

CHAPTER-V STAMP DUTY AND REGISTRATION FEES

5.1 Tax administration

The overall control on the levy and collection of stamp duty and registration fees rests with the Revenue Department. The Inspector General of Registration (IGR) and Superintendent of Stamps, Gandhinagar is the head of the Department. The IGR is assisted by the Sub-Registrar (at the district and *taluka* level) whereas the Superintendent of Stamps is assisted by the Deputy Collector (Stamp Duty Valuation Organisation) [DC (SDVO)] at the district level.

5.2 Results of audit

Test check of records in the offices of the Additional Superintendent of Stamps and Sub Registrars (SRs) in the State during the year 2013-14 revealed short realisation of stamp duty and registration fees and other irregularities involving ₹ 103.94 crore in 363 cases, which fall under the following categories:

(₹ in crore)

Sl. No.	Category	No. of cases	Amount
1	Misclassification of documents	122	46.56
2	Undervaluation of property	83	17.40
3	Under assessment of stamp duty and instruments of mortgage deeds	6	0.12
4	Other irregularities	17	2.30
5	Short levy of stamp duty and registration fees	135	37.56
	Total	363	103.94

During the course of the year, the Department accepted and recovered underassessment and other irregularities of ₹ 1.04 crore in 42 cases, of which two cases involving ₹ 3.57 lakh was pointed out in audit during the year 2013-14 and rest in earlier years.

A Paragraph on “Audit of Stamp Duty and Registration Fees on Development Agreement” involving ₹ 23.17 crore and a few illustrative cases involving ₹ 11.28 crore are mentioned in the following paragraphs:

5.3 Audit of Stamp Duty and Registration Fees on Development Agreement

Section 2 of the Gujarat Stamp Act, 1958 (GS Act) defines the various terms/instruments mentioned in the Act. However, the Development Agreement has not been defined in the Act. With effect from 1 September 2001, as per Article 5(ga) of Schedule I of the GS Act, the development agreement in the form of agreement, memorandum of records, which gives authority or power to a promoter or a developer for construction on or development of, or sale or transfer of, any immovable property shall be chargeable with stamp duty at the rate of one *per cent* of the market value of the property. Simultaneously, similar provision was also inserted in the GS Act under Article 45(g), where the Power of Attorney (PoA) is given for development of immovable property. However, under Article 45(f), when a PoA is given for consideration and authorising the attorney to sell any immovable property, then stamp duty chargeable shall be as is chargeable on a conveyance deed, i.e., at the rate of 4.9 *per cent* (w.e.f. 01.04.2007) of the amount of consideration or the market value of the property which is the subject matter of such conveyance, whichever is greater.

Accordingly, a document is required to be classified on the basis of the recitals therein and not on the basis of its title. But during compliance audit, we noticed that the documents though styled as development agreements contained recitals so as to classify them as deemed conveyance. Stamp duty is levied either at the rate of one *per cent* of the market value of the property or ₹ 100 only instead of payment of 4.9 *per cent* stamp duty. The developers thus get undue benefit in the disguise of a development agreement. This defeated the intention of the legislation in introducing stamp duty on development agreements for augmenting State revenue as well as benefitting the genuine land owners.

With this background, we examined the system of levy of stamp duty and registration fees on the development agreements/PoAs for development/documents having reference about development agreements between April 2013 and March 2014 in 52¹ out of 262 Sub Registrar offices. We have checked 267 development agreements/PoA given for development of immovable properties and noticed irregularities in 97 documents. Thus, 36.33 *per cent* of the development agreements were entered into for the purpose of evasion of stamp duty and registration fees. In these test checked cases, there was evasion of stamp duty and registration fees of ₹ 23.17 crore. Our findings are discussed in succeeding paragraphs:

¹ Ahmedabad II to XII, Anand, Anjar, Ankleshwar, Bhuj, Bhachau, Bharuch, Deesa, Gandhidham, Gandhinagar, Ghoga, Himatnagar, IGR office-Gandhinagar, Jamnagar I & II, Junagadh, Kadi, Kalol, Kamrej, Mangrol (SRT), Morbi, Mundra, Navsari, Olpad, Porbandar, Pardi, Rajkot I to IV, Sanand, Savli, Superintendent Of Stamps-Gandhinagar, Surat I to IV, Vadodara I to IV, Waghodia

5.3.1 Short levy of stamp duty and registration fees due to misclassification of deeds of deemed conveyance as development agreements

Under Article 45(f) of Schedule I of GS Act, a PoA when given for consideration and authorising the attorney to sell any immovable property, shall be chargeable with higher rate of stamp duty as is chargeable on a conveyance deed.

5.3.1.1 During test check of the documents registered between March 2010 and September 2012 in the office of 15 Sub Registrars (SRs)², recitals of 21 development agreements revealed that the 51 land owners had given irrevocable powers to 21 developers for sale/transfer of the immovable properties or for retaining possession of such properties till all the units are sold.

In all these cases, consideration total aggregating to ₹ 299.99 crore was either paid in advance or partly paid/agreed to be paid by the developers to the land owners as per the details given below:

Sl. No.	Cases where consideration paid fully/ partly paid/agreed to be paid	Rate of stamp duty and registration fees (in per cent)	Market value (₹ in crore)	Short levy of stamp duty and registration fees (₹ in crore)
1	In seven cases, total consideration amount of ₹ 31.50 crore was paid.	4.9 and 1	31.50	1.62
2	In six cases, out of total consideration of ₹ 128.74 crore, ₹ 63.45 crore was partly paid.	4.9 and 1	128.74	6.26
3	In eight cases of consideration of ₹ 139.75 crore was agreed to be paid.	4.9 and 1	139.75	6.82
	Total (21 cases)		299.99	14.70

These documents were classifiable under Article 45(f) and stamp duty was leviable at the rate of 4.9 per cent on the market value of the property or the consideration which was greater. However, these documents were classified as development agreements and the stamp duty at the rate of one per cent only was levied. The misclassification of these documents resulted in short levy of stamp duty and registration fee of ₹ 14.70 crore.

After this was pointed out, the Department (October 2014) stated that in one case, the Deputy Collector (SDVO) had issued demand notice for recovery and in 18 cases, show-cause notices had been issued for recovery.

