

## **Property can be registered below circle rate, rules Delhi HC**

In a landmark verdict that will benefit thousands of land owners in Delhi, the high court on Wednesday allowed registration of properties even if valued below the minimum circle rate of the area.

A bench of chief justice G Rohini and justice R S Endlaw relied on provisions of the Indian Stamp Act to revive discretionary powers vested with the state government under Section 47A to register sale of property below the local circle rate. Over time, the government had come to treat circle rate as the absolute measure of registering properties, despite the Stamp Act giving room for maneuver.

The bench has provided property owners an opportunity to convince the Collector of Stamps why their asset should be valued below the circle rate of the area. The registrar/sub registrar will now accept such sale/conveyance deeds and forward it to the Collector of Stamps before whom the property owner can appear and explain the reasons for lower valuation of his property.

The HC recognized that there may be various reasons for low valuation, such as a property being disputed, having unauthorized occupants, poor location etc.

Till now, if the valuation of a property was lower than the prevailing circle rate, the registrar summarily rejected it.

Section 47A says, "If the registering officer while registering any instrument transferring any property, has reason to believe that the value of the property or the consideration, as the case may be has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to Collector for determination of the value and proper duty payable." It also empowers the Collector to give a chance to the owner to give an explanation, and then conduct an independent enquiry before determining the actual worth of the property.

The HC made it clear that circle rate circulars issued by Delhi government from time to time since 2007 can no longer come in the way of registration of a property. Its directions came on a bunch of PILs filed by Manu Narang, Amit Gupta and Atul Gupta arguing that "no absolute benchmark can be fixed and dictated for determination of the minimum price of any property since prices of property vary from place to place, person to person and due to various other factors."

The PILs challenged Delhi government's circulars issued from 2007 till 2014 hiking circle rates after every revision.

*(Times of India)*