

CHAPTER-V: STAMP DUTY AND REGISTRATION FEE

5.1 Tax administration

Receipts from Stamp Duty (SD) and Registration Fee (RF) in the State are regulated under the Indian Stamp Act, 1899, the Registration Act 1908, the Rajasthan Stamp (RS) Act, 1998 and the rules made thereunder. The SD is leviable on execution of instruments and RF is payable on registration of instruments.

The Secretary, Finance (Revenue) is responsible for determination of policy, monitoring and control at the Government level. The Inspector General, Registration and Stamps (IGRS) is the head of the Registration and Stamps Department. He is assisted by an Additional Inspector General in administrative matters and by a Financial Adviser in financial matters. Besides this, one Additional Inspector General, Jaipur is entrusted with the work of Chief Vigilance Officer. The entire State has been divided into 13 circles, of which 10 circles are headed by Deputy Inspector General (DIG) cum *ex-officio* Collector (Stamps) and three circles at Jaipur are headed by DIG cum *ex-officio* Collector (Stamps), Additional Collector (Stamps) and DIG (vigilance). There are 33 District Registrars (DRs), 91 Sub-Registrars (SRs) and 426 *ex-officio* SRs¹.

5.2 Internal audit conducted by the Department

The Department has an Internal Audit Wing under the charge of the Financial Adviser. Planning for internal audit of units is made on the basis of importance and revenue realisation. The position of the internal audit conducted and units remaining unaudited during the years 2009-10 to 2013-14 was as under:

Year	Pending units*	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remained unaudited	Shortfall in per cent
2009-10	-	369	369	148	221	59.89
2010-11	-	369	369	132	237	64.22
2011-12	-	369	369	149	220	59.62
2012-13	-	369	369	183	186	50.40
2013-14	-	369	369	117	252	68.29

Source: Information provided by the IG, Registration and Stamps, Ajmer.

* Audit has been conducted from the month of previous audit to last preceding month of current audit.

The short fall in coverage of units due for audit ranged between 50.40 *per cent* and 68.29 *per cent* during 2009-10 to 2013-14. The Department stated that the short fall was due to grounding of two audit parties.

¹ Tehsildars and Naib Tehsildars have been declared as ex-officio SRs.

It was noticed that 11,017 paragraphs of internal audit reports were outstanding at the end of 2013-14. Year-wise breakup of outstanding paragraphs of internal audit reports is as under:

Year	Upto 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Paras	5,805	844	938	1,050	1,469	911	11,017

* Source: Information provided by the IG, Registration and Stamps, Ajmer.

As many as 5,805 paragraphs were outstanding upto 2008-09, action on which would become increasingly difficult with passage of time. As such, these need immediate and focused attention of the Government. Thus, the huge outstanding position defeated the very purpose of internal audit.

The Government needs to strengthen the internal audit wing so that timely detection and correction of errors in levy and collection of revenue are ensured. Further, efforts may be made for expeditious settlement of outstanding issues raised by the internal audit wing.

5.3 Results of audit conducted by the Comptroller and Auditor General of India

During the year 2013-14, test-check of records of 180 units of the Department of Registration and Stamps disclosed short realisation of Stamp Duty and Registration Fee amounting to ₹ 173.89 crore in 3,474 cases, which broadly fall under the following categories:

(₹ in crore)

Sl. No.	Categories	Number of Cases	Amount
1.	Incorrect determination of market value of property	1,193	21.44
2.	Non/short levy of Stamp Duty and Registration Fee	611	54.02
3.	Other irregularities ²	1,670	98.43
	Total	3,474	173.89

During the year 2013-14 the Department accepted underassessment and other deficiencies of ₹ 48.27 crore pertaining to 1,944 cases of which 1,202 cases involving ₹ 44.66 crore were pointed out during the year 2013-14 and the rest in the earlier years. The Department recovered ₹ 3.85 crore in 754 cases during the year 2013-14 of which 13 cases involving ₹ 0.24 crore related to the year 2013-14 and rest of the earlier years.

In addition, the Department recovered Stamp Duty of ₹ 17.82 lakh in six cases pertaining to SR, Jodhpur-I after issue of draft paragraphs to the Government and the Department.

A few illustrative cases involving ₹ 73.10 crore are discussed in the paragraphs from 5.4 to 5.13.

