

## **LOSS OF REVENUE DUE TO NON-REGISTRATION OF LEASE AGREEMENT**

[Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 141<sup>st</sup> Report (17<sup>th</sup> Lok Sabha)]

**MINISTRY OF HOME AFFAIRS (UT)**

**PUBLIC ACCOUNTS COMMITTEE  
(2025-26)**

**TWENTY EIGHTH REPORT**

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**EIGHTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

# TWENTY EIGHTH REPORT

## PUBLIC ACCOUNTS COMMITTEE (2025-26)

(EIGHTEENTH LOK SABHA)

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[Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 141<sup>st</sup> Report (17<sup>th</sup> Lok Sabha)]

MINISTRY OF HOME AFFAIRS (UT)



*Presented to Lok Sabha on:* 29.07.2025

*Laid in Rajya Sabha on:* 29.07.2025

**LOK SABHA SECRETARIAT  
NEW DELHI**

July, 2025 / Shraavana, 1947 (Saka)

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## APPENDICES

- I\* Minutes of the 4<sup>th</sup> sitting of the Public Accounts Committee (2025-26) held on 17.06.2025
- II Analysis of the Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their One Hundred and Forty First Report (17<sup>th</sup> Lok Sabha)

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\* not appended to cyclostyled copy of the report

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**  
**(2025-26)**

**Shri K. C. Venugopal        -        Chairperson**

**MEMBERS**

**LOK SABHA**

- 2.    Shri T. R. Baalu**
- 3.    Dr. Nishikant Dubey**
- 4.    Shri Jagdambika Pal**
- 5.    Shri Jai Parkash**
- 6.    Shri Ravi Shankar Prasad**
- 7.    Dr. C. M. Ramesh**
- 8.    Prof. Sougata Ray**
- 9.    Shri Magunta Sreenivasulu Reddy**
- 10.   Smt. Aparajita Sarangi**
- 11.   Dr. Amar Singh**
- 12.   Shri Tejasvi Surya**
- 13.   Shri Anurag Singh Thakur**
- 14.   Shri Balashowry Vallabhaneni**
- 15.   Shri Dharmendra Yadav**

**RAJYA SABHA**

- 16.   Shri Ashokrao Shankarrao Chavan**
- 17.   Shri Shaktisinh Gohil**
- 18.   Dr. K Laxman**
- 19.   Shri Praful Patel**
- 20.   Shri Sukhendu Sekhar Ray**
- 21.   Shri Tiruchi Siva**
- 22.   Dr. Sudhanshu Trivedi**

**Secretariat**

- |                                 |          |                         |
|---------------------------------|----------|-------------------------|
| <b>1. Shri H. Ram Prakash</b>   | <b>-</b> | <b>Joint Secretary</b>  |
| <b>2. Smt. Archana Pathania</b> | <b>-</b> | <b>Director</b>         |
| <b>3. Dr. Faiz Ahmad</b>        | <b>-</b> | <b>Deputy Secretary</b> |
| <b>4. Shri Nahar Singh</b>      | <b>-</b> | <b>SSA</b>              |

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2025-26) having been authorised by the Committee, do present this Twenty Eighth Report (Eighteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their One Hundred and Forty First Report on “**Loss of Revenue due to non-Registration of Lease Agreement**” relating to Ministry of Home Affairs (UT)”.

2. The One Hundred and Forty First Report was presented to Speaker, Lok Sabha on 29<sup>th</sup> April, 2024 and presented to Lok Sabha/laid in Rajya Sabha on 24<sup>th</sup> July, 2024. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the Twenty Eighth Report at their sitting held on 17<sup>th</sup> June 2025. Minutes of the Sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee also place in record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the One Hundred and Forty First Report (Seventeenth Lok Sabha) is given at Appendix-II.

**NEW DELHI;**  
**22 July, 2025**

**31Ashadha, 1947 (Saka)**

**Chairperson**

**K C VENUGOPAL**

**Public Accounts Committee**

## **CHAPTER - I**

### **REPORT**

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their One Hundred and Forty First Report (17<sup>th</sup> Lok Sabha) on "Loss of Revenue due to Non-Registration of Lease Agreement".

