

OFFICE OF THE DIVISIONAL COMMISSIONER (DELHI)
GOVERNMENT OF NCT OF DELHI
5 SHAM NATH MARG : DELHI

7

No. F21/G(1)/Comp/Agx/C23-117 18-06-2024 Dated: 18.06.2024

CIRCULAR

A case has come to the notice whereby an instrument, titled as "Collaboration Agreement" has been received at the SR IX in the South-West District, executed on the stamp paper of Rs. 100/-. The content of the Agreement reveals that original owner of the property enters into an agreement with a builder or reconstruction company or a firm. The first party/owner is the lease holder of this property. By this instrument, the builder/second party undertakes to develop the said property at its own cost, to procure the requisite permission and to obtain approval from the competent authority, to develop the floors/space in the said property, and to be personally responsible for any penalties in fulfilling the requirement of the rules and regulations. The owner of the property hands over the possession of the said property to the builder for the purpose of development/reconstruction. The owner also empowers the builder to sell the floors and space in the reconstructed building. Builder is deemed to be a owner of the entire re-constructed property including the basement, floors and terrace alongwith the indivisible rights in the land underneath. According to terms, the owner after the completion of the re-constructed building is entitled for one flat alongwith proportionate indivisible right on land underneath. The owner also gets an hefty consideration of Rs.6.5 crores from the builder, out of which Rs.3.55 crore is paid in advance. The owner does not have any responsibility for violation of any rules & laws and which apply during the course of reconstruction. He has no say in the re-construction plan, or sale of the floors and space onwards. Thus the Agreement is nothing but a sale of the said property by the owner to the builder by camouflaging the deal in the carefully worded "Collaboration Agreement". The intention of both the parties is to defraud the State of its revenue by evading the stamp duty on it.

Such 'collaboration agreement' or sometimes called 'amalgamation deed' of the company has been carefully considered and it has been decided that such agreement(s) are clearly covered under the section 17 (1) (b) of the Registration Act, (1908). This instrument creates, declares, assigns, limit or extinguish a right, title or interest in a immoveable property. It is reiterated that an instrument covered under the definition of section 17 (1) (b) has to be compulsorily registered by paying the correct amount of stamp duty. Thus it can be seen that name of an instrument may be many a times misleading and may not specify the true nature of instrument. It is duty of all the registering authorities to be vigilant on their part. All similar instruments whenever presented to SR/Public Officer should be examined to ensure that it is properly stamped as instrument of

sale deed chargeable to stamp duty in article 11 of schedule I A of Indian Stamp Act 1899, and if he finds that it is not properly stamped, he shall impound the same u/s 33 of Indian Stamp Act, 1899, and should forward with his comment to COS for necessary further action for realization of deficient stamp duty, penalty thereon and prosecution for intentional evasion of stamp duty.

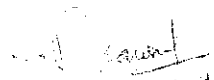
As far as documents which have been already registered by registering authorities, concerned SR(s) are advised to scan all such similar documents registered with them in the past two years and after proper examination of the same, they should forward the copy to COS for prosecution and realization of deficient stamp duty & penalty (u/s 62, 64 read with section 27 of Indian Stamp Act, 1899) which has to be recovered from the builder/construction companies or firm as arrear of land revenue u/s 48 of Indian Stamp Act 1899. Compliance report shall be sent by 15th May 2006.


(NARENDRA KUMAR)
CCRA/DIVISIONAL COMMISSIONER, DELHI.

No. F21/6(1)/Comp/Agx/COS/HQ./-05-06/4/18-29 Date: 18 May, 2006

Copy for necessary action:-

1. All Dy. Commissioners (Revenue).
2. All Collector of Stamps.
3. All Sub Registrars.
4. ADM I & II (HQ.).
5. SDM I, II, III (HQ.).
6. PS to Divisional Commissioner.
7. Programmer (Sh. Murrigan).


5/5/06
AK TAUSHAL
ADM-II (HQ.)