² Includes non-recovery due to non-finalisation of court cases, non-realisation of revenue due to non-vacation of stay orders, non-recovery due to non-execution of attachment orders etc.

5.4 Short levy of SD and RF due to undervaluation of properties

The State Government vide notification dated 9 March 2011 specified that rates of land for institutional purposes would not be less than 1.5 times of the rates of residential land and rates would be fixed separately for institutional purposes. The rates were not fixed separately for educational institutions. However, in supersession of notification dated 9 March 2011, a provision was inserted under Rule 58 vide notification dated 8 May 2011 that the rates of land for institutional purposes shall be equal to 1.5 times of rate of residential land.

During test check of records of SRs Mundawar, Bansur and Jasole, it was noticed (October 2013 and December 2013) that four sale deeds were executed between August 2011 and May 2012, wherein lands were purchased by educational institutions. The SRs determined the value of the property at agricultural rate instead of 1.5 times the residential rate (RR). This resulted in short levy of SD, surcharge and RF amounting to ₹ 59.34 lakh as mentioned in the following table:

(₹ in lakh)

Name of SR	Document no. Area	Money value adopted	Money value to be adopted i.e. 1.5 times of RR	SD/RF levied	SD/RF leviable	Short recovery
Mundawar	<u>2943</u> 13275 sqyd	13.63	116.89	0.89	6.93	6.04
Bansur	<u>3043</u> 214124 sqft	79.20	738.73	3.76	41.13	37.37
Bansur	<u>2543</u> 30128 sqft	11.05	103.94	0.72	6.22	5.50
Jasole	<u>2101</u> 121923 sqft	9.74	192.03	0.63	11.06	10.43
Total		113.62	1,151.59	6.00	65.34	59.34

The matter was pointed out to the Department (November 2013 and January 2014) and reported to the Government (April 2014). The Government replied (October 2014) that in all the four sale deeds, cases had been registered with DIGs (Stamps) for adjudication.

5.5 Non-levy of SD and RF due to non-registration of a document categorised as an agreement to sell with transfer of possession

As per explanation (i) below Article 21 of the Schedule to the RS Act, 1998, an agreement to sell of an immovable property shall in case of transfer of the possession of such property before, at the time of or after execution of instrument, be deemed to be a conveyance and SD thereon shall be chargeable accordingly.

During test check of records of SR Udaipur-I, it was noticed (January 2014) that a sale deed was executed on 20 September 2012 between Smt. Meera Dangi through Power of Attorney holder Shri Jitesh Kumawat partner M/s Pooja Enterprises and M/s Navkar Buildhome Pvt. Ltd. As per recital of

the deed, Smt. Meera Dangi had executed a Power of Attorney (POA) on 17 September 2012 for three years through which she had given power to Shri Jitesh Kumawat to sell the land, receive sale consideration, handover possession, etc. It was also found that before the above stated transaction, Smt. Meera Dangi had executed sale agreement on 16 July 2006 with M/s Pooja Enterprises vide which she had obtained the entire sale consideration amount of ₹ 52.97 lakh and transferred possession of land to M/s Pooja Enterprises on 25 March 2008. This fact was not noticed by the SR while registering the sale deed on 20 September 2012 and the SD was not recovered as on conveyance on transfer of possession on 25 March 2008 as per extant provision on market value of ₹ 154.48 lakh at the DLC rate of ₹ 30.61 lakh per *bigha*. This resulted in non-levy of SD and RF amounting to ₹ 9.00 lakh.

The matter was pointed out to the Department (January 2014) and reported to the Government (June 2014). The Government replied (October 2014) that a case had been registered with DIG (Stamps).

5.6 Short levy of SD on power of attorney

As per Article 44 (ee) of the Schedule to the RS Act, 1998, when power of attorney (POA) is given, without consideration to sell immovable property to-

- (i) the father, mother, brother, sister, wife, husband, son, daughter, grand-son or grand-daughter of the executants, SD of ₹ 2,000 would be chargeable,
- (ii) any other person, SD at the rate of two *per cent* of the market value of the property, which is the subject matter of power of attorney, would be chargeable.