2. The One Hundred and Forty First report was presented to Lok Sabha/laid in Rajya Sabha on 07.02.2024. It contained four Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministry of Home Affairs (UT) and are categorized as under:

- (i) Observations/Recommendations which have been accepted by the Government:

Para Nos. 1, 2, 3 and 4

**Total: 4**  
**Chapter - II**

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para No. NIL

**Total: 0**  
**Chapter - III**

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No. NIL

**Total: 0**  
**Chapter - IV**

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

Para No. NIL

**Total: 0**  
**Chapter - V**

3. The detailed examination of the subject by the Committee had revealed certain shortcomings on the part of the Municipal Corporation, Chandigarh that Municipal Corporation accepted the instrument as agreement on non-judicial stamp paper of Rs.100 without ensuring that the instrument was registered as lease deed with the concerned Sub Registrar. Due to non-registration of lease deed by the licensee and acceptance of the same by the Municipal Corporation, the Government was deprived of stamp duty and registration fee of Rs.29.56 lakh and Rs.0.10 lakh, respectively. The Committee had accordingly given their observations/recommendations in their One hundred and Forty One Report.

4. The Action Taken Notes furnished by the Ministry of Home Affairs (UT) on each of the Observations/Recommendations of the Committee contained in their One hundred and Forty First Report have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the action taken by the Government, on some of their Observations/Recommendations which either need reiteration or merit comments.

**5. The Committee desire Ministry of Home Affairs (UT) to furnish Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I of the Report, positively within three months of the presentation of the Report to the Parliament.**

6. The Committee in their original report no. 141 had recommended as under :-

*The Committee during the course of the examination of the subject learn that Municipal Corporation accepted the instrument as agreement on non-judicial stamp paper of Rs. 100 without ensuring that the instrument was registered as lease deed with the concerned Sub Registrar. Due to non- registration of lease deed by the licensee and acceptance of the same by the Municipal Corporation the Government was deprived of stamp duty and registration fee of Rs. 29.56 lakh and Rs. 0.10 lakh, respectively.*

*The Committee are concerned to note from the Action Taken Replies of the Ministry where the Chandigarh Administration has stated that Municipal Corporation of Chandigarh was not at fault for non-registration of lease deed and non-deposition of stamp duty and sole liability/responsibility to register the lease deed before the Sub-Registrar was of the licensee. The Committee are further surprised to note in this regard that instead of admitting the lapse, the Municipal Corporation of Chandigarh has justified their inaction by stating that Municipal Corporation of Chandigarh was strictly bound by the lease deed wherein registration of the lease agreement was nowhere mentioned. The Committee are of firm opinion that entire episode may not be just a lapse and appears to be a deliberate act on part of some vested interests of Municipal Corporation of Chandigarh in connivance and collusion with licensee/contractor. Above*

*all, it appears to have happened due to failure to follow the systems and procedure or lack of it in Chandigarh Municipal Corporation.*

**Para 3 of the 141<sup>st</sup> Report of the Public Accounts Committee  
(Seventeenth Lok Sabha)**

7. The Ministry of Home Affairs (UT) in their Action Taken Notes have stated as under:-

As informed by Chandigarh Administration, the requisite amendments with regard to mandatory registration of concession agreement under the Indian Registration Act, 1908 and the associated stamp duty payable with the Registrar UT, Chandigarh, have already been carried out in the subsequent tender documents issued after the year 2017 to strengthen the systems and procedure.

8 In response to the Ministry's reply, the Audit in their vetting comments have stated as under :-

Since registrations have been made mandatory, its implementation may be ensured by the Chandigarh Municipal Corporation.

9. In further comments to the above said Audit observation, the Ministry stated as under:-

As informed by Chandigarh Administration, the Municipal Corporation, Chandigarh has already circulated a check list vide letter no. 791 dated 04.07.2024 (**Annexure-A**), particularly with respect to registration of documents, deposition of government fees, charges and other legal formalities to be completed by the bidders, concessionaries, etc.