² SR-II, III, IV, VI, VII, VIII, IX, X, XI & XII at Ahmedabad, Anand, Navsari, Sanand, Surat-IV and SR-II Vadodara

5.3.1.2 Under Section 2(g) of the GS Act, Conveyance includes the forms³ by which property, whether movable or immovable, or any estate or interest in any property, is transferred to, or vested in, any other person, *inter-vivos*, and which is not otherwise specifically provided for by Schedule I of the Act. As per Section 3 of the GS Act, every instrument shall be chargeable with duty at the prescribed rates mentioned in the Schedule I.

We noticed from the recitals of a document styled and registered as Development Agreement executed between M/s. Ahmedabad Victoria Iron Works Co. Ltd. (land owner-referred to as the Company) and M/s. Lilamani Builders (Developer) that :

- Development rights were given in land admeasuring 10,845.44 sq. mtr. situated in Dariapur-Kazipur (Sim), TP Scheme No. 3, Final Plot No. 100 against acquisition of 96.11 *per cent* share holding of the four share holders of the Company.
- The cost incurred by the Developer for acquiring the shareholding from the four share holders of the Company was treated as cost of acquisition of development rights.
- The consideration price for disposal of the premises (without any limitation, land, construction or any other) in the proposed project shall be exclusively decided from time to time by Developer as it may deem fit (condition no. 6 of the development agreement).
- The Developer was empowered to allow on ownership basis or under any other arrangement the structures to be constructed by it to prospective acquirers, to receive, retain and appropriate the same in such manner as it deem fit (condition no. 22 of the development agreement).
- Developer was entitled to receive and retain all the money from the persons to whom the said premises are sold or allotted as the case may be on the scheme constructed by the Developer on the said property and appropriate the same in such manner as he deem fit (condition no. 22 of the development agreement).
- All the money received which shall be received by the Developer from such persons shall belong to the Developer and will be received by them on their own accounts. The Company shall not be liable for or responsible to any such person so far as the said money are concerned (condition no. 22 of the development agreement).

³ a conveyance on sale, every instrument, every decree or final order of any civil court, every order made by the High Court under Section 394 of the Companies Act, 1956 in respect of reconstruction or amalgamation of companies, or any writing or letter of allotment in respect of the premises, given to its members or allottee by a Co-operative Society registered or deemed to have been registered under the Gujarat Co-operative Societies Act, 1961 or a Corporation or an Association formed and registered under the Bombay Non-Trading Corporation Act, 1959 or the Gujarat Ownership Flat Act, 1973, as the case may be.

- The profit or income or any benefit or loss or deficiency that may arise out of disposal of all the premises (land and construction and infrastructure) of the proposed project or scheme will belong to the Developer (condition no. 26 of the development agreement).
- The said property and said developments thereon shall remain in possession of the Developer and the Developer is entitled to deal with and/or dispose off the same or part thereof in any manner it may deem fit and proper (condition no. 27 of the development agreement).

It becomes evident from the above that the Developer was given absolute right for acquisition and transfer of the property. As such, it was classifiable as deemed conveyance deed. However, the document was classified based on the title of the document and one *per cent* stamp duty on the market value of the property was only levied. This resulted in short levy of stamp duty and registration fees of ₹ 1.67 crore on market value of ₹ 34.05 crore.

After this was pointed out, the Department stated (October, 2014) that the Deputy Collector (SDVO) had examined the issue and treated the instrument as duly stamped. The reply was not correct owing to following reasons:

- The recitals of the deed indicate that the Developer was entitled to receive and retain all the money from the persons to whom the said premises are sold or allotted as the case may be on the scheme constructed by the Developer on the said property and appropriate the same in such manner as he deem fit.
- Further, the recitals of the instrument revealed that all the money received which shall be received by the Developer from such persons shall belong to the Developer and will be received by them on their own accounts.
- The said property and said developments thereon shall remain in possession of the Developer and the Developer is entitled to deal with and/ or dispose off the same or part thereof in any manner it may deem fit and proper

Thus the above facts indicate that the Developer had been given absolute rights to dispose off the property, receive the money and transfer the same to the prospective buyers. As such, it should have been classified as a conveyance deed.

5.3.2 Short levy of stamp duty and registration fees on documents containing distinct matters

As per Section 5 of the GS Act, any instrument comprising of distinct transactions shall be chargeable with aggregate duties with which separate instruments would be chargeable under the Act.

Audit examination of ownership details of the properties sold by way of conveyance deeds registered between November 2011 and December 2012 in

three SR Offices⁴ revealed that in 10 cases, the 23 land owners had entered into development agreements/agreements to sell with ten developers between February, 2010 and June, 2011, and the latter were also given PoA authorising them to take possession of the land, make construction thereon and disposed off the property for consideration. With the help of the PoA, the developers/agreement holders had signed and executed the documents of conveyance in both the capacities as seller as well as developer and none of the land owners had joined or taken part in the execution of the documents. Thus, all the rights, title and interest in the properties were passed on to the developers by way of two documents i.e. development agreements and PoA at the time of execution of these 10 conveyance deeds.

The SRs did not call for the copy of the development agreements and PoAs to ascertain leakage of revenue in these missing transactions of conveyances. Stamp duty and registration fees forgone in the above cases was ₹ 1.84 crore on market value of ₹ 32.72 crore of total land admeasuring 58,962.88 sq. mtr.

After this was pointed out, the Department stated (October, 2014) that in nine cases demand notices had been issued.

5.3.3 Stamp duty on development agreements not ascertained

Under Article 5(ga) of Schedule I of GS Act, stamp duty on development agreements shall be charged at the rate of one *per cent* of the market value of the property. Judgments in the case of *Bhoopati Nath Chakravarti Vs. Basantkumar Dabee, Cal 1098(1106) 3 Bom. HCR 94, Chief Controlling Revenue Authority Board of Revenue, Madras Vs. TV Incs. Cables (Pvt.) Ltd.-1982 (I) MLJ 137 : 95 LW : AIR 1982 Mad.113*) pertaining to levy of stamp duty clarify that though stamp duty is leviable on the instrument and not on those transactions, it is the substance of the transaction as embodied in the instrument and not to the description at the head of the document.