During test check of records of SR Jasole (Barmer) and Jodhpur-II, it was noticed (December 2013 and January 2014) that POAs given for sale of lands were levied SD of ₹ 12,000 at the rate of ₹ 2,000 per document in six cases and ₹ 1.13 lakh on area mentioned in sale deeds instead of whole area as mentioned in two POAs. The deeds fell within the category mentioned in Article 44 (ee) (ii) of the RS Act, 1998. As such SD should have been charged at the rate of two *per cent* on market value of the properties valued at ₹ 28.09 crore. This resulted in short levy of SD aggregating to ₹ 60.54 lakh.

The matter was pointed out to the Department (January and February 2014) and reported to the Government (June 2014). The Government replied (October 2014) that in all the eight deeds, cases had been registered and partial recovery of ₹ 0.96 lakh had been made in six cases.

5.7 Non-levy/short levy of SD and RF on development agreements

5.7.1 Non-levy of SD on development agreements and non-levy of SD and RF on transfer of property through such agreements

As per Section 3 of the RS Act, 1998, every instrument shall be chargeable with duty at the prescribed rates mentioned in the Schedule to the RS Act.

As per the provisions of Article 5 (bbbb) and 5 (e) of the Schedule to the RS Act, an agreement or memorandum of agreement, if relating to giving

authority or power to a promoter or a developer, by whatever name it may be called, for construction or development of any immovable property, was chargeable to SD at the rate of one *per cent* upto 25 March 2012, five *per cent* from 26 March 2012 to 5 March 2013 and one *per cent* from 6 March 2013 on the market value of the property.

Section 2(xi) of RS Act, 1998 defines conveyance as every instrument 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 the Schedule. As per Article 21 (i) of the Schedule to the RS Act, 1998, SD on the instrument of conveyance relating to immovable property shall be levied on the market value of the property.

During test check of records of 14 SRs³, it was noticed that 42 documents were registered for sale of plots/flats/shops. The recitals of the instruments disclosed that multistoried flats/shops were to be constructed by developers on behalf of the owners as per terms and conditions of the development agreements. It was not clear from these documents whether the development agreements referred to in these documents were presented to the SRs and appropriate SD had been charged.

It was also noticed that in six other cases, the owners had entered into agreement for development of their properties with the builders. As per terms of development agreements, the land owners had either handed over possession of the entire property or had transferred a portion of the property to the developer. The developers were also entitled to retain and dispose of developed property in any manner they liked.

As such stamp duty was leviable at conveyance on the market value of the share transferred to the developers. However, the SRs had failed to charge the SD on such share. Non-levy of SD on development agreements and non-charging of SD and RF on transfer of share in developed property resulted in non-levy of SD, surcharge and RF of ₹ 13.91 crore.

The matter was brought to the notice of the Department and reported to the Government (June 2014). The Government replied (July and August 2014) that cases had been registered in 17 documents with DIG (Stamps). It was also stated that notices had been issued in 23 cases. Information for the remaining two cases is awaited (December 2014).

5.7.2 Short levy of SD and RF due to mis-classification of development agreements and undervaluation of property mentioned therein

5.7.2.1 During scrutiny of records of 17 SRs⁴, it was noticed that 133 development agreements were registered between April 2007 and March 2014. It was observed that these instruments were classified on the basis of their title and SD was levied at the rate of one *per cent* of the market value of the

³ Jaipur-VI, Jaipur-VII, Jaipur-VIII, Sanganer-II, Amer, Kota-II, Alwar-II, Jodhpur-I, Jodhpur-II, Jodhpur-III, Udaipur-II, Jaipur-I, Jaipur-V and Jaipur-II.

⁴ Jaipur-I, Jaipur-II, Jaipur-III, Jaipur-IV, Jaipur-V, Jaipur-VI, Jaipur-VII, Jaipur-VIII, Amer, Bhiwadi, Jodhpur-III, Udaipur-I, Udaipur-II, Kishangarhbas, Jodhpur-I, Ajmer-II and Vallabhnagar.

property as per Article 5 (bbbb) of the Schedule to the RS Act. The owners of the land had authorised the developers to take possession of the land with right to construct, develop and deal with the land in exchange of entitlement to the extent of 30 to 85 *per cent* of the property. The developers were entitled to dispose of the portion to the extent of 30 to 85 *per cent* of developed property without requiring any consent from the owners. Such authorisation fell under the category of conveyance as per explanation below Article 21 of the Schedule to the RS Act and SD was chargeable at the conveyance rate on the share of property transferred to the developer. Non-levy of SD at conveyance rate on the share of property transferred to the developer resulted in short levy of SD and RF amounting to ₹ 12.52 crore.