**10. The Committee had expressed apprehension that entire episode may not have been just a lapse, rather it appeared to be a deliberate act on part of some vested interests of Municipal Corporation of Chandigarh in connivance and collusion with licensee/contractor and due to failure to follow the systems and procedure or lack of it in Chandigarh Municipal Corporation. The ATN states thatMunicipal Corporation, Chandigarh has already circulated a checklist, particularly with respect to registration of documents, deposition of government fees, charges and other formalities to be completed by the bidders, concessionaries, etc. Further, the Municipal Corporation, Chandigarh, has initiated the process of registration of documents under the Indian Registration Act, 1908.**



**The Committee desire to be apprised of the recovery status of the loss of Rs. 29.56 lakh and Rs. 0.10 lakh incurred due the malafide intention of the staff of Municipal Corporation, Chandigarh.**

**\*\*\*\*\***

## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Observation/Recommendation**

*The Committee further note that Section 17 (1) (d) of the Indian Registration Act, 1908 provides that lease of immovable properties from year to year, or for any term exceeding one year or reserving a yearly rent are compulsorily registerable documents. Further, the expenses for providing the proper stamp duty and registration fee in the case of lease shall be borne by the lessee. Article 35 of Schedule 1-A of the Indian Stamp (Punjab Amendment) Act as applicable to UT of Chandigarh, provides for levy of stamp duty on lease deeds at prescribed rates for the amount of the average annual rent, where the lease purports to be for a term of not less than one year but not more than five years.*

**Para 1 of the 141<sup>st</sup> Report of the Public Accounts Committee  
(Seventeenth Lok Sabha)**

#### **Action Taken**

The above observation is a gist of the audit paragraph.

#### **Vetting Comments of Audit**

Being statement of facts, no comments.

#### **Ministry's Comments**

No further comments demanded by the Audit on action taken, therefore, no updated action is required at this stage.

### **Observation/Recommendation**

*The Committee further note that Section 17 (1) (d) of the Indian Registration Act, 1908 provides that lease of immovable properties from year to year, or for any term exceeding one year or reserving a yearly rent are compulsorily registerable documents. Further, the expenses for providing the proper stamp duty and registration fee in the case of lease shall be borne by the lessee. Article 35 of Schedule 1-A of the Indian Stamp (Punjab Amendment) Act as applicable to UT of Chandigarh, provides for levy of stamp duty on lease deeds at prescribed rates for the amount of the average annual rent, where the lease purports to be for a term of not less than one year but not more than five years.*

**Para 2 of the 141<sup>st</sup> Report of the Public Accounts Committee  
(Seventeenth Lok Sabha)**

### **Action Taken**

The above observation is a gist of the audit paragraph.

### **Vetting Comments of Audit**

Being statement of facts, no comments.

### **Ministry's Reply**

No further comments demanded by the Audit on action taken, therefore, no updated action is required at this stage.

### **Observation/Recommendation**

*The Committee during the course of the examination of the subject learn that Municipal Corporation accepted the instrument as agreement on non-judicial stamp paper of Rs. 100 without ensuring that the instrument was registered as lease deed*

*with the concerned Sub Registrar. Due to non- registration of lease deed by the licensee and acceptance of the same by the Municipal Corporation the Government was deprived of stamp duty and registration fee of Rs. 29.56 lakh and Rs. 0.10 lakh, respectively.*

*The Committee are concerned to note from the Action Taken Replies of the Ministry where the Chandigarh Administration has stated that Municipal Corporation of Chandigarh was not at fault for non-registration of lease deed and non-deposition of stamp duty and sole liability/responsibility to register the lease deed before the Sub-Registrar was of the licensee. The Committee are further surprised to note in this regard that instead of admitting the lapse, the Municipal Corporation of Chandigarh has justified their inaction by stating that Municipal Corporation of Chandigarh was strictly bound by the lease deed wherein registration of the lease agreement was nowhere mentioned. The Committee are of firm opinion that entire episode may not be just a lapse and appears to be a deliberate act on part of some vested interests of Municipal Corporation of Chandigarh in connivance and collusion with licensee/contractor. Above all, it appears to have happened due to failure to follow the systems and procedure or lack of it in Chandigarh Municipal Corporation.*

**Para 3 of the 141<sup>st</sup> Report of the Public Accounts Committee  
(Seventeenth Lok Sabha)**

**Action Taken**

As informed by Chandigarh Administration, the requisite amendments with regard to mandatory registration of concession agreement under the Indian Registration Act, 1908 and the associated stamp duty payable with the Registrar UT, Chandigarh, have already been carried out in the subsequent tender documents issued after the year 2017 to strengthen the systems and procedure.

