

CHAPTER IV: STAMP DUTY

4.1 Tax administration

Receipts from the stamp duty and registration fees are regulated under the Indian Stamp Act, 1899 (IS Act), Registration Act, 1908 (IR Act), Punjab Stamp Rules, 1934, as adopted by the Government of Haryana and the Haryana Stamp (Prevention of Undervaluation of Instruments) Rules, 1978. The Additional Chief Secretary, Revenue and Disaster Management Department, Haryana is responsible for the administration of the registration of various documents. The overall control and superintendence over levy and collection of stamp duty and registration fees vests with the Inspector General of Registration (IGR), Haryana. The IGR is assisted by Deputy Commissioners (DCs), tehsildars and naib tehsildars acting as Registrars, Sub Registrars (SRs) and Joint Sub Registrars (JSRs) respectively.

4.2 Results of audit

In 2016-17, test check of the records of 101 out of 131 units of the Revenue Department revealed non/short levy of stamp duty and registration fees and other irregularities involving ₹ 81.14 crore in 836 cases, which are depicted in **Table 4.1** below.

Table 4.1- Results of audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1	Short levy of stamp duty on registration of residential/commercial property	1	45.44
2	Non/short recovery of stamp duty and registration fees due to <ul style="list-style-type: none"> • undervaluation of immovable property • misclassification of instruments 	208 286	9.55 19.76
3	Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds	74	0.62
4	Irregular exemption of stamp duty on mortgage deeds/compensation certificates to land acquired	124	3.62
5.	Miscellaneous irregularities	143	2.15
	Total	836	81.14

During the year, the Department accepted under-assessment and other deficiencies amounting to ₹ 57.78 crore involved in 348 cases of which 342 cases involving ₹ 57.77 crore are pointed out during the year and rest in earlier years. The Department recovered ₹ 1.44 lakh in six cases relating to the earlier years.

Significant cases involving ₹ 66.69 crore are discussed in the following paragraphs.

4.3 Levy of stamp duty on registration of residential/commercial property

4.3.1 Introduction

Stamp duty is leviable on the execution of instruments as per Schedule I-A of the Indian Stamp Act, 1899 (IS Act) and Registration Fees is payable at the prescribed rates fixed by the State Government. The records of the offices of SRs/JSRs in 21 districts¹ in the State for the years 2013-14 to 2015-16 were test checked to ascertain whether stamp duty and registration fees are levied correctly on the basis of rate fixed for residential/commercial property on sale of agriculture land within/outside municipal limits with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1000 square yards. Short levy of stamp duty and registration fees in 1,468 cases (four per cent) out of 36,836 cases test checked in respect of registration of residential/commercial property was noticed as discussed in the paragraphs below:

4.3.2 Short levy of stamp duty and registration fees due to undervaluation of residential/commercial properties as agriculture properties

Under the provisions of the Section 2 (10) of the Indian Stamp Act, 1899 as applicable to the State of Haryana, 'conveyance' includes conveyance on sale and every instrument by which property, whether moveable or immovable, is transferred *inter vivos* and which is not otherwise specifically provided for by Schedule 1-A of the Indian Stamp Act. Further, as per Section 47-A (1) of the Indian Stamp Act, if the registering officer has reasons to believe that the value of the property or the consideration, has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value or consideration, as the case may be and the proper duty payable thereon.

Scrutiny of records of 104 SRs/JSRs in 19 districts² revealed that in 637 (two per cent) out of test checked 36,679 cases registered between April 2013 and March 2016, stamp duty and registration fees was charged on the basis of rates fixed for agricultural land instead of residential/commercial rates in these cases. The value of these properties were assessed at ₹ 530.33 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 28.86 crore. However,

¹ Ambala, Bhiwani, Faridabad, Fatehabad, Gurugram, Hisar, Jhajjar, Jind, Kaithal, Karnal, Kurukshetra, Mohindergarh, Nuh, Palwal, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamunanagar.

