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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

**WRIT PETITION NO.9358 OF 2016
WITH
WRIT PETITION NO.9360 OF 2016
WITH
WRIT PETITION NO.9361 OF 2026**

Atul Enterprises, through it's
Partner Atul N. Patel

... Petitioner

Vs.

1. **State of Maharashtra**2. **The Deputy Collector of Stamps**

... Respondents

**ATUL
GANESH
KULKARNI**

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**WITH
WRIT PETITION NO.9359 OF 2016**

Montal Investment, through it's
Partner Atul N. Patel

... Petitioner

Vs.

1. **State of Maharashtra**2. **The Deputy Collector of Stamps**

... Respondents

Mr. Aspi Chinoy, Senior Advocate with Mr. Vibhav Krishna i/by Juris Consillis for the Petitioner.

Mr. Vineet B. Naik, Special Senior Advocate with Mr. Miheer S. Jayakar and Mr. S.H. Kankal, AGP with Mr. Y.D. Patil, AGP for the Respondents-State.

CORAM : AMIT BORKAR, J.

RESERVED ON : SEPTEMBER 28, 2026

PRONOUNCED ON : OCTOBER 5, 2026

JUDGMENT:

1. Since the facts and issues involved in all the four Writ Petitions are similar, all the four Petitions are being considered and decided by this common judgment. For convenience, the facts of Writ Petition No. 9358 of 2016 are being referred to.

2. The present Writ Petitions have been filed under Articles 226 and 227 of the Constitution of India. By these Petitions, the Petitioners have challenged the legality, validity, and propriety of the impugned order dated 3 March 2016 passed by Respondent No.2. According to the Petitioners, the facts which have resulted in filing the present Writ Petitions are as follows. The Petitioners are a partnership firm and are the owners of the land bearing Plot No. D-40, Laxmi Industrial Estate, Village Pahadi, Goregaon, Taluka Borivali. Respondent No.1 is the State of Maharashtra through the Collector of Stamps, Borivali. Respondent No.2 is the Deputy Controller of Stamps, Maharashtra State. The said property was declared to be a slum under Section 4(1) of the Maharashtra Slum Areas (Improvement, Clearance, and Redevelopment) Act, 1971, by a notification published on 31 October 1977. The declaration was made on the ground that the property had been encroached upon and was occupied by hutments. The Petitioners had entered into Development-cum-Sale Agreements dated 9 December 1985 with different members of the Kawa Family. Under these Agreements, in consideration of an aggregate amount of Rs.5,01,620/- paid and payable thereunder, the Petitioners were given development-cum-sale rights in respect of five plots of land situated at Village Pahadi, Goregaon, forming part of Laxmi

Industrial Estate, D-40. The total area of the said plots was about 8404.5 square metres. Clause 3 of the said Development-cum-Sale Agreements recorded that the Agreements were entered into on an "as is where is basis" and were subject to the occupation of unauthorized occupants. At the relevant time, and until 1990, although the aggregate value of the Development-cum-Sale Agreements was Rs.5,01,620/-, the stamp duty payable on the said Agreements was only Rs.40,000/-.

3. On 7 January 1986, the owners executed a Power of Attorney in favour of the Petitioners. There are 280 tenants on the said property. The property is affected by several development restrictions, reservations and slum tenements. According to the Petitioners, approximately 4632.5 square metres of the property falls within CRZ-I and approximately 3771.98 square metres falls within CRZ-II. Further, approximately 8254.75 square metres is affected by RG reservation and approximately 149.73 square metres is affected by road reservation. The property is stated to be covered by forest area. The Petitioners claim that they have been in possession of the property since 1985 and have regularly paid the municipal taxes. On 18 May 1996, the Slum Rehabilitation Authority issued a Letter of Intent in respect of the property. The SRA approved the plans under No. SRS/DY/CE/257/P/S/PL/AP dated 24 March 1998. An Intimation of Disapproval was issued on 24 March 1998 and a Commencement Certificate was issued on 2 April 1998. However, under the Coastal Zone Management Plan published on 19 January 2000, about 50% of the property was shown as falling in CRZ-I and the remaining 50% in CRZ-II.

