

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
REVENUE DEPARTMENT
O/O THE SUB DIVISIONAL MAGISTRATE-1
5, SHAM NATH MARG, DELHI

No. F.1/3012/RB/Div.Com/HQ/R/2022/111

Dated:- 31/01/2024

Sub.: Guidelines for speedy disposal of cases pending for adjudication of Stamp Duty – regarding.

The instruments are brought before the Collector of Stamps for adjudication. Further, the instruments are also impounded by the authorities competent/Collector of Stamps and then the Collector of Stamps concerned determines proper duty/deficit duty along with penalty.

2. As far as penalty is concerned, there is a wide discretion provided by the law. The penalty prescribed under section 40(1)(b) of "The Indian Stamp Act, 1899, varies upto ten times of the proper Stamp duty or of the deficient portion thereof. The provision of section 40(1)(b) of the Indian Stamp Act, 1899, thus provides a wide discretionary power to impose the penalty upto ten times. As a result penalty multiple times of the proper duty/deficit duty is, sometimes, imposed and even without recording the reasons. This discretion has potential for rent seeking too by unscrupulous elements.

3. The penalty is indeed punitive in nature and is meant to act as deterrence against those who do not pay proper duty or delay in making the payment of duty. Penalty achieves the purpose of a deterrence but is also relevant in maintaining time value of money for the public exchequer.

4(1). Where the instrument had to be impounded, it shows that the person executing the instrument has been avoiding duty. Therefore in such cases, penalty needs to be imposed and the quantum of penalty has to be decided by the Collector of Stamps concerned based on the facts and circumstances of the case by passing a reasoned order.

4(2). There are however the cases in which the person executing the instrument has voluntarily produced the instrument before the Collector of Stamps for adjudication but has been so done with delay. In such cases it is desirable to limit the wide discretion. There are several cases pending which pertain to the delay but the person executing document has voluntarily come before the Collector of Stamps concerned for adjudication. In order to bring rationality, and constrict the scope for rent seeking in this category of cases, following guidelines may be considered while deciding the penalty:-


4/1/24

A penalty at rate of 16% p.a. on proper stamp duty or deficit portion thereof, as the case may be, may be levied for the period of delay and 12% p.a. thereafter till the date of payment. This will cover the aspect of deterrence against delay as well as time value for money.

Total amount to be paid = Proper Stamp Duty or deficient Stamp Duty + Penalty as calculated above

The aforesaid normative formulation may be taken as a guide by Collector of Stamps concerned in imposing penalty in cases of delay where the instrument has been voluntarily produced by the Collector of Stamps concerned for adjudication (i.e. not a case of impounding).

In a particular case however if Collector of Stamps deem it fit to impose higher penalty, he may do so but shall record reasons in writing.

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29/1/17

(Ashwani Kumar)

Addl. Chief Secretary-cum-Divisional Commissioner/
Chief Controlling Revenue Authority

To,

1. All Collector of Stamps,
Revenue Department, Govt. of NCT of Delhi.
2. All Additional District Magistrates,
Govt. of NCT of Delhi
3. All District Magistrates
Revenue Department, Govt. of NCT of Delhi