The matter was brought to the notice of the Department and reported to the Government (June 2014). The Government replied (August 2014) that in 107 documents, cases had been registered and in 24 cases notices had been issued.

5.7.2.2 During audit of records from 2007-08 to 2011-12 of 12 SRs⁵, it was noticed that 27 documents were registered as development agreements. On scrutiny of these instruments, it was noticed that the owners had made collaboration with developers for developing land/plots. It was found that the SRs had not made valuation properly as per applicable rates prescribed by DLC and cost of construction was not taken into account in valuation. It was also noticed that share in property between 38 and 100 *per cent* had been transferred to the developers through these instruments. As the power to sell along with possession of above property had been given to developer, the documents were to be categorised as conveyance in respect of assigned shares ranging between 38 and 100 *per cent* attracting levy of SD on the above documents under Article 21 (i) on transferred area.

The Department levied one *per cent* SD on these documents under Article 5 (bbbb) on the market value assessed instead of conveyance rate applicable for residential and commercial purposes. This resulted in short levy of SD of ₹ 13.96 crore.

The matter was brought to the notice of the Department and reported to the Government (June 2014). The Government replied (August 2014) that in 19 objections, cases had been registered and in seven cases, notices had been issued.

5.7.3 Irregular exemption of SD on development agreement

The Government vide notification dated 24 August 2007 exempted SD on instrument of conveyance executed in favour of any developer on purchase of land from a local body, individual farmers/land owners or Rajasthan State Industrial Development and Investment Corporation (RIICO), for establishment of a Special Economic Zone (SEZ), on the condition that the above exemption for any piece of land will be given only on one transaction *i.e.* when the developer company acquires land. There shall be no subsequent SD exemptions *i.e.* if the developer company appoints another co-developer

⁵ Jaipur-II, Jaipur-V, Jaipur-VI, Jaipur-VII, Jaipur-VIII, Amer, Alwar-I, Alwar-II, Bhiwadi, Jodhpur-I, Udaipur-I and Udaipur-II.

and transfers land to such co-developers or where developer company allots/sells land to units within the SEZ.

During scrutiny of records from 2007-08 to 2011-12 of SR Sangner-II, it was noticed that a document (No. 3767 dated 06.12.2007) was executed as development agreement. The recital of the document revealed that a development agreement was executed between land owner and developer for development of SEZ for Information Technology Park on land measuring 20.1366 hectare situated in villages Thikariya; Prithvisinghpura also called as Naiwala; Balmukundpura also called as Nada and BagruKhurd. It was noticed that no instrument of conveyance was executed in favour of developer but the SR had given 100 *per cent* exemption in SD in contravention of notification dated 24 August 2007. This resulted in irregular exemption of SD at the rate of one *per cent* on development agreement amounting to ₹ 9.36 lakh.

The matter was brought to the notice of the Department and reported to the Government (June 2014). The Government replied (August 2014) that factual position had been called for from the SR.

5.8 Short levy of SD due to undervaluation and irregular exemption on lease deed considering the property as heritage

As per notification dated 24 March 2005, SD chargeable on instrument of purchase or lease of more than 100 years old Heritage Property in the State for the purpose of hotel development under the Scheme declared by the Tourism Department shall be reduced by 75 *per cent*.

During test check of records of SR Bharatpur, it was noticed (February 2012) that properties, *viz.* Moti Mahal, Gol Bagh, Circus and Lal Kothi alongwith adjoining land situated in Bharatpur were leased out for 99 years by Maharaja Vishvendra Singh to Godawari Shilpkala Hospitality Pvt. Ltd. for hotel purpose.

Audit observed that valuation of a leased property was done at ₹ 110.54 crore for levying of SD/RF. The entire property transferred, was to be used for hotel purpose. However, two treatments were given to the property, one portion of leased property was valued at ₹ 4.49 crore applying the residential rate of ₹ 135 per sq feet, instead of ₹ 9.28 crore at industrial rate of ₹ 278.81 per sq feet. There was nothing on record to indicate reason as to why this portion of land leased for hotel purpose was treated as residential purpose. The total valuation of the property, therefore, should have been ₹ 115.32 crore on which stamp duty of ₹ 5.77 crore was leviable.