² Ambala, Bhiwani, Faridabad, Fatehabad, Gurugram, Hisar, Jhajjar, Jind, Kaithal, Karnal, Kurukshetra, Palwal, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamunanagar.

as per land records/khasra numbers given in the Collector's rate lists, these immovable properties were commercial (banquet hall, educational institute, factory, godown, hosiery, nursing home, petrol pump, poultry farm, rice sheller, shop and stone crusher)/residential as per land records (Jamabandis) maintained by the Revenue Department. The value of these properties based on the rates fixed by the Collector for residential/ commercial properties were liable to be assessed for ₹ 1,175.84 crore on which stamp duty and registration fees of ₹ 64.35 crore was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 35.49 crore (stamp duty ₹ 35.28 crore and registration fees ₹ 0.21 crore) due to valuation of residential/commercial properties as agricultural properties. Some interesting cases are discussed below:

(i) Scrutiny of records of SR Matlauda revealed that a Deed³ was registered as agricultural land at ₹ 25.58 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 1.28 crore. However, as per land records/khasra numbers given in the Collector's rate lists, the immovable property was commercial (cement factory) as per land records (Jamabandis) maintained by the Revenue Department. The value of the property based on the rates fixed by the Collector for commercial property was liable to be assessed for ₹ 45.28 crore on which stamp duty and registration fees of ₹ 2.27 crore was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 0.99 crore due to valuation of commercial property as agricultural property.

(ii) Scrutiny of records of SR Karnal revealed that a Deed⁴ was registered as agricultural land. The value of this property was assessed at ₹ 3.50 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 24.65 lakh. However, as per land records/khasra numbers given in the Collector's rate list, the immovable property was residential as per land records maintained by the Revenue Department. The value of the property based on the rates fixed by the Collector for residential land was liable to be assessed for ₹ 10.87 crore on which stamp duty and registration fees of ₹ 76.21 lakh was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 51.56 lakh due to valuation of residential land as agricultural property.

(iii) Scrutiny of records of SR Ganaur revealed that a Deed⁵ was registered as agricultural land. The value of this property was assessed at ₹ 7.96 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 39.82 lakh. However,

³ Deed No. 206 dated April 2015.

⁴ Deed No. 5545 dated October 2015.

⁵ Deed No. 2950 dated August 2014.

as per land records/khasra numbers given in the Collector's rate lists, the immovable property was commercial (poultry farm) as per land records (Jamabandis) maintained by the Revenue Department. The value of the property based on the rates fixed by the Collector for commercial property was liable to be assessed for ₹ 15.09 crore on which stamp duty and registration fees of ₹ 75.43 lakh was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 35.61 lakh due to valuation of commercial property as agricultural property.

(iv) Scrutiny of records of SR Sonepat revealed that a Deed⁶ was registered as agricultural land. The value of this property was assessed at ₹ 24.70 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 1.24 crore. However, as per land records/khasra numbers given in the Collector's rate lists, the immovable property was commercial (Engineering College) as per land records (Jamabandis) maintained by the Revenue Department. The value of the property based on the rates fixed by the Collector for commercial property was liable to be assessed for ₹ 49.55 crore on which stamp duty and registration fees of ₹ 2.48 crore was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 1.24 crore due to valuation of commercial property as agricultural property.

(v) Scrutiny of records of SR Nilokheri revealed that two Deeds⁷ were registered treating the land as agricultural land. The value of these properties were assessed at ₹ 12.35 crore based on the rates fixed by the Collector for agricultural land on which the department levied stamp duty and registration fees of ₹ 62.03 lakh. However, as per land records/khasra numbers given in the Collector's rate lists, the immovable property was industrial land as per land records (Jamabandis) maintained by the Revenue Department. The value of the property based on the rates fixed by the Collector for commercial property was liable to be assessed for ₹ 24.91 crore on which stamp duty and registration fees of ₹ 1.75 crore was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 1.13 crore due to valuation of commercial property as agricultural property.

On this being pointed out, all the JSRs/SRs stated (between April 2016 and April 2017) that the cases had been/would be sent to the Collectors under Section 47-A of the Indian Stamp Act and action would be taken as per rules.

⁶ Deed No. 11605 dated March 2015.

⁷ Deed Nos. 1594 and 1595 dated September 2015.

4.3.3 Short levy of stamp duty and registration fees due to application of incorrect rates of immovable property

Stamp duty leviable on sale, exchange and gift deeds is defined in Articles 23, 31 and 33 respectively in the Schedule 1A of the Indian Stamp Act, 1899. Further, as per notification issued in January 2011, the Haryana Government remitted the stamp duty in respect of sale deeds executed by the farmers whose land was acquired by the Government for public purposes on purchase of agricultural land in the State within two years of the receipt of amount of compensation. The remission will be limited to the compensation amount only and the additional amount involved for the purchase of agricultural land will be liable to stamp duty as per rules. However, as per Government instructions issued in November 2000, agricultural land sold within/outside municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, be valued at the rate fixed for residential property of that locality for the purpose of levying stamp duty.