During scrutiny of the registration records of 20 SR offices⁵ for the period 2010 to 2012, we found from the recitals of 56 instruments of conveyance/agreement to sell executed between the 159 vendors and vendees for purchase of flats/individual plots that there were indication of development agreements executed between January 2010 and October 2012 between the land owners and developers. The recitals of the instruments further revealed that multi-storey flats were constructed by developers on behalf of owners of the land as per terms and conditions of agreements, but due stamp duty on these agreements was not levied as per the details given below:

5.3.3.1 Short levy of stamp duty on unregistered/notarised development agreements

Audit scrutiny of the recitals of 33 instruments relating to conveyance revealed that development agreements had been entered into between the

⁴ SR-V and XII Ahmedabad and SR - IV, Vadodara

⁵ SR-II to VI, IX and X Ahmedabad, Ankleshwar, Gandhidham, Kadi, Kalol, Palanpur, SR-I, II and IV Surat, Sanand and SR I to IV, Vadodara

77 land owners and developers between October 2004 and April, 2011, neither the executants submitted the copy of the development agreements nor the SRs called for the copy of the agreements to ascertain proper levy of stamp duty on these instruments. In four instruments, recitals showed that the development agreements were not registered, but notarized and in 29 cases, there were no details of registration/payment of stamp duty. The stamp duty involved in these cases at the rate of one *per cent* applicable for development agreement was ₹ 3.38 crore on the land admeasuring 3,65,841.93 sq. mtr. having market value of ₹ 337.99 crore.

5.3.3.2 Non- levy of stamp duty on entire land given for development

Audit scrutiny of the recitals of 23 instruments of conveyance executed between the 82 land owners and developers revealed that there were indications in the recitals about execution of development agreements between the land owners and developers between March 2004 and March 2012. The Sub Registrars did not call for the copy of the development agreements, but levied stamp duty at the rate of one *per cent* applicable for development agreement on the portion of land conveyed through the instruments of conveyance instead of entire land given for development.

As the stamp duty was leviable on the document of development agreements with reference to entire land given for development, the action to levy extra stamp duty of one *per cent* on the subsequently executed conveyance deeds was not in accordance with the provisions of the Act. Further, the burden of payment of extra duty on these development agreements stands transferred to fellow purchasers of the constructed properties.

The value of the land unsold was ₹ 157.84 crore involving stamp duty of ₹ 1.58 crore.

After this was pointed out, the Department replied (October, 2014) that they had recovered ₹ 34.24 lakh in four instruments and in remaining cases notices have been issued.

5.3.4 Lack of uniformity in levy of registration fees on development agreements registered in the State

The Gujarat Table of Registration Fees prepared by the Government of Gujarat in exercise of the powers conferred by Section 78(2) of the Registration Act, 1908 provides for levy of registration fees on the instruments of conveyance, release for consideration etc. on *ad valorem* scale on the amount of value of consideration or the property to which the document relates. Whereas, as per Article IV of Table of Registration Fees, a fixed registration fee of ₹ 30 is chargeable for the registration of the agreements. The Government while inserting clause (ga) under Article 5 of Schedule I to the GS Act with effect from 1.9.2001, however, did not issue notification/clarification or amend the provisions of Registration Act regarding levy of

registration fees on *ad valorem* scale at par with the instruments of conveyance of immovable properties i.e. one *per cent* of the consideration.

Table given below show the inconsistent rates of registration fees adopted by different SR offices in the State on the deeds of development agreements in the absence of a clear provision/direction in the matter:

(A) Instances where ad valorem registration fees levied:

Sl. No.	Name of Office	Document number and date	Market value/ Consideration (₹ in lakh)	Registration Fees levied at the rate of one <i>per cent</i> (₹ in lakh)
1	SR-Pardi Dist.Valsad	2293 7.3.2013	279.00	2.79
2	SR-Navagam (Surat)	7899 17.9.2013	558.21	5.58
3	SR-Anand	584 21.1.2013	25.49	0.25

(B) Inconsistencies in levy of registration fees:

Sl. No.	Name of Office	Document number and date	Market value/ Consideration (₹ in lakh)	Registration Fees levied (Amount in ₹)	Short levy of Registration Fees (₹ in lakh)
1	SR-III Memnagar Ahmedabad	2365 25.2.2011	38.08	30	0.38
		3287 16.3.2011	79.26	30	0.79
		12731 29.11.2011	270.63	30	2.71
		1757 11.2.2011	116.88	30	1.17
		11163 04.10.2011	1560.30	30	15.60
		1730 21.3.2012	541.70	30	5.42
2	SR-IV Paldi Ahmedabad	7244 6.12.2012	82.55	30	0.83
		3039 20.4.2012	4224.54	30	42.24
3	SR-VIII Sola Ahmedabad	3007 19.4.2012	415.15	30	4.15
		Total short levy of registration fees			

From the above, it was evident that there was lack of uniformity in levy of registration fees on the development agreements registered in the State due to lack of clarity in levy of registration fees. Further, development agreements are not mere agreements but do pass on the developer right, title and interest as far as the construction carried out by him on the land are concerned. Hence, the levy of fixed registration fees as shown in Table (B) above had an impact of short levy of registration fees of ₹ 73.29 lakh at one *per cent* on land valued at ₹ 7,329.09 lakh.

After this was pointed out, the Department stated (October, 2014) that as the development agreements were in the nature of agreements and hence fixed registration fees were only leviable in these documents as per the provisions of Registration Act. The fact, however, remains that inconsistent registration fees are recovered by different offices. The Department may issue necessary clarification to the SR offices for maintaining uniformity in levy of registration fees and also circumvent litigations.

5.4 Undervaluation of property by Deputy Collector (Stamp Duty Valuation Organisation)

Section 31 of the Gujarat Stamp Act, 1958 (GS Act, 1958) provides that the Collector shall determine the duty with which any instrument is chargeable. In case market value determined by the Collector under Section 31 of the Act is less than the market value as per *jantri*, it must be again forwarded to the Collector under Section 32 A of the Act for determination of fair market value. After payment of full duty, the Collector shall certify the same by endorsement on such document.

As per the judgment delivered in case of *CCRA Vs Dr. K. Manjunath Rai*, where the Collector's opinion was sought but the instrument was not presented again for stamping and certification before the Collector, the Collector's opinion cannot be regarded as final and does not preclude other authorities from reopening it under Section 33.