It was also found that the SR worked out the SD of ₹ 5.53 crore on the value of ₹ 110.54 crore but charged ₹ 1.38 crore after allowing rebate of ₹ 4.15 crore erroneously treating the property as heritage property in contravention of conditions prescribed vide notification dated 24 March 2005. The property was neither a heritage property nor was declared so by Tourism Department. Thus, SD of ₹ 4.39 crore was short levied due to incorrect valuation of property and irregular allowance of rebate on lease deed considering the property as heritage.

The matter was pointed out to the Department (March 2012) and reported to the Government (June 2014). The Government replied (September 2014) that a case had been registered with DIG (Stamps).

5.9 Non-recovery of SD due to irregular exemption granted under RIPS

As per serial number 4 of Annexure-I of the Rajasthan Investment Promotion Scheme (RIPS)-2010, 50 per cent exemption in SD is admissible to only those enterprises that are established at a site of an existing sick industrial enterprise.

During test check of records of SR Jaipur-I it was noticed (December 2013) that benefits of concessional rate of SD under RIPS were irregularly allowed as per details given below:

(₹ in lakh)

Sl. No	Name of SR Office	Document No./ Name of party	Non-recovery of SD	Reasons
1	Jaipur-I	(i) 6918/11.7.2012 Toho Manu Machine Parts Pvt. Ltd.	16.66	As per Sl. no. 4 of annexure –I of RIPS, enterprise established at the site of an existing enterprise would not be eligible for benefit of exemption. It was found that the SR had allowed irregular exemption despite the fact that there already existed an enterprise.
		(ii) 4451/25.4.12 M/s RimjhimVinimay Pvt. Ltd.	7.47	

This resulted in non-recovery of SD amounting to ₹ 24.13 lakh.

The matter was pointed out to the Department (January 2014) and reported to the Government (August 2014). The Government replied (October 2014) that in both documents cases had been registered with DIG (Stamps).

5.10 Short levy of SD and RF due to undervaluation of properties

As per Article 21 (i) of the Schedule to the RS Act, 1998, SD on the instrument of conveyance relating to immovable property shall be levied on the market value of the property. Rule 58 of the RS Rules, 2004 provides that the market value of the land shall be assessed on the basis of the rates recommended by the DLC or the rates approved by the IGRS, whichever is higher.

During test check of records of seven SRs⁶, it was noticed that the SRs had evaluated the market value of properties on lower side for various reasons in case of 13 documents. A few instances are given below:

⁶ Jaipur-I, Jaipur-III, Swaimadhopur, Jodhpur-II, Garhi, Vallabh Nagar and Desuri.

Sl. no.	Nature of irregularity	No. of Documents	Stamp Duty leviable	Short levy of Stamp duty (₹ in lakh)
		No. of SRs	Amount of Stamp Duty paid	
1	It was noticed that plotting was done in <i> khasra </i> no. 580/4 as per site inspection report. Inspite of that, the SR valued the lands in question at agricultural rate.	<u>4</u> 1	<u>12,42,866</u> 4,95,905	7.47
2	It was noticed that agricultural DLC had been taken for valuation instead of residential rate despite the fact that a plot was sold in Prabhat Nagar residential scheme by another document.	<u>1</u> 1	<u>14,29,980</u> 2,60,000	11.70
3	It was noticed that area of fort was 2,47,856.4 sqft as per document but the SR had valued the land on 485 sqft and charged SD on face value of ₹ 50 lakh.	<u>1</u> 1	<u>61,16,684</u> 4,40,000	56.77
4	It was noticed that land was allotted for housing colony in industrial area by RIICO but the SR had valued the land at industrial rate.	<u>1</u> 1	<u>1,37,83,630</u> 44,85,830	92.98

This resulted in short levy of SD and RF amounting to ₹ 2.02 crore.

The matter was pointed out to the Department (November 2013 to April 2014) and reported to the Government (July 2014). The Government replied (October 2014) that for all the 13 documents, cases had been registered with DIGs (Stamps).

5.11 Short levy of SD and RF on mis-classification of documents as settlement deeds

Section 2(xi) of RS Act, 1998 defines conveyance as every instrument 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 the Schedule. As per Article 21 (i) of the Schedule to the RS Act, 1998, SD on the instrument of conveyance relating to immovable property shall be levied on the market value of the property. Section 2 (xxxiv) defines settlement as any non-testamentary disposition, in writing, of immovable property made for the purpose of distributing property of the settlor among his family or to those whom he desires or to some person dependent on him.

