



Presentation

On the

A. P. Revenue Recovery. ACT,

1864

Revenue Recovery falls
under the state list
(Schedule VII- list II)

Revenue Recovery means the realization of sales tax arrears from the defaulter dealers under RR Act.

The Andhra Pradesh Revenue Recovery Act 1864 contains 66 Sections.

Revenue Recovery Officer is
Deputy Commissioner and
Authorized Officers are Deputy
Commercial Tax Officers in
respect of Commercial Taxes
Department

NOTES ON THE A.P. REVENUE RECOVERY ACT, 1864

1. As per Section –5 of the said Act, whenever revenue may be in arrears, it shall be lawful for the collector, or other Officer empower by the Collector in that behalf, to proceed to recover the arrear, together with interest and costs of process, by the sale of defaulter's movable and immovable property, or by executing against the person of the defaulter in manner herein after provided.

2) Section 28(i) of AP VAT Act 2005 confers the powers of the Collector under the A.P. Revenue Recovery Act on the Deputy Commissioner to initiate all the proceedings under the Act.

NOTES ON THE A.P. REVENUE RECOVERY ACT, 1864

- All Deputy Commercial Tax Officer shall, for the purpose of Recovery of any amount due under this Act, have the powers of the Mandal Revenue Officer under the Andhra Pradesh Rent and Revenue Sales Act, 1839 for the sale of property distrained for any amount due under the Act, subject to the control and superintendence of the Deputy Commissioner.

- Section 29 AP VAT Act confers the powers of the Officers of Commercial Taxes Department for issue of notice require any person from whom money is due or may become due to the defaulter to pay to the department (Notice in VAT 206).

NOTES ON THE A.P. REVENUE RECOVERY ACT, 1864

- 5) Section 30 AP VAT Act confers the powers to the department to Recovery of Tax when business transferred.
- 6) As per Section 26 of VAT Act 2005 any sum payable by a dealer shall be the first charge on the property of the dealer.
- 7) As per the Section 24(2) & (5) of VAT Act the partners and directors of Private Limited company shall be jointly and severally liable for payment of arrears

NOTES ON ISSUE OF FORMS UNDER R.R.ACT 1864

I. ATTACHMENT OF MOVABLE PROPERTIES : Section (8)

A) DETAILS OF FORM NO.I (DISTRAIN ORDER)

- 1) Name and Address of the Defaulter.
- 2) Period of Arrears
- 3) Amount of Arrears due.
- 4) Date on which arrears due.
- 5) Batta, Interest rate and amount of interest to date.
- 6) Date of distress.

PROCEDURE TO FOLLOW IN ISSUE OF FORM NO. I

1. There must be a demand in writing.
2. Mode of service is (1) by serving the to the defaulter or (2) by serving to the adult male member of his family or (3) by fixing the outdoor of is usual place of residence or (4) by registered post.

- 3) It is advisable to get signature of two witnesses of locality while fixing.
- 4) The severed copy may contain the signature of the recipient, the signature of the person who served the form and a brief route map.

B) FORM NO.II (Inventory of attached property):Section(9)

Details of Form No.II

- 1) Name of articles.
- 2) Estimated value.
- 3) Amount of arrears due.
- 4) Date of distress and copy given to defaulter.
- 5) Name of the place where it may be lodged or kept.

PROCEDURE:

- 1) Attachment should be made only after sun rise.



Attachment should be made before sun set.



2) The distrainer shall transmit an inventory of property distrainer to the nearest public empowered to sell distrained property.

3) Articles exempted from distraint :

a) Necessary wearing appeals, cooking vessels, beds and Mangalasukras of Ladies.

b) Ploughs, One pair of Ploughing Cattle and Seed Grain.



4) Attached articles should not be used.

C) FORM NO.III. (Section 22)

Notice of sale of movable property

DETAILS:

- 1) Name and address of the defaulter.
- 2) Schedule of property distrained with reliable market value.
- 3) Place of auction.
- 4) Time of auction.
- 5) EMD payable by the bidders 5% of the value of the distraint property.

PROCEDURE TO BE FOLLOWED :

- 1) Fifteen days must elapse from the date on which the notice is affixed to the premises before sale takes place.
- 2) Notices should be displayed in the noticed board of the office and also in the offices of C.C.T., D.C & C.T.O.'s of other circles.
- 3) It should be served to the dealers of related business of the distrainer property.
- 4) Separate notice should be issued for each lot of distrainer property.
- 5) Bidders should be enrolled.

- 6) Bidding amount should be noted against each bidder for every time.
- 7) Before sale, the reliable market value should be obtained from the market.
- 8) The distrained goods shall be disposed of the highest bidder.
- 9) The sale value should be confirmed by the D.C. before delivery of goods.
- 10) If the arrear amount is paid by the defaulter before sale, the property shall be released.