Failure to implement the above instructions resulted in short levy of stamp duty and registration fees of ₹ 9.95 crore (stamp duty ₹ 9.39 crore and registration fees ₹ 0.56 crore) in the cases depicted below:

Issue	Brief of the case	Shortage of (₹ in crore)			Reply of the department
		SD	RF	Total	
Short levy of stamp duty and registration fees due to application of incorrect rates of agricultural land less than 1,000 sq. yards	Scrutiny of records of 104 SRs/JSRs in 17 districts ⁸ revealed that 806 (two per cent) out of test checked 36,679 cases registered between June 2013 and March 2016 were assessed at ₹ 60.22 crore based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 3.02 crore. However, these deeds were liable to be assessed for ₹ 256.03 crore based on the rates fixed for residential property of the areas and stamp duty and registration fees of ₹ 12.50 crore was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 9.48 crore.	8.95	0.53	9.48	SR Hisar stated in October 2016 that three cases amounting to ₹ 3.37 lakh had been decided by the Collector and one case was pending. All the JSRs/SRs of remaining districts stated (between April 2016 and March 2017) that the cases had been sent to the Collectors under Section 47-A of the Indian Stamp Act and action would be taken as per rules.
Short levy of stamp duty and	Scrutiny of records of 11 SRs/JSRs in six districts ⁹	0.21	0.01	0.22	All the JSRs/SRs stated (between

⁸ Ambala, Bhiwani, Faridabad, Fatehabad, Gurugram, Hisar, Jhajjar, Jind, Karnal, Kurukshetra, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamunanagar.

⁹ Ambala, Faridabad, Fatehabad, Hisar, Jhajjar and Rohtak.

Report for the year 2016-17 (Revenue Sector)

Issue	Brief of the case	Shortage of (₹ in crore)			Reply of the department
		SD	RF	Total	
registration fees in case of exchange of agricultural land less than 1,000 sq. yards due to application of incorrect rates	revealed that 15 (24 per cent) out of test checked 63 cases registered between March 2015 and February 2016 were assessed at ₹ 98.63 lakh based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 6.66 lakh. However, these deeds were liable to be assessed for ₹ 4.64 crore based on the rates fixed for residential property of the areas on which stamp duty and registration fees of ₹ 29.31 lakh was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 22.65 lakh.				June 2016 and January 2017) that the cases had been sent to the Collectors under Section 47-A of the Indian Stamp Act and action would be taken as per rules.
Short levy of stamp duty and registration fees in case of gift of agricultural land less than 1,000 sq. yards due to application of incorrect rates	Scrutiny of records of SRs, Gurugram and Israna revealed that two (four per cent) out of test checked 53 cases registered in May and September 2015 were assessed at ₹ 22.29 lakh based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 1.49 lakh. However, these deeds were liable to be assessed for ₹ 1.37 crore based on the rates fixed for residential property of the areas on which stamp duty and registration fees of ₹ 9.25 lakh was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 7.76 lakh.	0.07	0.01	0.08	Both the SRs stated in July 2017 that the cases had been sent to the Collectors under Section 47-A of the Indian Stamp Act and action would be taken as per rules.
Short levy of stamp duty and registration fees in case of purchase of agricultural land less than 1,000 sq. yards from compensation received on acquisition of agricultural land due to application of incorrect rates	Scrutiny of records of three SRs ¹⁰ in Faridabad and Hisar districts revealed that eight (20 per cent) out of 41 test checked cases registered between June 2015 and February 2016 were assessed at ₹ 56.97 lakh based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 3.73 lakh. However, these deeds were liable to be assessed for ₹ 4.77 crore based on the rates fixed for residential property of the areas. As the farmers had received compensation amounting to ₹ 83.05 lakh on	0.16	0.01	0.17	All the SRs/JSRs stated in November 2016 that the cases would be sent to the Collectors under Section 47-A of the Indian Stamp Act and action would be taken as per rules.

¹⁰

Ballabgarh, Mohna and Hisar.