Test check of the records of four Sub Registrar (SR) offices⁶ for the year 2011 and 2012, between May 2013 and October 2013 revealed that in 30 cases, market value opined by the DC (SDVO) under Section 31 was much lower than the market value as per *jantri*⁷. Audit scrutiny revealed that though the opinion of the DC (SDVO) was sought but the instruments were not presented again before the DC (SDVO) for certification under Section 32 of the Act, *ibid*. Five illustrative cases are shown as follows:

(₹ in crore)

Name of Sub Registrar	Document Registration Number	Market value as per <i>jantri</i>	Market value as opined DC(SDVO)	Undervaluation
SR-II, Danteshwar, Vadodara	252/2012	38.60	2.82	35.78
	1699/2012	32.74	3.83	28.91
	3028/2012	12.90	4.05	8.85
SR-II, Udhana, Surat	10722/2012	11.72	7.13	4.59
	12632/2012	10.76	3.20	7.56

⁶ Olpad (Surat), Surat-II (Udhana), IV(Katargam), Vadodara-II(Danteshwar)

⁷ Statement issued by the Government showing the rate for the purpose of determination of value of immovable properties and levy of stamp duty.

The SRs did not calculate the market value as per *jantri* and registered the instruments on the market value as opined by DC (SDVO). In absence of certificate of endorsement on these instruments by DC (SDVO), the SRs were required to refer these cases under Section 32 A of the Act, *ibid*. However, the instruments were not referred by SRs to DC (SDVO) for determination of true market value of the property. In accordance with *jantri* rates, the stamp duty involved in these instruments amounts to ₹ 5.83 crore.

We pointed out these cases to the Department during February to May 2014. The Department stated (September 2014) that in two cases; DC (SDVO) had decided that the document was properly stamped and referred 14 cases to CCRA for adjudication. They had been issued/had been issuing notices in remaining cases.

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.5 Short levy of stamp duty and registration fees due to undervaluation of properties

Section 32 A of the GS Act, 1958 provides that if the officer registering the instrument believes that the consideration set forth in the document presented for registration is not as per the market value of the property, he shall refer the same to the DC (SDVO) for determination of the market value of the property. The market value of the property is to be determined as per the Gujarat Stamp (Determination of Market Value of the Property) Rules, 1984 and the orders issued there under.

During test check of the cases/documents finalised/registered in the two Collector offices and 15 SR offices, we noticed that the market value of the properties was determined incorrectly in 65 documents, which resulted in short levy of stamp duty and registration fees of ₹ 2.84 crore as mentioned in the following table:

(₹ in crore)

Sl. No.	Name of office	Number of documents Period of Registration of documents	Short levy of stamp duty and registration fees
1	Collector: Rajkot, SR: Ahmedabad-III and V, Ankleshwar, Bhuj, Kalol(NG), Palanpur, Rajkot-II and III, Surat-I and II, Vadodara-II	37 Between March 2011 and December 2012	1.84
<p>The Superintendent of Stamps had instructed the SRs vide his circular of 2 April 2008 that wherever the rates in new <i>jantri</i> (Annual Statement of Rates) are lower than that of old <i>jantri</i>, it should be referred to the DC (SDVO) under Section 32A of the Gujarat Stamp Act, 1958. Under Article 20(a) of Schedule I to the Act, in case of conveyance deed, stamp duty is leviable at the rate of 4.9 per cent of the amount of consideration of such conveyance or the market value of the property, whichever is greater.</p> <p>Nature of Observation: (i) We observed in 28 conveyance deeds that the SRs adopted</p>			

incorrect *jantri* rates such as rates of another value zone, rates of block number instead of revenue survey number etc. In other three conveyance deeds, though the land conveyed was non- irrigated land, the SR adopted lower *jantri* rates for irrigated land instead of applicable rate of non- irrigated which was higher. These properties were registered for a consideration amount of ₹ 23.85 crore instead of market value of properties of ₹ 61.47 crore. In above mentioned 31 cases, the stamp duty was required to be levied of ₹ 3.01 crore, but was levied of ₹ 1.41 crore resulting in short levy of stamp duty of ₹ 1.60 crore.

(ii) In one case, the agriculture land was converted (February 2011) into non- agriculture land after payment of premium price fixed of ₹ 3.22 crore. The SR while registering (August 2011) conveyance deed executed by the parties calculated the market value of the property treating the land as agriculture land instead of non- agricultural land for the purpose of levy of stamp duty and also did not consider new *jantri* rates of ₹ 5,250 per sq. mtr. effective from 1 April 2011. The property was registered for a consideration amount of ₹ 3.67 crore instead of market value of property of ₹ 7.05 crore. The stamp duty was leviable of ₹ 34.57 lakh, but was levied of ₹ 20.80 lakh resulting in short levy of stamp duty of ₹ 13.77 lakh.

(iii) Recitals of two conveyance deeds revealed that the SRs adopted lower rates applicable for conveyance of flats for calculating the market value of the property instead of the higher rates applicable for shops. These properties were registered for consideration amount of ₹ 1.08 crore instead of market value of properties of ₹ 2.69 crore. The stamp duty was required to be levied of ₹ 13.20 lakh, but was levied of ₹ 7.85 lakh resulting in short levy of stamp duty of ₹ 5.35 lakh.

(iv) In one sale deed, land admeasuring 499.65 sq. mtr. along with three storey constructed property of 975 sq. mtr was conveyed by the parties. However, while calculating the market value of the property, area of constructed property *i.e.*, 422.62 sq. mtr. of ground floor was only considered. The property was registered for a consideration amount of ₹ 66.10 lakh instead of market value of property of ₹ 126.69 lakh. The stamp duty was required to be levied of ₹ 6.21 lakh, but was levied of ₹ 3.24 lakh resulting in undervaluation of property and consequent short levy of stamp duty of ₹ 2.97 lakh.

(v) In one case of allotment of Government land, stamp duty was levied on the concessional occupancy price of ₹ 12.81 lakh paid by the allottee instead of the market value of the property of ₹ 51.25 lakh decided by the valuation authority. In another case of allotment of *grazing* land, additional occupancy price of ₹ 25.99 lakh collected in the name of "Gauchar Development Fund" was not considered for levy of stamp duty. Undervaluation of properties in these cases resulted in short levy of stamp duty of ₹ 2.20 lakh.

