2026:DHC:9370

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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of Decision: October 14th, 2026***

CNR No. DLHC010436642023

\+ **W.P.(C) 14226/2023 & CM APPL. 56300/2023**

ASHIMARA HOUSING PVT LTD .....Petitioner

Through: Mr. Aman Bhalla, Adv.

versus

GOVERNMENT OF NCT OF DELHI .....Respondent

Through: Ms. Avni Singh, PC- GNCTD with Mr. Vaibhav Sharma & Ms. Sanskriti Nautiyal, Advs.

CORAM:

HON'BLE MR. JUSTICE AMIT MAHAJAN

AMIT MAHAJAN, J. *(Oral)*

1. By the present petition, the petitioner challenges order No. 1/COS (KJ)/IMP/2023/7920-24 dated 16.10.2023 (hereafter '**impugned order**') passed by the Collector of Stamps, Kalkaji, District South East whereby the Collector of Stamps refused to adjudicate the stamp duty payable on the arbitral award and instead directed the petitioner to approach the Collector of Stamps at Mohali to get the lease agreement mentioned in the arbitral award to be stamped first.

2. Succinctly stated, the petitioner and one Mandeep Singh had executed a lease agreement on 17.05.2019 for operating a guest house/hotel. Due to some dispute between the parties, arbitration proceedings were instituted which culminated in the award dated 31.03.2023 which was thereafter modified *vide* final award dated 20.05.2023. The petitioner thereafter filed an application under Section 31 of the Indian Stamp Act, 1899 requesting adjudication of

appropriate stamp duty on the arbitral award passed by the learned Sole Arbitrator. In the course of the same, the Collector of Stamps demanded a copy of the lease agreement which was furnished by the petitioner.

3. Thereafter, the Collector of Stamps took note of the fact that the learned Sole Arbitrator, during the course of the arbitral proceedings, had framed an issue pertaining to whether the lease agreement is a compulsorily registrable document under the Indian Stamp Act, 1899 and on the insistence of the parties; the said issue was not adjudicated. The Collector of Stamps then noted that the arbitrator being a *public officer* was required to impound the lease agreement which he failed to do so. The Collector of Stamps further noted that the parties had colluded to deliberately cause loss to the exchequer. Consequently, by the impugned order, the Collector of Stamps directed the petitioner to approach the Collector of Stamps at Mohali and get the lease agreement adequately stamped, and refused to entertain the application under Section 31 of the Indian Stamp Act, 1899.

4. Aggrieved by the same, the petitioner has filed the present petition.

5. The learned counsel for the petitioner submits that impugned order is erroneous and is liable to be set aside. He submits that the Collector of Stamps when presented with an application under Section 31 of the Indian Stamp Act, 1899 is only required to determine the duty with which the instrument is chargeable. He submits that the Collector of Stamps cannot refuse adjudication and direct the parties



to get the lease agreement signed as a precondition to determining the stamp duty payable on the arbitral award. He consequently submits that the impugned order is erroneous and is liable to be set aside.

6. On the other hand, the learned counsel for the respondent submits that the Collector of Stamps, in good faith, while adjudicating the stamp duty payable on the arbitral award found that the parties, in an effort to avoid payment, deliberately did not get the said document registered. She submits that the said issue was framed even by the arbitral tribunal, and the said issue was not decided by the arbitrator on the insistence of the parties. She submits that the Collector of Stamps being a *public officer* consequently directed the parties to get the lease agreement stamped as the same formed the backbone of the arbitral award. She consequently submits that the impugned order is well merited and warrants no interference by this Court.

7. Having taken note of the rival contentions of the parties, this Court is of the opinion that the approach taken by the Collector of Stamps was erroneous and cannot be countenanced.

8. In order to appreciate the same, this Court first deems it apposite to take note of Section 31 of the Indian Stamp Act, 1899 which reads as follows:

> *"31. Adjudication as to proper stamp.—(1) When any instrument, whether executed or not and whether previously stamped or not, is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to the duty (if any) with which it is chargeable, and pays a fee of such amount (not exceeding five rupees and not less than [fifty naye paise]) as the Collector may in each case direct, the Collector shall determine the duty (if any) with which, in his judgment the instrument is chargeable.*
> *(2) For this purpose the Collector may require to be furnished with*

> *an abstract of the instrument, and also with such affidavit or other evidence as he may deem necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable, are fully and truly set forth therein, and may refuse to proceed upon any such application until such abstract and evidence have been furnished accordingly:*
> *Provided that—*
> *(a) no evidence furnished in pursuance of this section shall be used against any person in any civil proceeding, except in an enquiry as to the duty with which the instrument to which it relates is chargeable; and*
> *(b) every person by whom any such evidence is furnished, shall, on payment of the full duty with which the instrument to which it relates, is chargeable, be relieved from any penalty which he may have incurred under this Act by reason of the omission to state truly in such instrument any of the facts or circumstances aforesaid."*

9. As is apparent from a plain reading of Section 31 of the Indian Stamp Act, 1899 as quoted *supra*, the same in unambiguous terms lays down that the Collector's jurisdiction is confined to determining the stamp duty with which the instrument presented before the Collector for adjudication is chargeable. The provision further stipulates that when *any instrument* is brought before the Collector, and the person presenting the instrument seeks the opinion of the Collector pertaining to the duty with which the presented instrument is chargeable, the Collector *shall determine* the duty if payable on the instrument. The repeated reference of the term 'instrument' makes it abundantly clear that the inquiry contemplated in the section is only instrument specific and does not confer a general power to investigate stamping of every document connected with the instrument presented for adjudication.

10. Section 31 of the Indian Stamp Act, 1899 is complete in itself

and the same ends by saying that the Collector *shall* determine. Consequently, the same does not contemplate any further action to be taken by the Collector except the determination of stamp duty with which the instrument presented is chargeable [Ref. ***Govt. of U.P. v. Raja Mohd. Amir Ahmad Khan* : 1961 SCC OnLine SC 274**]. On such a conspectus, in the present case as well, the Collector of Stamps was only required to determine the applicable duty on the arbitral award. In doing so, the Collector of Stamps could not have ventured into the fact that the arbitral tribunal had failed to make any determination on the issue that the lease agreement was a compulsorily registrable document on the insistence of the parties to direct stamping of the lease agreement. The Collector of Stamps thus, in setting a precondition and directing the petitioner to *first* approach the Collector of Stamps at Mohali and get the Lease Agreement stamped before approaching the Collector of Stamps in relation to the arbitral award, was in overreach of its jurisdiction contemplated under Section 31 of the Indian Stamps Act, 1899. Any action warranted in respect of the lease agreement is distinct, and the same cannot be imposed as a precondition for adjudicating the stamp duty payable on the arbitral award.

11. In the light of the aforesaid, the impugned order is set aside. Pending application also stands disposed of.

AMIT MAHAJAN, J

OCTOBER 14, 2026/*"SS"*