Issue	Brief of the case	Shortage of (₹ in crore)			Reply of the department
		SD	RF	Total	
	account of acquisition of agricultural land, the balance amount of ₹ 3.94 crore was liable to stamp duty and registration fees of ₹ 20.47 lakh was leviable. This resulted in short levy of stamp duty and registration fees of ₹ 16.74 lakh.				
	Total	9.39	0.56	9.95	

In respect of SR Faridabad, SR Ballabhgarh, SR Hisar and JSR Raipurani, the irregularity was found in 24 cases, 28 cases, 28 cases and 32 cases involving short levy of Stamp duty and Registration fee of ₹ 1.63 crore, ₹ 31.53 lakh, ₹ 28.91 lakh and ₹ 27.85 lakh respectively. Some interesting cases are discussed below:

(i) Scrutiny of records of the office of SR Faridabad revealed that two agricultural plots falling within the municipal limits were registered vide deeds¹¹ as agricultural land. The registering authorities assessed these deeds at ₹ 45.90 lakh based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 3.34 lakh. However, these deeds were liable to be assessed for ₹ 3.73 crore based on the rates fixed for residential property of the areas and stamp duty and registration fees of ₹ 26.28 lakh was leviable as the area of the land in these cases were less than 1,000 square yards. This resulted in short levy of stamp duty and registration fees of ₹ 22.94 lakh.

(ii) Scrutiny of records of the office of SR Gurugram revealed that two agricultural plots falling within the municipal limits were registered vide deeds¹² as agricultural land. The registering authorities assessed these deeds at ₹ 1.28 crore based on the rates fixed for agricultural land and levied stamp duty and registration fees of ₹ 9.11 lakh. However, these deeds were liable to be assessed for ₹ 3.67 crore based on the rates fixed for residential property of the areas and stamp duty and registration fees of ₹ 25.81 lakh was leviable as the area of the land in these cases were less than 1,000 square yards. This resulted in short levy of stamp duty and registration fees of ₹ 16.70 lakh.

¹¹ Deed Nos. 751 and 10033.

¹² Deed Nos. 6413 and 18187.

Conclusion

Instances of non-compliance with various provisions of the Indian Stamp Act in respect of valuation of residential/commercial immovable property and sale/exchange/gift deeds and land purchased from the amount of compensation received, agricultural land sold within/outside municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, were noticed resulting in short levy of stamp duty and registration fees of ₹ 45.44 crore (stamp duty ₹ 44.67 crore and registration fees ₹ 0.77 crore).

The above points were reported to the Government in May 2017: their replies were awaited (October 2017).

4.4 Short levy of stamp duty due to misclassification of sale deeds as collaboration agreement

Registering Authorities misclassified sale deeds as collaboration agreements instead of agreement to sell in six agreements resulting in short levy of stamp duty of ₹ 7.35 crore.

As per Haryana Government notification issued in October 2013, any agreement that relates to giving authority or power to a promoter or a developer, by whatever name called, for construction on, development of or, sale or transfer (in any manner whatsoever) of, any immovable property shall be liable to stamp duty as is leviable on a conveyance for sale of immovable property. Cases of misclassification of deeds were printed in earlier reports. The Public Account Committee in 74th report had desired that status Report with regard to Collaboration agreements be submitted within a month positively and impressed upon to hold special campaign to effect recovery but no action taken note has been received from the department.

Scrutiny of records of four SRs/JSR¹³ revealed that six collaboration agreements were registered between April and December 2014 on which total stamp duty of ₹ 600 at the rate of ₹ 100 per deed was levied. Scrutiny of these agreements revealed that the owners of land had authorised the developers to take possession of the land with the right to construct, build-up shop-cum-flats and residential houses and these fell within the ambit of the notification of October 2013. As per rates fixed by the Collector, value of agricultural land transferred to the developers worked out to ₹ 146.98 crore on which stamp duty of ₹ 7.35 crore was leviable. Thus, misclassification of these documents as agreement to develop resulted in short levy of stamp duty of ₹ 7.35 crore.

¹³ SRs: Ganaur, Nuh and Sonapat; JSR: Dharuhera.

On this being pointed out, all the SRs/JSR stated (between April and July 2017) that an amount of ₹ 49,900 had been recovered and the cases had been sent to the Collector under Section 47-A of the Indian Stamp Act for decision. Further report on recovery has not been received (October 2017).

