

CHAPTER-4

STAMP DUTY AND REGISTRATION FEE

4.1 Tax administration

The Secretary (Revenue) is responsible for administration of the Indian Stamp Act and the Indian Registration Act and rules framed thereunder. He is also the District Magistrate of Delhi and Inspector General of Registration. One Deputy Commissioner and one Additional District Magistrate assist him. There are nine zones each headed by a Deputy Commissioner. Each zone is further sub-divided into three sub-zones each headed by a Sub-Divisional Magistrate who also enjoys the power of Collector of Stamps. Each of the zones has an office of the Sub-Registrar who functions under the direct control of the Deputy Commissioner of the respective zone. There is one treasury for the National Capital Territory of Delhi, which is responsible for procurement and issue of both judicial as well as non-judicial stamps/stamp papers. The procurement is made from Indian Security Press, Nasik, by submitting indents through the Divisional Commissioner. The Government of NCT of Delhi has introduced *e-stamping* with effect from 1 April 2008. The work has been awarded to M/s Stock Holding Corporation of India Limited, a public sector undertaking, on commission basis. Two more Sub-Registrar Offices have been established during the year 2012-13 (till 20 October 2012).

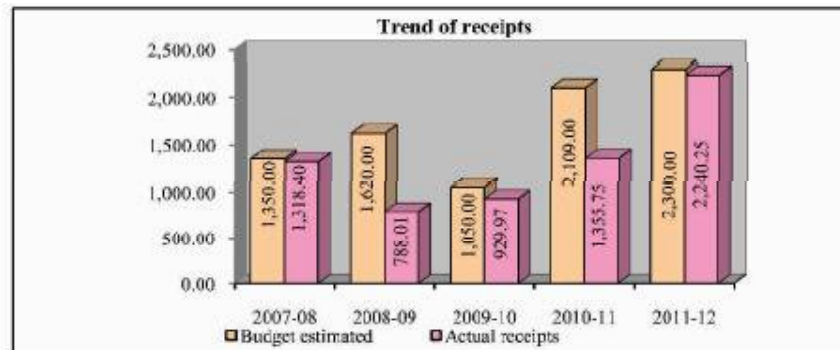
4.2 Trend of receipts

Actual receipts from Stamp Duty and Registration Fee during the last years 2007-08 to 2011-12 along with the total tax receipts of the State during the same period are exhibited in the **Table 4.1** and **Graph**:

Table 4.1: Revenue receipts

(₹ in crore)

Year	Budget estimates (B.Es)	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts
2007-08	1350.00	1318.40	(-)031.60	(-)02.34	11782.80	11.19
2008-09	1620.00	0788.01	(-)831.99	(-)51.36	12180.70	06.47
2009-10	1050.00	0929.97	(-)120.03	(-)11.43	13447.86	06.92
2010-11	2109.00	1355.75	(-)753.25	(-)35.72	16477.75	08.23
2011-12	2300.00	2240.25	(-)059.75	(-)02.60	19971.67	11.22



It is seen that the variation between BEs and actual receipts was in shortfall ranging from 2.34 to 51.36 per cent.

4.3 Cost of collection

The gross collection, expenditure on collection and the percentage of such expenditure to gross collection in respect of Stamp Duty and Registration Fee receipts during the year 2009-10 to 2011-12 along with the relevant all India average percentage of expenditure on collection to gross collection for the year is appended in **Table 4.2** :

Table 4.2: Cost of collection

(₹ in crore)					
Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year 2009-10
Stamp duty and registration fee	2009-10	929.97	19.52	2.09	1.60
	2010-11	1355.75	19.30	1.42	
	2011-12	2240.25	31.60	1.41	

From the given table, it was evident that the percentage of expenditure on collection of Stamp Duty and Registration Fee was less than the all India average percentage for the year 2010-11 and 2011-12.

4.4 Internal audit

The Internal Audit Wing of the Finance Department of Government of National Capital Territory of Delhi conducts the internal audit of the Revenue Department. The internal audit wing is required to conduct audit of the office of the Inspector General of Registration, Treasury and 13 Sub-Registrar Offices. The Internal Audit of the Department and Sub-Registrar offices has not been conducted by the Directorate of Audit, Government of NCT of Delhi for the year 2011-12.

