

THE ANDHRA PRADESHNA (PREVENTION OF SPECULATION IN  
IMMOVABLE PROPERTY) ACT, 1954

ACT No. VIII OF 1954

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and extent
2. Definitions
- 2-A. Construction of certain references in the application of this Act to the Cities of Hyderabad and Secunderabad
3. Declaration of notified area by Government
4. Restriction on transfer of immovable property
5. Standard price of immovable property
6. Permitted increase over the standard price
7. Power of Government to purchase immovable property
8. Taking possession of property and reference to Subordinate Judge's Court
9. Setting aside of Court sales etc., held in contravention of the Act
10. Penalty
11. Cognizance of offences
12. Bar of certain proceedings
13. Power to make rules

1THE ANDHRA PRADESH (PREVENTION OF SPECULATION IN IMMOVABLE PROPERTY) ACT, 1954

ACT No. VIII of 1954

[22<sup>nd</sup> April, 1954]

AN ACT TO PREVENT SPECULATION IN IMMOVABLE PROPERTY IN THE  
2[STATE OF ANDHRA PRADESH].

WHEREAS it is expedient to prevent speculation in immovable property in the State of Andhra Pradesh; It is hereby enacted as follows:-

1. Short title and extent - (1) This Act may be called <sup>3</sup>[the Andhra Pradesh (Prevention of Speculation in Immovable Property) Act, 1954].

(2) It extends to the whole of the <sup>4</sup>[State of Andhra Pradesh].

2. Definitions - In this Act, unless there is anything repugnant in the subject or context—

(a) 'Government' means the State Government;

(b) 'notified area' means any area declared to be a notified area under section 3;

(c) 'notified date' in relation to immovable property situated in any notified area means such date as the Government may, by notification, specify in respect of that area;

Explanation— The date specified in any such notification may be a date either before or after the declaration of the area as a notified area under section 3;

(d) 'notification' means a notification published in the <sup>5</sup>[Andhra Pradesh Gazette];

(e) 'transfer' means a sale, exchange or mortgage with possession and includes a sale held in execution of a decree or order of a Court or a sale conducted by an officer acting under the authority of any statute, decree or order of a Court.

<sup>6</sup>[2-A. Construction of certain references in the application of this Act to the Cities of Hyderabad and Secunderabad - If the whole or any part of the city of Hyderabad or the city of Secunderabad is declared under sub-section (1) of section 3 to be a notified area, then, in the application of the provisions of this Act to such area, references to the District Collector and the Subordinate

---

1. For Statement of Objects and Reasons, see Andhra Gazette, Extraordinary dated the 22<sup>nd</sup> March 1954, Part IV-A, pages 28 and 29.

2. Substituted for the words "State of Andhra" by section 4 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh Act XI of 1960).

3. Substituted for the original short title by the First Schedule to the Andhra Pradesh Laws (Amendment of Short Titles) Act, 1961 (Andhra Pradesh Act IX of 1961).

4. Substituted for the words "State of Andhra" by section 5 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh Act XI of 1960).

5. Substituted for the words "Andhra Gazette" by the Andhra Pradesh Adaptation of Laws Order of 1957.

6. Inserted by section 6 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh Act XI of 1960).

Judge's Court, wherever they occur in this Act, shall be deemed to be references, respectively, to the District Collector of Hyderabad and the Additional Judge of the City Civil Court.]

3. Declaration of notified area by Government - (1) If the Government are satisfied that owing to any action taken or proposed to be taken by them or to any other cause, considerable transfers of immovable property which are of a speculative character are being, or are likely to be made in any area in the <sup>1</sup>[State of Andhra Pradesh] and that it is necessary in the public interest to prevent such transfers, they may, by notification, declare such area to be a 'notified area' to which the provisions of this Act shall apply on and from such date as may be specified therein.

(2) The Government may, by notification, withdraw the operation of this Act from any such notified area, with effect from such date as may be specified in the notification, except as respects things done or omitted to be done before that date.

4. Restriction on transfer of immovable property - Notwithstanding anything to the contrary in any other law or in any contract, no immovable property situated in any notified area shall be transferred for a consideration exceeding in value the standard price of the property specified in section 5 together with such increase over that price as is permissible under section 6.

Explanation—Where the consideration for such transfer consists partly of money and partly of movable property or immovable property or both, the market value of such movable or immovable property on the date of the transfer, shall, to that extent, be regarded as the price paid for such transfer.

5. Standard price of immovable property - (1) The standard price of any property referred to in section 4 shall be the price which such property in the condition in which it is at the time of the transfer would have fetched at the market value prevailing on the notified date:

Provided as follows:-

(a) if the property consists of land on which a new building has been constructed after the notified date, the standard price of such property shall be the aggregate of the value which the land would have fetched at the market value prevailing on the notified date and the actual cost of construction of the new building plus a sum of fifteen per cent on such cost of construction;

(b) if the property consists of land on which a building constructed before the notified date has been reconstructed after that date, the standard price of such property shall be the aggregate of the value which the land and the reconstructed building would have fetched at the market value prevailing on the notified date plus a sum of fifteen per cent on the actual cost of reconstruction.

Explanation— <sup>2</sup>[(1) For the purposes of this Act,-

(a) 'building' includes a house, outhouse, stable, latrine, shed, hut, wall, and any such structure, whether of

---

1. Substituted for the words "State of Andhra" by section 7 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh Act XI of 1960).