II. ATTACHMENT OF IMMOVABLE PROPERTY:

A) FORM NO.4 Demand prior to Attachment of land (Section 25)

DETAILS OF FORM NO.4

- 1) Name and Address of the defaulter.
- 2) Arrears of sales tax - Year wise and Act wise.
- 3) Details of immovable property possessed by the defaulter.
- 4) The time allowed for payment

PROCEDURE :

- 1) There must be a demand.
- 2) Identification of property.
- 3) Should be issued by the Officer having over the jurisdiction of immovable property.
- 4) Mode of service is (1) by serving the to the defaulter or
(2) by serving to the adult male member of his family or
(3) by fixing the outdoor of is usually place of residence
or (4) by registered post.
- 5) Future demands should not be included

B. FORM NO.5

Notice of attachment (Section 27)

DETAILS OF FORM NO.5

- 1) Name and address of the defaulter.
- 2) Details of property to be attached.
- 3) Arrears of sales tax payable.
- 4) Time allowed for payment of arrears

Date of Service of Form No: 5 will be the date of attachment.

PROCEDURE :

- 1) Details of property to be attached should be obtained. From the Sub-Registrar i.e.E.C. or from M.R.O. or from Municipalities.
- 2) It should be issued after expiry of the period specified in the demand notice in Form No.4.
- 3) It should be served properly.
- 4) It should be published in the district gazette.
- 5) Arrears of amount shown in the corresponding notice No.4 should be included in the Form No.5.
- 6) After attachment, a letter should be issued to the Sub-register for not to register for alienation of attached property.

C) FORM NO.6 Notice of assumption: (Section 29)

Details contained in Form No.6

- 1) Name and address of the dealer.
- 2) Date of attachment.
- 3) Name of the Agent

PROCEDURE:

- 1) It should be issued by the Deputy Commissioner (CT) having jurisdiction over.
- 2) It should be served on the defaulter.
- 3) It should be published in gazette.
- 4) The Agent should taken over the management of the property attached.
- 5) It should be issued between the interval period of attachment and sale of property.

D) FORM NO. 7 Notice of Sale of Land (Section – 36)

Details of contents of the Form No.7 & 7A

- 1) Name and address of the defaulter.
- 2) Description property i.e. land, building and other constructions.
- 3) Extent of the land.

4) Amount of sales tax arrears.



PROCEDURE:

1) Before issue of Form, the details of property should be obtained from the municipalities or Gram Panchayat along with approval plan of the construction building if any.

2) Value of the property should be obtained either from Sub-Registrar or from R & B or from the Government approved valuer which is become upset price.

- 3) It should be properly served as served by other forms.
- 4) It should be issued fixed one month at least before the sale.
- 5) It should be displayed in the D.C office, Collector Office, M.R.O. Office, Village Secretary office, Nearest Police Station.

- 6) Form No.7A should be issued 15 days at least before sale.
- 7) Form No.7A should be published in Gazette.
- 8) Land should be sold on notified date only.
- 9) Minors land should not be sold.
- 10) Auction notice should be published on leading daily news papers through Director of Information and Public Relations, Masab Tank, Hyderabad.

PROCEDURE FOR CONDUCTING AUCTION:

- 1) Value of the assets has to be obtained prior to auction and it should be the upset price.
- 2) Publishing & Distribution of Pamphlets containing details of auction.
- 3) Tom-Tom.
- 4) Announcement through Mike.
- 5) Enrollment of bidders in the following proforma.

Sl. No.	Name & Address of the Bidder	Age	Profession	Telephone No.	IT PAN No.	Whether Own or through Agent	Signature

Details of Bidding

Sl. No.	Name and Address of the Bidder	Enrollment No.	Bid Amount		
			1 st Time	2 nd Time	3 rd Time

If there is no bid or the bid amount is insufficient, sale can be postponed to another date.

If there is no bid, the property may be purchased on behalf of the Government.

- 7) Postponement should be announced publicly in the open auction only.
- 8) Reasons should be recorded for set aside of sale.
- 9) 15% of the purchase amount should be paid by the highest bidder who knocked down after the auction and the balance within 30 days.
- 10) If the purchaser fails to remit the amount in time it shall be resold at his expense.

FORM No.8 Certificate of Sale (Section 38)

- 1) The DCTO should send file to the Deputy Commissioner for confirmation of sale.
- 2) If the sale is not confirmed the deposit amount of purchase money should be returned to the auction purchaser.
- 3) Certificate of sale should be issued by the Dy. Commissioner (CT) if the sale is confirmed after 30 days of the sale. A sale deed may be executed if the purchaser desires. Only registration fees is exempted. Stamp duty is payable while registering the sale deed in sub registrar office.

4) If the defaulter at any time within 30 days from the date of sale deposits 5% of the purchase money and a sum equal to the arrears by making application for set aside of sale, the Deputy Commissioner shall pass an order setting aside the sale and shall repay to the purchaser the purchase money deposited along with the 5% of the amount deposited by the defaulter.

FORM No.9 Register of Lands sold **(Section 38).**

FORM No.10 Proclamation of the **purchase land (Section 39)**

The form contains the name of the purchaser and date of purchase together with a declaration of the lawful succession of such purchaser. It should be published in district gazette.

FORM No.11 Form of Warrant for Arrest in case of Willful or Fraudulent Non-Payment of Arrears. (Section 48 & 49).

Section 49 of R.R. Act confers the power to issue arrest Warrant for the arrest of defaulter or his surety, or both, not being female.

III. Claim petition before Debts Recovery Tribunal (DRT)

- Claim petitions should be filed before DRT, if properties are already attached by recovery officer, through a private advocate after permission accorded by CCT.

IV. If case is pending before Official Liquidator, a claim petition in Form No.66 should be filed before Official Liquidator.