2	SR: Palanpur, Vadodara-IV	2 August 2011 and May 2012	0.33
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Jantri rates were revised with effect from 1 April 2008 and again revised with effect from 1 April 2011. As per the guidelines issued for implementation of revised *jantri* rates, developed land includes land which can be used for non- agriculture purpose, land wherein development can take place or which is capable of being developed e.g. land converted into non- agriculture, land included in development scheme (*Vikas Yojana*)/Town Planning scheme, land purchased under Section 63 A and 63 AA of the Gujarat Tenancy and Agriculture Lands Act, 1948 (GTAL Act) and land included in Special Economic Zone and Information Technology Parks. As per Article 26 of Schedule-I of GS Act, 1958 stamp duty on exchange of property is leviable at the rate of 4.9 *per cent* on the market value of the property of the greatest value.

Nature of Observation: (i) In one conveyance deed agricultural land valued at ₹ 5.50 crore was purchased by non- agriculturist. SR adopted *jantri* rate of agriculture land of ₹ 2,700 per sq. mtr. instead of non- agricultural land of ₹ 5,100 per sq. mtr. resulting in undervaluation of ₹ 8.02 crore and short levy of stamp duty of ₹ 31.15 lakh.

(ii) Recitals of a document titled as deed of exchange of property revealed that a Trust had exchanged land admeasuring 6,317 sq. mtr., with the land admeasuring 9,513 sq. mtr. of an agriculturist. The Trust was a non- agriculturist, hence they had obtained permission from

competent authority under Section 63A of GTAL Act for conversion of agriculture land for non- agriculture purpose. As per the provisions of the Article 26 of the Gujarat Stamp Act, the SR was required to calculate the market value of the property of the Trust, being of the greatest value, with reference to the *jantri* rates of non- agricultural land of ₹ 530 per sq. mtr. However, SR applied *jantri* rates applicable for agricultural land of ₹ 58 per sq. mtr. This resulted in undervaluation of property and consequent short levy of stamp duty of ₹ 2.20 lakh.

3	SR: Ahmedabad-IX, Kalol (NG)	<u>5</u> Between February 2012 and June 2012	0.21
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Nature of Observation: Recitals of five conveyance deeds revealed that the land conveyed was included in Town Planning (TP) Scheme and were allotted final plot numbers after deducting a certain portion of the land. The *jantri* rates finalised by the Government for the particular zone was prior to introduction of TP Scheme and hence the rates of survey number were only available in the *jantri* rates. We noticed that in view of the developmental prospects of the area, the rate of final plots allotted subsequent to introduction of TP Scheme will always be higher than that of the rate of survey numbers and hence, the SR while computing the market value of the property should have adopted entire area of land prior to introduction of TP Scheme and applied *jantri* rates available for the respective survey numbers. However, the SR had considered the final plot area and applied rate applicable for survey numbers to work out the market value of the property. These properties were registered for a consideration amount of ₹ 60.74 lakh instead of market value of properties of ₹ 1,068.03 lakh. In above mentioned 5 cases, the stamp duty was required to be levied of ₹ 52.33 lakh, but was levied of ₹ 31.40 lakh resulting in short levy of stamp duty of ₹ 20.93 lakh.

4	Collector : Rajkot, Surendranagar SR: Kalol (NG)	<u>13</u> Between November 2007 and December 2012	0.15
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Under Article 20(a) of Schedule I to the GS Act, 1958, in case of conveyance deed, stamp duty is leviable at the rate of 4.9 *per cent* of the amount of consideration of such conveyance or the market value of the property, whichever is greater. The Government of Gujarat decided vide Resolution dated 13 July 1983 to allow conversion of land from new and restricted tenure to old tenure for sale/transfer for agricultural purpose or non- agricultural purposes subject to payment of premium price at prescribed rates fixed by the Government from time to time. Government decided that new *jantri* rates as approved by the Government shall be applicable in all the cases for fixation of premium price from 1 April 2008.

Nature of Observation: Recitals of 13 documents⁸ revealed that new and restricted tenure⁸ land was conveyed to Companies/ Trust with/without permission of competent authority under Section 63AA of GTAL Act. We observed from recitals of documents that liability for payment of premium price was passed on to purchaser. While calculating the consideration amount, the SR did not consider the premium price payable by the purchaser on behalf of the seller. The stamp duty was levied on market value of the property whereas the consideration amount was higher than the market value of the property. This resulted in short levy of stamp duty and registration fees of ₹ 14.77 lakh.

5	SR:Vadodara-IV, Ahmedabad-VII	<u>2</u> Between December 2011 and February 2012	0.12
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As per the guidelines of Annual Statements of Rates (ASR) effective from 1 April 2011, the terrace of the flat/ offices should be valued at the rate of 40 *per cent* of the market value of the property covered in the respective zone.

⁸ “New and restricted tenure” means the tenure of occupancy which is non-transferable and impartible without the prior approval of the Collector.

Nature of Observation: Recitals of above documents revealed that rights of terrace were passed on to the developers/confirming party by the land owners at the time of sale of flats to the purchasers, but SR did not consider the terrace rights retained by the developers. This resulted in short levy of stamp duty and registration fees of ₹ 11.59 lakh.			
6	SR: Palanpur	<u>2</u> August 2011 and September 2011	0.09
IGR in his circular dated 26 November 2007 instructed SRs to include area of common plot, internal road etc., in total area of land for arriving at the market value of property for the purpose of levy of stamp duty.			
Nature of Observation: Recitals of conveyance deeds revealed that the land owners had conveyed non- agricultural plots including common plot and internal road. We observed that for the purpose of levy of stamp duty, the SRs did not include areas of common plots, internal roads, parking plot etc. in the total area of land for calculation of the market value of the property conveyed. These properties were required to be registered for a market value of ₹ 3.35 crore, but were registered for a market value of ₹ 1.47 crore resulting in short levy of stamp duty of ₹ 9.22 lakh.			
7	SR: Ahmedabad-IV, Surat-I	<u>2</u> August 2012 and September 2012	0.05
Nature of observation:- In one conveyance deed recitals revealed that while calculating the market value of property the SR adopted incorrect area of land of 3,900 sq. mtr. instead of correct area of land of 4,200 sq. mtrs. In another conveyance deed recitals revealed that while calculating the market value of land the SR adopted net area of 1,555.61 sq. mtr. instead of gross area of land of 1,911.50 sq. mtrs. The stamp duty was required to be levied on ₹ 59.18 lakh, but was levied on ₹ 54.29 lakh resulting in short levy of stamp duty of ₹ 4.89 lakh in these cases.			
8	SR : Surat-I	<u>1</u> July 2012	0.03
As per the guidelines of ASR 2011, where agriculture land is purchased for industrial purpose with the permission of competent authority and total area of such land is more than 10,000 sq. mtr. rebate of 20 <i>per cent</i> may be allowed in <i>jantri</i> rates for valuation of property. However, the executors have to present copy of the orders of the competent authority at the time of registration of instrument.			
Nature of Observation: Recitals of a conveyance deed revealed that land was purchased for a purpose other than industrial i.e., residential purpose. The SR had incorrectly allowed 20 <i>per cent</i> reduction in actual market value for levy of stamp duty. This resulted in short levy of stamp duty of ₹ 2.96 lakh.			
9	SR : Surat-I	<u>1</u> March 2012	0.02
As per guidelines issued in the new <i>jantri</i> rates effective from 1 April 2011, when the conveyed shop is situated in a Mall, Arcade or Multiplex, no rebate for floor or frontage should be given, while calculating the market value of the property for the purpose of levy of stamp duty.			
Nature of Observation: Recitals of documents in the above case revealed that conveyed property was a shop situated in the second floor of an Arcade. The SR while calculating the market value of the property had provided rebate, though was not applicable for this case. The property was required to be registered for a market value of ₹ 141.29 lakh, but was registered for a market value of ₹ 92.19 lakh resulting in short levy of stamp duty of ₹ 2.07 lakh.			
Total		65	2.84 crore