The matter was reported to the Revenue and Disaster Management Department in April and June 2016 and to the Government in February 2017; their replies were awaited (October 2017).

4.5 Short levy of stamp duty on lease deeds

The Registering Authorities levied stamp duty of ₹ 3.52 lakh instead of ₹ 6.96 crore in respect of annual average rent of ₹ 229.52 crore resulting in short levy of stamp duty of ₹ 6.92 crore.

Article 35 of Schedule 1-A of the Indian Stamp Act, 1899 provides for levy of stamp duty on lease deeds at prescribed rates for consideration equal to the amount or value of the fine or premium or advance in addition to the amount of the average annual rent reserved and on the basis of period of lease.

Scrutiny of records of six SRs¹⁴ revealed that nine instruments of lease for period ranging from seven to thirty years were registered between December 2014 to February 2016. The lessees received annual average rent amounting to ₹ 229.52 crore payable during the term of contract. The registering authorities levied stamp duty of ₹ 3.52 lakh instead of ₹ 6.96 crore. This resulted in short levy of stamp duty of ₹ 6.92 crore.

On this being pointed out, SR Palwal stated in June 2017 that cases had been decided by the collector and ordered for recovery. All the remaining SRs stated (between April and May 2017) that the cases had been sent to the Collector for decision under Section 47-A of the Indian Stamp Act.

The matter was reported to the Revenue and Disaster Management Department between June and October 2016 and to the Government in April 2017; their replies were awaited (October 2017).

¹⁴ Chhacharouli, Naraingarh, Narnaul, Palwal, Rajound and Shahbad.

4.6 Short levy of stamp duty due to under-valuation of immovable property

Six deeds were registered for sale at normal khasra rates for agricultural land for ₹ 18.76 crore on which stamp duty of ₹ 1.05 crore was levied instead of at rates of khasras, on which CLU was issued to develop residential colonies, for ₹ 62.04 crore on which stamp duty of ₹ 3.82 crore was leviable resulting in short levy of stamp duty of ₹ 2.77 crore. Further, 47 conveyance deeds were executed and registered at a consideration less than what had been agreed to between the parties resulting in short levy of stamp duty and registration fees of ₹ 42.07 lakh.

Section 27 of the Indian Stamp Act, 1899, stipulates that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of duty with which it is chargeable, should be fully or truly set forth therein. Further, Section 64 of the IS Act provides that any person who, with intent to defraud the Government, executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth, is punishable with a fine which may extend to ₹ 5,000 per instrument.

4.6.1 Scrutiny of records of SRs Jind, Kaithal and Kalka for the years 2014-15 to 2015-16 revealed that six deeds were registered for sale at normal Khasra rates for agricultural land during the period between October 2013 to November 2015. The Khasras transacted in these deeds matched with Khasras on which change of land use (CLU) were issued from June 2013 to January 2014 to develop residential colonies, which were prior to the date of registration of the conveyance deeds in each of the six cases. As such, the value of land were liable to be assessed on the basis of residential rates for ₹ 62.04 crore, on which stamp duty of ₹ 3.82 crore was leviable. But, these deeds were assessed at the rates fixed for agricultural land for ₹ 18.76 crore on which stamp duty of ₹ 1.05 crore was levied. This resulted in short levy of stamp duty of ₹ 2.77 crore (₹ 3.82 crore - ₹ 1.05 crore).

On this being pointed out, all the SRs stated in April 2017 that the cases had been sent to the Collector under Section 47-A of IS Act for decision.

4.6.2 Scrutiny of records of deed writers/agreements executed in 17 SRs¹⁵ revealed that stamp duty of ₹ 41.62 lakh was levied on 47 conveyance deeds that were registered (between October 2013 and August 2016) for sale of immovable properties valued at ₹ 9.90 crore. Cross verification of these deeds

¹⁵ Bahadurgarh, Beri, Chhachhrauli, Ganaur, Gohana, Gurugram, Hisar, Jagadhri, Jhajjar, Khanpur Kalan, Manesar, Pehowa, Rohtak, Shahbad, Sohna, Thanesar and Uklana.

with the agreements executed between the concerned parties between June 2013 and August 2016 showed that the total sale value as shown in the agreements was ₹ 19.25 crore on which stamp duty of ₹ 83.49 lakh was leviable. Thus, the conveyance deeds were executed and registered at a consideration less than what had been agreed to between the parties. Under-valuation of immovable properties in conveyance deeds resulted in short levy of stamp duty and registration fees of ₹ 41.87 lakh.