According to the Petitioners, development of the property was not permitted. This position was recorded by the Petitioners' Architect in the letter dated 19 April 2010 addressed to the SRA. For these reasons, according to the Petitioners, the development of the property could not proceed, although the IOD and Commencement Certificate were regularly revalidated. On 25 April 2012, one R. B. Singh, who was the original Complainant, had been appointed by the Petitioners as a Consultant for the development of the said project. A Power of Attorney dated 24 May 2002 was stated to have been executed in favour of the said Consultant. The Petitioners subsequently lodged a Police Complaint dated 25 April 2012 against the said Ram Badan Singh. An M.E.C.R. was registered on 4 February 2014 by the MIDC Police Station. In the year 2012, the SRA required the Petitioners to establish and complete their title in respect of the said lands. The Petitioners state that they were required to do so only in respect of those lands in which they had acquired Development-cum-Sale rights under the Agreements of 1985 and of which they were in possession. For this purpose, the Petitioners prepared four engrossed Conveyances. The Development-cum-Sale Agreements of 1985 and the Power of Attorney of 1986 were annexed to the said Conveyances. The Petitioners, by two separate letters, appointed Hemal Muni and Yunis J. Shroff as Consultants for registration of the documents and for adjudication of the stamp duty. The Petitioners executed two duly registered General Powers of Attorney, both dated 7 May 2012, in their favour. The said Consultants arranged for the Conveyances to be adjudicated by the

Collector of Stamps, Borivali. The Collector of Stamps certified under Section 32 of the Stamp Act that the Conveyances required payment of stamp duty of Rs.40,000/-, taking into account the aggregate original value of Rs.8,00,000/-, under Article 25(b) of the Stamp Act. The Petitioners paid stamp duty of Rs.40,000/-. The Conveyances dated 10 July 2012 were executed and duly registered. Subsequently, on 17 July 2012, the Maharashtra Pollution Control Board published a Public Notice regarding an environmental public hearing for development of the slum plot. The said public hearing was held on 16 August 2012 and was video recorded.

4. The Petitioners received a Show Cause Notice dated 4 September 2013 from the Chief Controlling Authority and Inspector General of Registration, Pune, who is Respondent No.2. It was alleged that proper stamp duty had not been paid on the Conveyances. According to the said notice, the market value of the property was Rs.56,20,76,500/- and the stamp duty payable was Rs.2,01,03,825/-. It was alleged that there was a deficit or short levy of stamp duty of Rs.2,00,63,825/-. By order dated 10 February 2014, the Inspector General of Registration, inter alia, held that there was a deficit or short levy of stamp duty amounting to Rs.2,00,63,825/-.

5. The Petitioners challenged the said order by filing Writ Petition Nos. 2897 of 2014, 2898 of 2014, 2907 of 2014 and 2908 of 2014. By a common order dated 3 April 2014, this Court set aside the order dated 10 February 2014 and directed the Collector of Stamps, Borivali, to consider the representation of the

Petitioners in accordance with law. Pursuant to the said order dated 3 April 2014, the Petitioners, on 22 May 2014, deposited an amount of Rs.1,50,00,000/- with the Collector of Stamps, Borivali and forwarded the receipt evidencing such deposit. Thereafter, by their letter dated 9 June 2014 addressed to the Collector of Stamps, Borivali, the Petitioners requested the authorities to obtain confirmation from the City Survey Office, Borivali. According to the Petitioners, the actual boundary of the plot was required to be finally determined before the area falling under various reservations and restrictions could be ascertained. The Petitioners stated that only could the areas falling under RG reservation, forest area, CRZ-I, CRZ-II, slum area and other restrictions be determined for the purpose of calculating the market value. By their letter dated 30 June 2014 addressed to the Collector of Stamps, Borivali, the Petitioners submitted a tentative chart showing the areas affected by RG reservation, CRZ-I, CRZ-II, road reservation and other restrictions. They requested that the reservations be actually verified. The Petitioners contended that no FSI was available on the property and, therefore, according to them, the value of the property was nil and no stamp duty was payable. They stated that in the CRZ-II portion falling within the residential zone, if the plot was vacant, FSI was required to be taken at 1, whereas where there was encroachment, no FSI was available for development after giving the basic FSI to the encroacher. Thereafter, by a letter dated 9 July 2014 addressed to the Collector of Stamps, Borivali, the Petitioners reiterated that the earlier chart had been prepared on the basis of the tentative City

Survey boundary superimposed on the physical possession of the site. According to them, actual verification could be carried out only after the City Survey boundary was finally determined. The Petitioners informed the authorities that Appeal No.6070 of 2014 concerning the survey of the property was pending before the Ministry of Revenue, Government of Maharashtra.