We pointed out these cases to the Department in February to May 2014. The Department stated (September 2014) that in 20 cases; DC (SDVO) had decided that the document was properly stamped and had referred one case to CCRA for adjudication. They had recovered ₹ 11.79 lakh in 10 cases and had issued/had been issuing notices in remaining cases.

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.6 Short levy of stamp duty and registration fees due to misclassification of documents

Under Section 3 of the GS Act, 1958 every instrument mentioned in Schedule-I shall be chargeable with duty at the prescribed rates. As per various court judgments, at the time of registration of document, regard should be given to the substance of the document and not to the description at the head of the document.

During test check (August 2012 to October 2013) of documents registered with seven SR offices, we noticed that nine documents registered were classified on the basis of their titles and the stamp duty and registration fees were levied accordingly. Scrutiny of the recitals of these documents revealed that the documents were misclassified. This resulted in short levy of stamp duty and registration fees of ₹ 1.06 crore as mentioned in the following table:

(₹ in lakh)

Sl. No.	Name of office	Number of documents/ Amount of loan or consideration/ market value	Stamp duty and registration fees leviable	Stamp duty and registration fees levied	Short levy of stamp duty and registration fees
1	SR Surat-II	<u>1</u> 12,885.00	90.19	Negligible	90.19
<p>As per Article 36 (c) of Schedule I to GS Act, 1958, in case of mortgage deed, when a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above mentioned purpose is given, where the principal or primary security is duly stamped, stamp duty is leviable at the rate of 0.70 <i>per cent</i>.</p> <p>Nature of observation: Recitals of documents indicated that the mortgagor had taken loan from bank and executed mortgage deed in March 2012 and title deeds of immovable properties were deposited. After three months of execution of mortgage deed, a deed of rectification was executed and immovable properties were brought as additional securities to secure the loan already granted by bank. Stamp duty at the rate of 0.70 <i>per cent</i> was required to be levied under Article 36 (c) of Schedule I to GS Act, 1958. However, SR treated the document as rectification deed of original mortgage and levied stamp duty of ₹ 100 only. Misclassification of the deed resulted in short levy of stamp duty of ₹ 90.19 lakh.</p>					
2	SR: Ahmedabad-V and VII, Rajkot-IV, and Sanand.	<u>5</u> 213.83	11.91	0.25	11.66

Under Explanation-I below Section 2 (g) (v) of the GS Act, 1958, an instrument whereby a co-owner of any property transfers his interest to another co-owner of the property and which is not an instrument of partition shall be deemed to be an instrument by which property is transferred *inter vivos*⁹. As per Article 20 of the Schedule-1 of the GS Act, 1958 stamp duty on instrument of conveyance is leviable on the market value of the property or the consideration for such conveyance, whichever is greater. The registration fee is leviable on the amount of consideration mentioned in the document.

Nature of observation:- (i) In one case the recital of document indicated that two sisters had released their right, title, interest in favour of four brothers without taking any consideration amount by executing consent deed. The deed was required to be classified as release¹⁰ deed and levied stamp duty and registration fees applicable for a conveyance deed. However, the SR levied stamp duty and registration fees of ₹ 530 only in this consent deed. This resulted in short levy of stamp duty and registration fees of ₹ 4.29 lakh.

(ii) Two documents of declaration cum power of attorney were executed (October 2011) by the minor co-owners of a property through their natural guardians. Recitals of the documents indicated that on behalf of minors the two natural guardians accepted ₹ 35 lakh each as additional consideration in lieu of development agreement cum sale deed executed (May 2010) in favour of the purchaser. However, SR did not levy stamp duty and registration fees on the additional consideration received for release of their right by the recipients. This resulted in short levy of stamp duty and registration fees to the extent of ₹ 4.13 lakh.

(iii) Recitals of a document titled as partition deed indicated that industrial shed valued at ₹ 44.54 lakh was partitioned among four partners along with cash/shares of companies valuing ₹ 20.82 lakh. One partner received entire immovable property as his share, while the other co-owners received cash in lieu of their share. We noticed with reference to the definition of partition that there was no division of property in severalty and hence, the transfer of immovable property in favour of a partner would require the document to be classified as release deed, where stamp duty was required to be charged as applicable for a conveyance deed. However, the document was classified as partition deed and levied stamp duty applicable for partition deed which was less than that of a conveyance deed. This resulted in short levy of stamp duty of ₹ 2.01 lakh.

(iv) In one case the recital of the document indicated that four persons had purchased a flat jointly in the year 2010. The three co-owners released their share in favour of one co-owner for consideration of ₹ 26.40 lakh. The document was required to be classified as release for consideration, where stamp duty and registration fees was chargeable as in the case of conveyance deed. However, the SR classified the document as partition deed and levied stamp duty applicable for partition deed which was less than that of a conveyance deed. This resulted in short levy of stamp duty of ₹ 1.23 lakh.

