെഡ് ക്ലർക്കായി ജോലി നോക്കവെ സബ് രജിസ്ട്രാറുടെ ചുമതല വഹിക്കേണ്ടിവന്ന ദിനങ്ങളിൽ രജിസ്ട്രാർ ചെയ്ത 1253/03/1, 1288/03/1 എന്നീ ആധാരങ്ങളെ സംബന്ധിച്ച് 2003-2004-ലെ SRA(HQ)V/11/22-196/05-06-ാം നമ്പർ ആഡിറ്റ് റിപ്പോർട്ടിൽ കുറവു മുദ്രവില സംബന്ധിച്ച് താഴെ പറയുന്ന റിമാർക്ക് എടുക്കുകയുണ്ടായി :

1. Under valuation document No. 1253/03 and consequent short levy of stamp duty and registration fees ₹ 9,477.

As per document No. 1253 executed on 15-3-2003 and registered on 17-3-2003, 12.14 ares of land in survey No. 621/2p in Kuttoor Village was purchased by Shri Balakrishnan from Shri Ouseph for a consideration of ₹ 90,000. Out of the above land 3.24 ares was sold by Shri Balakrishnan to Shri Jayakrishnan on 19-3-2003 (Doc. No. 1288) for a consideration of ₹ 40,000 and 8.50 ares land to Raju on 13-6-2003 (Doc. No. 2851) for a consideration of ₹ 1,26,000 without any improvements. Since the property purchased on 17-3-2003 fetched subsequently higher prize when it was sold within a short period it appears than landed

property, registered as per Document No. 1253/03 was highly under valued. The difference, in stamp duty and registration fee due to this undervaluation works out to ₹ 9,477.

മേൽ സാഹചര്യത്തിൽ സൂചന രണ്ട് പ്രകാരം 9,477 രൂപ ടിയാളിൽ നിന്നും ഈടാക്കാൻ ഐ.ജി.ആർ. നിർദ്ദേശിക്കുകയുണ്ടായി. ആയതിനാലാണ് ടിയാൾ സർക്കാരിൽ അപ്പീൽ നൽകിയിട്ടുള്ളത്. തന്റെ അപ്പീലിൽ പ്രധാനമായും താഴെ പറയുംവിധം ഹർജിക്കാരൻ ബോധിപ്പിക്കുകയാണായി :

“നിയമം അനുശാസിക്കുന്ന വിധത്തിൽ 1253/03-ാം നമ്പർ ആധാരം 17-3-2003-ൽ രജിസ്ട്രാക്കുന്ന സമയത്ത് പ്രസ്തുത ആധാരം വിലകുറച്ച് കാണിച്ചതാണെന്ന് തെളിയിക്കുന്ന യാതൊരു രേഖകളും എന്റെ മുമ്പിലില്ലായിരുന്നു. ഇതിന്റെ മൂന്നാധാരമായ 580/99 നമ്പർ ആധാരത്തിൽ 1 സെന്റ് വസ്തുവിന് 1,000 രൂപ മാത്രം വില കാണിച്ചിട്ടുള്ളത്. പിന്നീട് വിലകൂടിയ ആധാരത്തിൽ 3,000 രൂപ നിരക്കിലാണ് വില വെച്ചിട്ടുള്ളത്. പിന്നീട് വിലകൂടിയ ആധാരം രജിസ്റ്റർ ചെയ്തു എന്നതു കൊണ്ട് ആദ്യം രജിസ്ട്രാക്കിയ ആധാരത്തിന് വിലകുറച്ച് വെച്ചിട്ടുണ്ടെന്ന് അനുമാനിക്കുവാൻ നിയമം വ്യവസ്ഥ ചെയ്യുന്നില്ല. നാളെയോ-മറ്റനാളോ വസ്തുവിന് എന്തു വില ഉണ്ടാകും എന്ന് കണക്കാക്കാൻ സബ് രജിസ്ട്രാർക്ക് സാധിക്കുകയും ഇല്ല. എന്നാൽ മൂന്നാധാരം കൂടിയ വിലയ്ക്കായിരിക്കുകയും, പിന്നീട് ഹാജരാക്കിയ ആധാരം കുറഞ്ഞ വിലയ്ക്ക് ആയിരിക്കുകയും ചെയ്യുന്നപക്ഷം പിന്നീട് ഹാജരാക്കിയ ആധാരത്തിന്മേൽ വിലകുറച്ച് കാണിച്ചു എന്നതിന് തെളിവുള്ളതുകൊണ്ട് അപ്രകാരം വ്യാഖ്യാനിക്കുന്നതാണ് ശരിയായ കീഴ്വഴക്കം. നിർഭാഗ്യവശാൽ ബഹു. AG കാര്യങ്ങൾ തല തിരിച്ചു കാണുകയാണ് ഉണ്ടായത്. കൂടിയ വിലയ്ക്ക് ആധാരം രജിസ്ട്രാക്കിയാൽ സബ് രജിസ്ട്രാർക്ക് ബാധ്യത വരുമെന്ന ധാരണ മുദ്രവില സമാഹരണം ലക്ഷ്യംവെച്ചുള്ള നടപടികളെ പരാജയപ്പെടുത്താനിടയാകും.”