On this being pointed, SRs Gurugram, Kurukshetra and Rohtak stated in April 2017 that an amount of ₹ 48,125 had been recovered and all the remaining SRs stated between October 2016 and April 2017 that the cases had been sent to the Collector under Section 47-A of the Indian Stamp Act for decision.

The matter was reported to the Revenue and Disaster Management Department between January 2016 and January 2017 and to the Government in March 2017; their replies were awaited (October 2017).

4.7 Irregular exemption of stamp duty

Irregular exemption of stamp duty in 38 cases to farmers who had purchased residential/commercial land, purchased agriculture land for amounts exceeding the compensation and purchased agricultural land beyond the permissible period of two years of compensation received, resulted in non/short levy of stamp duty and registration fees of ₹ 1.85 crore.

As per Government order issued on January 2011 under the Indian Stamp Act, 1899 the Government exempts stamp duty in respect of sale deeds executed by farmers whose land is acquired by Haryana Government for public purposes and who purchase agricultural land in the State within two years of the compensation received by them. The exemption will be limited to the compensation amount and the additional amount involved in the purchase of agricultural land will be liable to stamp duty and registration fees as per rules.

Scrutiny of records of 15 JSRs/SRs¹⁶ revealed that in 34 cases, farmers whose land had been acquired by the Government for public purposes purchased residential/commercial land valued at ₹ 32.09 crore. In three cases, the farmers received compensation amount of ₹ 37.29 lakh and purchased agricultural land valued at ₹ 1.19 crore which exceeds the compensation amount by ₹ 81.27 lakh. In another case, agricultural land was purchased for ₹ 4.03 crore after two years. Stamp duty and registration fees was to be levied in these

¹⁶ Ambala, Barara, Beri, Farukhnagar, Gurugram, Jind, Jagadhri, Jhajjar, Julana, Manesar, Matenhail, Mulana, Sonapat, Sohna and Uchana.

cases at the rate of three to seven *per cent* amounting to ₹ 1.93 crore as the farmers had purchased residential/ commercial land, purchased agricultural land for amounts exceeding the compensation and purchased agricultural land beyond the permissible period of two years. The Department had, however, levied stamp duty and registration fees amounting to ₹ 7.64 lakh (stamp duty: ₹ 7.28 lakh + registration fees: ₹ 0.36 lakh) against the leviable stamp duty and registration fees amounting to ₹ 1.93 crore (stamp duty: ₹ 1.90 crore + registration fees: ₹ 0.03 crore). This irregular exemption of stamp duty resulted in non/short levy of stamp duty and registration fees of ₹ 1.85 crore (stamp duty: ₹ 1.82 crore + registration fees: ₹ 0.03 crore).

On this being pointed out, all the SRs stated (between April and July 2017) that the cases had been sent to Collector under Section 47-A of the Indian Stamp Act for decision.

The matter was reported to the Revenue and Disaster Management Department between April and November 2016 and to the Government in March 2017; their replies were awaited (October 2017).

4.8 Misclassification of 'Conveyance on sale' as release deeds

The registering authorities misclassified conveyance on sale as release deeds and levied stamp duty of ₹ 5,220 instead of ₹ 73.49 lakh as per Collector rate resulting in short levy of stamp duty of ₹ 73.44 lakh.

As per Haryana Government clarification in December 2005 regarding Article 55 in schedule 1-A of the Indian Stamp Act, 1899 if an instrument of ancestral property is executed in favour of brother or sister (children of renouncer's parents) or son or daughter or father or mother or spouse or grand children or nephew or niece or co-parcener¹⁷ of the renouncer, stamp duty will be levied at the rate of ₹ 15 and in any other case, the same duty will be levied as a conveyance relating to sale of immovable property for the amount equal to the market value of the share, interest, part or claim renounced.

Scrutiny of records of 25 SRs/JSRs¹⁸ revealed that 48 release deeds were executed between April 2013 and March 2016 in favour of persons other than those allowed as per the clarification of the Government. The registering authorities levied stamp duty of ₹ 5,220 only as release deeds whereas these deeds were liable to stamp duty of ₹ 73.49 lakh at the rate of three to seven *per cent* as conveyance on sale amounting to ₹ 13.91 crore as per Collector

¹⁷ A person who inherited the property from the Hindu Undivided Family.