2. Substituted for the original clause (1) by section 8 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh Act XI of 1960).

masonry, bricks, wood, mud, metal or any other material whatever; and

(b) 'reconstruction' in relation to a building includes—

(i) the re-erection wholly or partially of a building after more than half of its cubical contents has been taken down or burnt down, or has fallen down whether at one time or not;

(ii) the re-erection wholly or partially of any building of which an outer wall has been taken down or burnt down or has fallen down to, or within ten feet of, the ground adjoining the lowest storey of the building, and of any framework of a building which has so far been taken down or burnt down or has fallen down as to leave only the framework of the lowest storey;

(iii) the conversion into a dwelling-house or a place of public worship of any building not originally constructed for human habitation or for public worship, as the case may be, or the conversion into more than one dwelling-house of a building originally constructed as one dwelling house only or the conversion of a dwelling-house into a factory;

(iv) the re-conversion into a dwelling-house or a place of public worship or a factory of any building which has been discontinued as, or appropriated for any purpose other than, a dwelling-house or a place of public worship or a factory, as the case may be,

and 'reconstructed' shall be construed accordingly.]

(2) The Government may authorize any officer subordinate to them to maintain a register of new and reconstructed buildings.

(3) In the case of every new or reconstructed building, the officer aforesaid shall, after giving notice to the owner and after making such inquiry as he deems necessary, enter in the register the date of completion of the construction or reconstruction, as the case may be, of the building and the cost of such construction or reconstruction and forward to the owner an extract of the entries so made.

(4) Any owner aggrieved by the entries in the register may, within fifteen days of the receipt of the extract, file an appeal to the District Collector for having the entries corrected.

(5) The entries in the register made by the officer aforesaid shall be binding and conclusive subject only to the result of any appeal filed under sub-section (4).

6. Permitted increase over the standard price - In the case of any land, or any land with building thereon, if at any general or special revision of assessment by the municipality or other local body subsequent to the notified date, the assessment payable in respect of that property has been enhanced, the standard price may be increased by such percentage not exceeding twenty-five percent, as the Government may, by notification, specify having regard to such enhancement.

7. Power of Government to purchase immovable property - The owner of any immovable property situated in any notified area shall, on demand by the Government by notice in writing, sell to them such property at the standard price specified in section 5 together with such increase over the standard price as is permissible under section 6 or at the current market value of the property, whichever is less:

Provided that if the property is one purchased or otherwise acquired by the owner after the notified date he shall, on such demand by the Government, sell such property to them either at the standard price specified in section 5 together with such increase over the standard price as is permissible under section 6 or at the price mentioned in the instrument of transfer, if any, or at the current market value of the property, whichever is less.

8. Taking possession of property and reference to Subordinate Judge's Court - (1) In the case of any property in respect of which a demand has been made under section 7, the District Collector or any officer authorized by him in this behalf shall determine the amount payable for that property under that section and tender the same to the owner. If the owner refuses to accept the amount so tendered, the District Collector or the officer aforesaid shall deposit the said amount in the Subordinate Judge's Court having jurisdiction over the area in which the property is situated and make a reference to that Court to determine the amount payable for that property under section 7 and take possession of the property on behalf of the Government, and the property shall vest in the Government from the date on which possession is so taken.

(2) If the amount determined by the Court is in excess of the amount tendered by the District Collector or the officer authorized by him, the Court may direct the District Collector or the officer aforesaid to pay such excess to the owner together with interest on such excess at the rate of four per cent per annum from the date on which the property was taken possession of to the date of payment of such excess, and the amount deposited in the Court shall be paid immediately to the owner.

9. Setting aside of Court sales etc., held in contravention of the Act - (1) Where any immovable property has been sold in execution of a decree or order of a Court or by an officer acting under the authority of any statute, or decree or order of a Court for a price exceeding the standard price specified in section 5 together with such increase over that price as is permissible under section 6, the District Collector or any person having an interest in such property, may, within thirty days from the date of the sale, apply to the Court or the officer aforesaid for setting aside the sale.

(2) Upon such application, if the Court or the officer aforesaid is satisfied, after such inquiry as may be deemed necessary, that there has been a contravention of the provisions of this Act, the Court or the officer aforesaid shall set aside the sale and order a fresh sale to be held in conformity with the provisions of this Act.

10. Penalty - If any person transfers immovable property situated in a notified area in contravention of the provisions of section 4, he shall, on conviction, be liable to pay a fine equal to twice the amount by which the value of the consideration received by him for the transfer exceeds the price to which he is entitled under this Act.

11. Cognizance of offences - No Court shall take cognizance of an offence under this Act except on a complaint made by the District Collector.

12. Bar of certain proceedings - No suit, prosecution or other legal proceeding shall lie against the Government or any officer or servant of the Government for any act done or purporting or intended to be done in good faith under this Act.

13. Power to make rules - (1) The Government may by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for —

- (a) the form of the register of new and reconstructed buildings to be maintained under this Act;
- (b) the manner of service of notices under this Act;
- (c) the procedure to be followed in holding inquiries under this Act;

(d) the powers and duties of officers exercising any functions under this Act and procedure to be followed by them; and

(e) the removal of any difficulty arising in giving effect to the provisions of this Act.

(3) All rules made under this section shall be laid for not less than fourteen days before <sup>1</sup>[both the Houses of the State Legislature], as soon as possible after they are made, and shall be subject to such modifications, whether by way of repeal or amendment, as <sup>1</sup>[the State Legislature] may make during the session in which they are laid.

---

<sup>1</sup>. Substituted for the words "the Legislative Assembly of the State" and "that Assembly" respectively by section 9 of the Andhra Pradesh (Prevention of Speculation in Immovable Property) Extension and Amendment Act, 1960 (Andhra Pradesh XI of 1960).