പരാമർശം 3 പ്രകാരമുള്ള ശ്രീ. പി. പി. ജേക്കബിന്റെ അപ്പീൽ ഹർജിയും പരാമർശം 4-ലെ രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലിന്റെ റിപ്പോർട്ടും സർക്കാർ വിശദമായി പരിശോധിക്കുകയുണ്ടായി.

വസ്തുക്കളുടെ വില ദിനംപ്രതി ഉയരുന്ന സാഹചര്യത്തിൽ മുൻ ആധാരത്തെക്കാൾ കൂടിയ വിലയ്ക്ക് ശേഷമുള്ള ക്രയവിക്രയങ്ങൾ നടത്തുകയും ആധാരങ്ങൾ രജിസ്റ്റർ ചെയ്യപ്പെടുകയും ചെയ്യുന്നു. മൂന്നാധാരം കൂടിയ വിലയ്ക്കും ശേഷമുള്ള ആധാരം കുറഞ്ഞ വിലയ്ക്കും രജിസ്റ്റർ ചെയ്യുകയാണെങ്കിൽ രജിസ്റ്ററിംഗ് ഓഫീസറുടെ ഭാഗത്ത് പിഴവുണ്ടായെന്ന് കരുതാമായിരുന്നു. എന്നാൽ ശേഷമുള്ള ആധാരം കൂടിയവില കാട്ടി രജിസ്റ്റർ ചെയ്തു എന്നതിനാൽ അതിനുമുൻപുള്ള ആധാരവും അപ്രകാരം രജിസ്റ്റർ ചെയ്യപ്പെടേണ്ടതായിരുന്നു എന്ന കണ്ടെത്തലാണ്. ടി കേസിൽ അക്കൗണ്ടന്റ് ജനറൽ നടത്തിയിരിക്കുന്നതെന്നും ആകയാൽ ടി വാദം അംഗീകരിക്കാൻ സാധ്യമാണെന്ന് തോന്നുന്നില്ലെന്നും രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്.

സർക്കാർ ഇക്കാര്യം വിശദമായി പരിശോധിച്ചു. ഈ വിഷയം സംബന്ധിച്ച് രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ ലഭ്യമാക്കിയിട്ടുള്ള റിപ്പോർട്ട് അംഗീകരിച്ചു കൊണ്ട് അയ്യന്തോൾ സബ് രജിസ്ട്രാറാഫീസിലെ 2003-04 വർഷത്തെ SRA(HQ) V/11/22-196/05-06-ാം നമ്പർ ഓഡിറ്റ് റിപ്പോർട്ടിലെ പാർട്ട് II, Para I-ൽ പരാമർശിച്ചിട്ടുള്ള കുറവു മുദ്രസല 9,477 രൂപ ശ്രീ. പി. പി. ജേക്കബിന്റെ ബാധ്യതയായി പ്പെടുത്തിയ നടപടിയിൽ നിന്ന് ടിയാനെ ഒഴിവാക്കി ഇതിനാൽ ഉത്തരവാകുന്നു.

ഗവർണ്ണറുടെ ഉത്തരവിൻപ്രകാരം,  
എൻ. വടിവേൽ മുരുകൻ,  
ജോയിന്റ് സെക്രട്ടറി.

ശ്രീ. പി. പി. ജേക്കബ്ബ്, സബ് രജിസ്ട്രാർ, ചാലക്കുടി (രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ മുഖേന).

ഇൻസ്പെക്ടർ ജനറൽ ഓഫ് രജിസ്ട്രേഷൻ, തിരുവനന്തപുരം.

അക്കൗണ്ടന്റ് ജനറൽ (ആഡിറ്റ്/എ & ഇ), തിരുവനന്തപുരം.

ധനകാര്യവകുപ്പ് (19-11-2009-ലെ യു.ഒ.എഫ്.77395/എക്സ്പെ.ബി1/09/ധന പ്രകാരം).

ജില്ലാ രജിസ്ട്രാർ (ജനറൽ), തൃശൂർ.

സ്റ്റോക്ക് ഫയൽ/ഓഫീസ് പകർപ്പ്.

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