4.5 Results of audit

Test check of records relating to stamp duty and registration fee conducted during the year 2012-13 revealed short/non levy of duty and other

irregularities involving ₹ 121.04 lakh in 117 cases which fall under the categories given in **Table 4.3**.

Table 4.3: Category wise cases

(₹ in lakh)			
SI No.	Categories	No. of cases	Amount
1.	Short levy of Stamp duty and Registration fee (Built up area of car parking/Stilt parking)	78	12.76
2.	Non implementation of the prescribed rates for buildings having more than four storeys	39	108.28
Total		117	121.04

These cases are discussed in the succeeding paragraphs.

4.6 Other audit observations

Scrutiny of records of Sub-Registrar offices, Government of NCT of Delhi relating to revenue receipt revealed several cases of non-observance of provisions of Acts/Rules resulting in short levy of stamp duty as discussed in the succeeding paragraphs in this chapter. These cases are illustrative and based on a test check carried out in audit. Therefore, there is a need for the Government to improve the internal control system so that occurrence of such cases can be avoided.

4.7 Short levy of stamp duty and registration fee

The minimum rates for valuation of properties situated in various localities of NCT of Delhi were prescribed by Revenue Department of Government of NCT of Delhi, vide Notification No.F 2(12)/Fin(E-1) Part File/Vol-1 (ii) /3548 dated 18 July 2007. The whole area of NCT of Delhi has been divided into different categories from A to H, as given in Annexure I of the Delhi Stamp (Prevention of Under-valuation of Instruments) Rules, 2002. At the time of registration of a property falling in the NCT of Delhi, stamp duty is to be charged as per these rates, as revised from time to time.

Audit noticed (June to August 2012) during the test check of the records of three Sub Registrar offices¹ that in 78 cases, the built up area of car parking/stilt parking was not taken into account while calculating the consideration value of the property. However, in the instrument of sale deed, it was specifically mentioned that the vendee have the common rights to parking area. Thus, non consideration of proportionate construction value of common right to car parking/stilt parking resulted in short levy of stamp duty and registration fee amounting to ₹ 12.76 lakh.

Audit reported the matter to the Department and the Government in September 2012, but had not received any reply.

¹ SR II JanakPuri (19 cases), SR II A Punjabi Bagh (46 cases), and SR VIII Geeta Colony(13 cases)

4.8 Non implementation of the prescribed rates for buildings having more than four storeys

The Government of National Capital Territory of Delhi introduced the minimum circle rates relating to land and buildings situated in various categories of colonies vide Notification No. F.2 (12)/Fin.(E.I)/Part-file/Vol.-1 (ii)/3548, dated 18 July 2007. In the Annexure I of the notification, minimum rates for valuation of land and properties under section 27 and Section 47A of the Indian Stamp Act, 1899 (2 of 1899) have been prescribed. The rates were effective from the date of notification i.e. 18.07.07. Thereafter, minimum circle rates have been revised by the Government of NCT of Delhi with effect from 8 February 2011 and again from 16 November 2011.

As per para 4.1 of the said annexure of notification (effective from 16 November 2011), for built up flats in buildings having more than four storey, a uniform rate of ₹ 60,000 per sqm was to be taken as the minimum value of built up rate for DDA/Cooperative/Group Housing Societies. For multistoried flats by private builders, a multiplicative factor of 1.25 shall be employed.

Audit noticed (June to September 2012) during the test check of the records of four Sub Registrar offices² Delhi that in 39 cases stamp duty and registration fee was calculated between December 2011 and March 2012 according to para 1 to 3 of the notification instead of the rates prescribed for buildings having more than four stories as prescribed under para 4.1 of the notification. Thus, consideration of incorrect rate for calculating the value of properties resulted in short levy of stamp duty amounting to ₹ 108.28 lakh.

Audit reported the matter to the Department and the Government in September and October 2012, no reply had been received yet.

²SR I Kashmere Gate (3 cases), SR II JanakPuri (9 cases), SR II A Nangloi (16 cases) and SR VIII Geeta Colony (11 cases)