¹⁸ **SRs:** Ambala City, Barara, Bawal, Bilaspur, Gharaunda, Gurugram, Kanina, Karnal, Kosli, Matlouda, Manesar, Manethi, Nangal choudhary, Narnaul, Nighdu, Nilokheri, Palwal, Pehowa, Sadhaura, Sampla, Sohna and Thanesar.

JSRs: Dahina, Nahar and Nissing.

rate. Misclassification of 'conveyance on sale' as 'release deeds' resulted in short levy of stamp duty of ₹ 73.44 lakh.

On this being pointed out, all the SRs stated in April and May 2017 that the cases had been sent to Collector under Section 47-A of the Indian Stamp Act for decision.

The matter was reported to the Revenue and Disaster Management Department between January and October 2016 and to the Government in March 2017; their replies were awaited (October 2017).

4.9 Irregular remission of stamp duty

Irregular remission of stamp duty in contravention of provision for execution of transfer deeds in favour of persons other than blood relations resulted in loss of revenue of ₹ 66.61 lakh to the State exchequer.

As per Government order of 16 June 2014, the Government may remit the stamp duty chargeable on the instrument if it pertains to transfer of immovable property within the family by an owner during his lifetime to any of the blood relations namely parents, children, grand children, brother (s), sister (s) and between spouse.

Scrutiny of records of the registered documents of transfer deeds in 14 SRs/JSRs¹⁹ for the year 2015-16 revealed that 51 instruments of transfer deeds were executed in favour of persons other than those allowed in the above orders of Government. This irregular remission of stamp duty resulted in loss of revenue to the extent of ₹ 66.61 lakh.

On this being pointed out, all the SRs stated in April 2017 that the cases had been sent to Collector under Section 47-A of the Indian Stamp Act for decision.

The matter was reported to the Revenue and Disaster Management Department between January 2016 and January 2017 and to the Government in April 2017; their replies were awaited (October 2017).

¹⁹ Assandh, Balsmend, Bapoli, Guhla, Gurugram, Jhajjar, Manethi, Matainhail, Meham, Nahad, Pundri, Rajound, Sohna and Uklana.

4.10 Short levy of stamp duty due to application of non prime rates on land containing prime khasra

Registering Authorities incorrectly assessed prime khasra land at normal rates fixed for agricultural land resulting in short levy of stamp duty of ₹ 54.31 lakh.

As per Haryana Government instruction issued in November 2000, the Evaluation Committee has to fix separate rates for prime land i.e. land situated on National Highways, State Highways and developed Colonies/Wards/Sectors and record the khasra numbers in the Collector's rate list to avoid evasion of stamp duty. Further, Section 27 of the IS Act as applicable to the State of Haryana, provides that consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty chargeable, should be fully or truly set forth therein.

Scrutiny of records of 13 SRs/JSRs²⁰ revealed that 41 conveyance deeds were registered for sale at normal khasra rates fixed for agricultural land during the period between April 2013 and March 2016. However, the khasras transacted in these deeds matched with the prime khasras having higher land rates. As such, the value of land was liable to be assessed on the rates fixed by the Collector for prime land for ₹ 26.53 crore on which stamp duty of ₹ 1.27 crore was leviable instead of at the assessed rates fixed for agricultural land for ₹ 16.34 crore on which stamp duty of ₹ 72.77 lakh was levied. This resulted in short levy of stamp duty of ₹ 54.31 lakh.

On this being pointed out, SR Salavas stated in July 2017 that an amount of ₹ 8,359 had been recovered and 11 SRs²¹ stated (between April and July 2017) that the cases had been sent to Collector under Section 47-A of the Indian Stamp Act for decision. Reply in respect of SR Narwana has not been received (October 2017).

The matter was reported to the Revenue and Disaster Management Department between January and November 2016 and to the Government in March 2017; their replies were awaited (October 2017).

²⁰ Indri, Jind, Kalka, Matenhel, Meham, Narwana, Nilokheri, Pillokheri, Safidon, Salavas, Sampla, Shehjadpur and Thanesar.

²¹ Indri, Jind, Kalka, Matenhel, Meham, Nilokheri, Pillokheri, Safidon, Sampla, Shehjadpur and Thanesar.