3	SR Jamnagar-II and Sanand	<u>2</u> 4,000.00	8.40	5.40	3.00
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Under Article 36 (b) read with Section 3A of the GS Act, 1958, when possession of the property or any part of the property comprised in such deed is not given or not agreed to be given by the mortgagor, stamp duty at the rate of 0.35 *per cent* subject to a maximum of ₹ 1.40 lakh is leviable in case where the loan amount does not exceed ₹ 10 crore. In case the loan amount exceeds ₹ 10 crore, the stamp duty leviable shall be at the rate of 0.50 *per cent* subject to a maximum of ₹ 4.20 lakh.

As per the instructions issued by the IGR in July 1993, if documents styled as deposit of title deed contain recitals such as power of attorney, provision of payment of compound interest, any mention about execution of any writing or document, etc., the documents are classifiable as mortgage deed.

Nature of observation:- (i) Recital of document indicated that the borrowers had taken

⁹ **inter vivos** adj. Latin for "among the living," usually referring to the transfer of property by agreement between living persons and not by a gift through a will. .

¹⁰ Release that is to say, whereby a person renounces a claim upon another person or against any specified property.

loan of ₹ 20 crore from a bank and executed two documents (December 2010 and September 2012) of memorandum of deposit of title deed and paid total stamp duty of ₹ 1.00 lakh and ₹ 1.40 lakh respectively. We noticed that since the charge has been created for a loan amount of more than ₹ 10 crore, the stamp duty of ₹ 4.20 lakh was required to be levied on the second document executed in September 2012. This resulted in short levy of stamp duty of ₹ 1.80 lakh.

(ii) Recital of document titled Record of mortgage contained conditions such as to create security in favour of the bank to secure due repayment, discharge and redemption of financial facilities granted to the borrower, by execution of other documents as may be required by bank, etc., which clearly indicate creation of charge over properties. The SR has classified the document as equitable mortgage under Article 6(1) (a) instead of mortgage under Article 36(b) of Schedule-I of GS Act, 1958. Thus, misclassification of document and non-levy of additional stamp duty resulted in short levy of stamp duty of ₹ 1.20 lakh.

4	SR Jamnagar-II	<u>1</u> 89.78	1.12	Negligible	1.12
<p>Section 2 (m) of the GS Act, 1958 defines an instrument of partition as any instrument whereby co-owners of any property divide or agree to divide such property in severalty. As per Article 43 of Schedule-I to the GS Act, the stamp duty is leviable at the rate of 0.25 per cent on the amount of the market value of the separated share or shares of the property subject to maximum of ₹ one lakh where the market value of property is ₹ 10 crore. As per Registration Act, 1908, registration fees on the composition deed, gift deed, and partition deed, etc., shall be levied at <i>ad valorem</i> scale on the amount or value of the property.</p> <p>Nature of observation: Recital of dissolution of partnership deed indicated that four partners brought their land as capital into the partnership firm and constructed residential apartments/office on the land. On dissolution, the unsold apartments/office was divided among the four partners. Being co-owners of the property, division of the constructed property would tantamount to partition and hence, stamp duty and registration fees as was chargeable as in the case of a partition deed. However, the document was levied with stamp duty and registration fees of ₹ 230 only. This resulted in short levy of stamp duty and registration fees of ₹ 1.12 lakh.</p>					
Total		2 17,188.61	111.62	5.65	105.97

The Department stated (September 2014) that in one case the DC (SDVO) had passed order for recovery of deficit stamp duty. The Department issued notices in eight cases for levy of stamp duty.

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.7 Short levy of stamp duty and registration fees on documents comprising several distinct matters

As per Section 5 of the GS Act, 1958, any instrument comprising of several distinct matters or distinct transactions shall be chargeable with aggregate amount of duties with which separate instruments would be chargeable under the Act.

During test check of the records of four SR offices for the period 2011 and 2012, we noticed from the recitals of nine documents that it contained more than one distinct matter or transaction which attracts levy of aggregate stamp

duty and registration fees. However, the SR failed to take cognizance of the recitals of the document and did not levy the aggregate stamp duty and registration fees chargeable on each such distinct matter. This resulted in short levy of stamp duty and registration fees of ₹ 91.36 lakh as mentioned in the table below:

(₹ in lakh)					
Sl. No.	Name of office	Number of documents/ Period of registration of documents	Stamp duty and registration fees leviable	Stamp duty and registration fees levied	Short levy of stamp duty and registration fees
1	SR:Ahmedabad-III and Jamnagar-II	7 February 2011 and April 2012	76.99	30.74	46.25
<p>As per Explanation I under Section 2(g) of the GS Act, 1958 an instrument whereby a co-owner of any property, transfers his interest to another co-owner of the property and which is not an instrument of partition as defined in Section 2(m)¹¹ shall be deemed to be an instrument by which property is transferred <i>inter-vivos</i> and is chargeable to duty as conveyance. A conveyance deed is chargeable with stamp duty at the rate of 4.9 <i>per cent</i> of the market value of the property or the consideration for such conveyance, whichever is greater.</p> <p>Nature of observation:- Recitals of seven conveyance deeds revealed that there were two distinct transactions i.e. (1) relating to the relinquishment of right, title and interest in the property by some co-owners to other co-owner/s of the property, which is tantamount to release deed where stamp duty applicable for a conveyance deed was leviable and (2) sale of the property by the other co-owners in favour of the purchaser. The co-owners who relinquished their right in the property had joined in the document as confirming parties to express their consent for sale, while stamp duty and registration fees were charged on the document only on the sale of property by the co-owners in favour of the purchaser. Thus, not charging aggregate amount of stamp duty and registration fees leviable for release deed and conveyance deed resulted in short levy of stamp duty and registration fees of ₹ 46.25 lakh.</p>					
2	SR : Vadodara-IV	1 March 2012	218.04	175.70	42.34
<p>As per Article 43 of Schedule I of GS Act, 1958 the stamp duty on partition deeds shall be levied subject to maximum of one lakh rupees, at the rate of 0.25 <i>per cent</i> for the amount of the market value of the separated share or shares of the property if it does not exceed rupees ten crore and if the same exceeds rupees ten crore the stamp duty is leviable at the rate of 0.5 <i>per cent</i>, subject to maximum of three lakh rupees. Similarly, registration fees at the rate of one per cent shall be levied on partition deeds according to Article I (3) read with Note 3 of the Gujarat Table of Registration fees.</p> <p>Nature of observation:- Land admeasuring 33,128.45 sq. mtr. was purchased by registered conveyance deed on 26.9.2008 by two parties jointly having undivided 1/3rd and 2/3rd share on the entire land. Subsequently, a document was executed and registered (28.03.2012) by the parties wherein their respective shares in the property was clearly demarcated and also a portion of the land admeasuring 8,360 sq. mtr. was conveyed by one of the party in favour of a purchaser. We noticed that the deed contained two distinct matters i. e, (1) undivided shares in the land was partitioned between the co-owners, which tantamount to partition deed and (2) conveyance deed between one of the co-owner and the purchaser. The SR levied stamp duty and registration fees only on the conveyance deed which resulted in short levy of stamp duty and registration fees of ₹ 42.34 lakh chargeable on the aspect of partition.</p>					

¹¹ Instrument of partition means any instrument whereby co-owners of any property divide or agree to divide such property in severalty.