**Vetting Comments of Audit**

Since registrations have been made mandatory, its implementation may be ensured by the Chandigarh Municipal Corporation.

### **Ministry's Comments**

As informed by Chandigarh Administration, the Municipal Corporation, Chandigarh has already circulated a check list vide letter no. 791 dated 04.07.2024 **(Annexure-A)**, particularly with respect to registration of documents, deposition of government fees, charges and other legal formalities to be completed by the bidders, concessionaries, etc. Further, the Municipal Corporation, Chandigarh, has initiated the process of registration of documents under the Indian Registration Act, 1908.

[For Comments of the Committee, please see Para No. 10 of Chapter I]

**Ministry of Home Affairs (UT)'s case No.U-14037/10/2022-CPD(CHD)**

### **Observation/Recommendation**

*The Committee also learn that Municipal Corporation of Chandigarh has charge sheeted concerned employees of the Municipal Corporation of Chandigarh for non-compliance of the Registration Act, 1908 as well as Indian Stamp Act as applicable to Union Territory of Chandigarh. The Committee while expressing satisfaction that disciplinary proceedings against concerned officials has been initiated, nevertheless, recommend that with a view to obviate such recurrences in future a robust system of IT-enabled internal control and checks and balances should be put in place in a time bound manner under intimation to the Committee. The Committee would like to be apprised of the action primarily initiated in this regard.*

**Para 4 of the 141<sup>st</sup> Report of the Public Accounts Committee  
(Seventeenth Lok Sabha)**

### **Action Taken**

As informed by Chandigarh Administration, the Municipal Corporation has prepared and circulated a checklist, particularly with respect to registration of documents, deposition of government fees, charges, and other legal formalities required to be fulfilled by the concessionaires, and the same have been made mandatory to be included in the terms and conditions of the tender documents/ RFPs. The tenders would be allowed to be uploaded on the e-tendering site only on the

fulfilment of mandatory requirements as mentioned above. This checklist has also been shared on website of the Municipal Corporation so as to help the prospective bidders of the mandatory requirements particularly with respect to registration of the document under the Indian Registration Act, 1908 and subsequent deposit of Stamp Duty under the Indian Stamp Act, 1899.

As regards the use of IT-enabled tools, it would be pertinent to mention that the Municipal Corporation, Chandigarh has already introduced the system of Electronic-Performance Bank Guarantee (E-PBG). The necessary checklist/SOP have been issued to the concerned wing of Municipal Corporation, Chandigarh vide letter no. 791 dated 04.07.2024 (***Annexure-I***).

#### **Vetting Comments of Audit**

As desired action has been taken, no comments please.

#### **Ministry's Comments**

No further comments demanded by the Audit on action taken, therefore, no updated action is required at this stage.

### **CHAPTER III**

#### **OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

**NIL**

#### **CHAPTER IV**

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE  
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH  
REQUIRE REITERATION**

**NIL**



**CHAPTER V**

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT  
HAVE FURNISHED INTERIM REPLIES/NO REPLIES**

**NIL**

**NEW DELHI;  
22 July, 2025  
31 Ashadha, 1947 (Saka)**

**K C VENUGOPAL  
Chairperson,  
Public Accounts Committee**

**APPENDIX-II**  
*(Vide Paragraph 5 of Introduction)*

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE  
CONTAINED IN THEIR ONE HUNDRED AND FORTY FIRST REPORT (SEVENTEENTH  
LOK SABHA)**

<b>(i)</b>	<b>Total number of Observations/Recommendations</b>	<b>04</b>
<b>(ii)</b>	<b>Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1, 2, 3, and 4</b>	<b>Total: 04 Percentage: 100</b>
<b>(iii)</b>	<b>Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: Para No. – NIL</b>	<b>Total: 0 Percentage: 0</b>
<b>(iv)</b>	<b>Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para No. – NIL</b>	<b>Total: 0 Percentage: 0</b>
<b>(v)</b>	<b>Observations/Recommendations in respect of which the Government have furnished interim replies: Para No. – NIL</b>	<b>Total: 0 Percentage: 0</b>

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