During test check of records of SR Bikaner-II, it was noticed (February 2014) from the recital of four documents that the absolute ownership was given to a party (condition no. 2 of the deeds). As such, the documents should have been classified as conveyance. The SR had misclassified the documents as settlement deed and charged SD and RF of ₹ 5.61 lakh instead of leviable SD and RF of ₹ 20.03 lakh. Mis-classification of documents resulted in short levy of SD and RF amounting to ₹ 14.42 lakh.

The matter was pointed out to the Department (March 2014) and reported to the Government (July 2014). The Government replied (August 2014) that in all the four deeds, cases had been registered with DIG (Stamps).

5.12 Short levy of SD and RF due to mis-classification of transfer of lease by way of assignment

As per Article 55 of the Schedule to the RS Act, 1998, in case of instrument of transfer of lease by way of assignment, the SD is leviable as a conveyance on the market value of the property which is the subject matter of transfer. The IGRS vide circular no. 6/2009 clarified that the instrument executed for change in the partnership will come in the category of transfer of lease by way of assignment.

During test check of records of SRs Jaipur-III and Bharatpur, it was noticed (March 2014) that three documents of revised lease deeds were registered after change in share of partners in the partnership firms on retirement of old partners/addition of new partners. Hence, the immovable properties possessed by the old partners were transferred to new partners or share of existing old partners had increased. Thus, the instrument fell under the category of transfer of lease by way of assignment, on which SD and RF of ₹ 19.46 lakh was leviable at conveyance rate on market value of the property. Mis-classification of these documents as revised lease deeds resulted in short levy of SD and RF amounting to ₹ 19.46 lakh.

The matter was pointed out to the Department (April 2014) and reported to the Government (June 2014). The Government replied (September 2014) that cases in all the three deeds had been registered with DIGs (Stamps).

5.13 Short levy of SD on lease deed due to valuation of property as industrial instead of commercial

As per Article 33 (A) (iii), in case of lease where the lease purports to be for a term in excess of twenty years or in perpetuity or where the term is not mentioned, the SD would be chargeable as on a conveyance on the market value of the property which is the subject matter of the lease. The benefits of Capital Investment Subsidy as per Clause 7 and exemption as per Clause 8 would be extended to all units other than those covered in the list of ineligible units under Clause 5 of RIPS-2010. Provision of RIPS-2010 shall be applicable to all new investments and investment made by existing units and enterprises for Modernisation/ Expansion/ Diversion subject to the condition that units shall commence commercial production/operations during the operative period of the Scheme. The State Government clarified (23 September 2011) that exemption in SD under Clause 5 of RIPS-2010 would not be extended to mixed activities *i.e.* trading of articles as well as providing of services.

During test check of records of SR Sanganer-I, it was noticed that a lease deed (no. 4622) was executed (24 January 2013) between RIICO and M/s Diligent Pinkcity Centre Pvt. Ltd. for a period of 60 years for development of Exhibition-cum-Convention Centre at Sitapura Industrial Area on Public Private Partnership (PPP) basis for which an authorisation agreement was also executed. Under the authorisation agreement, four main elements namely an Exhibition facility, a Convention Centre, a four star or above category Hotel and Commercial-Rental and Office Complex facilities were to be developed. On presentation of lease deed for registration, the SR valued the property at

the rate prescribed for industrial properties and charged SD of ₹ 3.02 crore (SD ₹ 2.74 crore + Surcharge ₹ 0.28 crore) after allowing 50 *per cent* exemption in SD on the basis of entitlement certificate issued by Industries Department. As the land was leased for commercial activities as per authorisation agreement, the valuation should have been made at commercial rate prescribed for the area by the DLC which works out to ₹ 497.40 crore on which SD of ₹ 27.36 crore was leviable. This resulted in short levy of SD of ₹ 24.34 crore.

The matter was pointed out to the Department (February 2014) and reported to the Government (August 2014). The Government replied (October 2014) that exemption was granted under RIPS and Department of Industries was responsible for noticing the violation of the conditions. The above fact indicates that the coordination between the Department of Registration and Stamps and Department of Industries needs to be strengthened in the interest of revenue.