3	SR:Ahmedabad -IV	<u>1</u> March 2012	9.21	6.44	2.77
<p>As per Explanation I under Article 20, it is mentioned that in case of transfer of possession before, at the time of, or after the execution of agreement of sale or irrevocable power of attorney shall be treated as deemed conveyance and duty shall be chargeable accordingly.</p> <p>Nature of observation:- Recitals of a conveyance deed revealed that original land owner had executed irrevocable power of attorney (IPoA) in favour of two persons after receipt of ₹ 18 lakh from the IPoA holder which was notarised on 30.12.1999 with a stamp of ₹ 100 only. The IPoA holders executed the present sale deed and conveyed the property to the purchaser. We noticed that the PoA executed in 1999 was not levied with proper stamp duty and hence cannot be admissible as evidence. In view of this, the present sale deed contained two distinct matters (i) irrevocable PoA between land owner and power of attorney holders and (ii) conveyance deed between power of attorney holders and present purchaser. The SR levied stamp duty and registration fees only in respect of the present sale deed and did not levy stamp duty and registration fees on the conveyance between the original land owner and the irrevocable PoA holder. This resulted in short levy of stamp duty and registration fees of ₹ 2.77 lakh.</p>					

We pointed out these cases to the Department in February and April 2014. The Department stated (September 2014) that they had issued/had been issuing notices in these cases.

We pointed out the case to the Government in June 2014; their replies have not been received (November 2014).

5.8 Non- levy of stamp duty and registration fees on document of amalgamation of Companies

As per Article 20(d) of Schedule-I to the GS Act, 1958, stamp duty at one *per cent* is leviable in case of amalgamation or reconstruction of Companies by an order of the High Court subject to maximum of ₹ ten crore. The said duty is leviable on market value of shares and consideration, if any, paid for such amalgamation or true market value of the immovable property situated in the State of Gujarat of the transferor Company, whichever is higher.

Test check of the records of SR-IV, Rajkot for the year 2012, in June 2013, we noticed in one document that land admeasuring 8,749.66 sq. mtr. was owned by six Companies who had applied in the High Court for amalgamation with one another Company. The amalgamation scheme was approved by High Court in the year 2012. The aforesaid land was transferred by Transferor Companies to Transferee Company by registering a deed of declaration. We noticed that no stamp duty and registration fee was levied on this deed of amalgamation. This resulted in non- levy of stamp duty and registration fees at one *per cent* each on the value of immovable property of ₹ 18.68 crore aggregating to ₹ 37.36 lakh.

We pointed out this case to the Department in March 2014. The Department accepted (September 2014) our observation and recovered ₹ 26.86 lakh.

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.9 Instruments not duly stamped

Section 17 of the GS Act, 1958 prescribes that all instruments chargeable with duty and executed by any person in the State shall be stamped before or at the time of execution or immediately thereafter on the next working day following the date of execution.

Test check of the records of three SR offices¹² for the year 2011 and 2012, between August 2012 and October 2013, we noticed in six documents that the stamps of ₹ 9.78 lakh were used after the prescribed time from the date of execution of the documents. As such the documents were not stamped according to the provisions of the Gujarat Stamp Act, 1958 and therefore, cannot be held as duly stamped. The registering authorities instead of referring the documents under Section 33 of the Gujarat Stamp Act to DC (SDVO) for the validation of stamps used after prescribed time from the date of execution had allowed the registration of such documents in contravention of the provisions of the Act. This resulted in short levy of stamp duty of ₹ 9.78 lakh due to use of invalid stamps.

We pointed out these cases to the Department in February and May 2014. The Department stated (September 2014) that they had issued/had been issuing notices in these cases.

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.10 Short levy of stamp duty and registration fees on dissolution of partnership

As per Article 44(3)(a) of Schedule I to the GS Act, 1958 where any immovable property is taken as his share on dissolution of partnership by a partner other than a partner who brought that property as a share or contribution to partnership, stamp duty is chargeable at the rate applicable on a conveyance. As per Article 44(3)(b), stamp duty payable on dissolution of partnership is ₹ 100.

During test check of the records of two SR offices¹³ for the year 2012, between June 2013 and October 2013, we noticed that the recitals of the two documents indicated that the immovable properties were taken by person other than the partners who brought their property as share or contribution to partnership. In these cases, the market value of properties was ₹ 1.91 crore. The Department did not levy stamp duty and registration fees on the transfer of property by treating these as conveyance deeds. This resulted in short levy of stamp duty and registration fees of ₹ 9.03 lakh.

We pointed out these cases to the Department in May 2014. The Department stated (September 2014) that they had issued/had been issuing notices in these cases.

¹² Ahmedabad-III (Memnagar), IX(Bopal) and Bhuj

¹³ Jamnagar-II and Surat-II (Udhana)

We pointed out these cases to the Government in June 2014; their replies have not been received (November 2014).

5.11 Short levy of registration fees

As per Section 78 of the Registration Act, 1908 registration fees on partnership deed is payable on *ad valorem* scale at the rate of one *per cent* of the consideration amount or value of the property.

During test check of the records of SR-IV, Gorva, Vadodara for the year 2012, in June 2013, we noticed that in one document registered as partnership deed, registration fees was levied on consideration amount mutually decided by the partners instead of market value of property. This resulted in short levy of registration fees of ₹ 8.35 lakh.

We pointed out the case to the Department in May 2014. The Department stated (September 2014) that they had issued notice in the case.

We pointed out the case to the Government in June 2014; their reply have not been received (November 2014).