6. On 23 July 2014, representatives of the City Survey Office were scheduled to visit the property for a site inspection. According to the Petitioners, the visit was cancelled because of continuous heavy rain. Thereafter, on 8 August 2014, the City Survey Officer along with his staff visited the property. The Petitioners contend that no actual survey was carried out and no survey report was prepared. They state that, even thereafter, they were not supplied with any purported survey report prepared by the City Survey Officer. In the meantime, on 9 October 2014, the Collector of Stamps, Borivali, passed an order determining the stamp duty at Rs.1,44,11,275/-. After giving credit for the stamp duty of Rs.40,000/- paid, the Collector determined the balance stamp duty payable at Rs.1,43,71,275/-.

7. The Petitioners, through their Advocates' letter dated 28 October 2014 addressed to the Collector of Stamps, Bombay, requested, inter alia, for a copy of the survey report and for details regarding demarcation of the property boundary and calculation of the areas affected by slum reservation, mangroves, CRZ-I and CRZ-II. On 1 December 2014, the Petitioners filed four Appeals before the Deputy Controller of Stamps challenging the order dated 9 October 2014 insofar as it related to the respective plots. The

Deputy Controller of Stamps, by the impugned order dated 3 March 2016, upheld the order passed by the Collector of Stamps and directed the Petitioners to pay the balance stamp duty of Rs.1,43,71,275/-. It is this order which has been challenged by the Petitioners in the present Writ Petitions.

8. Mr. Chinoy, learned Senior Advocate appearing for the Petitioners, submits that the four Petitions arise out of similar facts and raise common questions relating to the applicability of Section 4 of the Maharashtra Stamp Act, 1958, the determination of the true market value of the properties and the manner in which the Stamp Authorities have proceeded with such determination. He makes the following common submissions, with the necessary factual differences relating to the respective properties.

9. In Writ Petition No.9358 of 2016, the Petitioners had entered into a Development-cum-Sale Agreement dated 9 December 1985 with the members of the Kawa Family, being the owners of Plot No.D-40, Laxmi Industrial Estate, situated at Pahadi, Goregaon, Taluka Borivali, admeasuring 8041.48 square metres, equivalent to 9619 square yards. Under the said Agreement, the owners had irrevocably agreed to grant to the Petitioners the right of development-cum-sale “of the land described in the Schedule”. Possession of the property was handed over to the Petitioners. The Petitioners were required to pay the taxes and other outgoings relating to the property and a Power of Attorney was to be executed in their favour for completing the transaction.

10. In Writ Petition No.9359 of 2016, the Petitioners had entered into an Agreement for Sale dated 28 March 1996 in respect of Plot No.D-34, Laxmi Industrial Estate, situated at Pahadi, Goregaon, Taluka Borivali, admeasuring 4041 square metres, equivalent to 4833.5 square yards. Under the said Agreement, possession of the property was handed over to the Petitioners. The Petitioners made payments to the owner, including the payment evidenced by receipt dated 5 February 1996. A Power of Attorney dated 28 March 1996 was executed in favour of the Petitioners or their nominees. The Petitioners were brought on the municipal assessment records and have been paying the municipal taxes.

11. In Writ Petition No.9360 of 2016, the Petitioners had entered into Development-cum-Sale Agreements dated 9 December 1985 in respect of Plot Nos.37, 38, 39, 39A, 41, 44, 45 and 46, Laxmi Industrial Estate, Pahadi, Goregaon, Taluka Borivali. The aggregate area of the plots was stated to be 37084 square metres, equivalent to 44338 square yards. Possession was handed over to the Petitioners under the said Agreements. The Petitioners were responsible for payment of taxes and other outgoings and Powers of Attorney were executed in their favour for completing the transactions.

12. In Writ Petition No.9361 of 2016, the Petitioners had entered into a Development-cum-Sale Agreement dated 9 December 1985 in respect of Plot No.D-36 admeasuring 5481 square metres, stated to be equivalent to 5612 square metres as per the property card, and Plot No.D-42 admeasuring 5411 square metres, stated to be equivalent to 5401 square metres as per the property card. The

properties form part of Laxmi Industrial Estate, Pahadi, Goregaon, Taluka Borivali. Possession was handed over to the Petitioners under the said Agreement and the Petitioners were liable to pay the taxes and other outgoings.

13. The Petitioners submit that, in all four cases, substantial amounts were paid pursuant to the original agreements. In the cases arising from the Development-cum-Sale Agreements of 9 December 1985, payments were made against receipts dated 9 December 1985, 20 January 1987 and February 1988. Powers of Attorney were executed by the owners in favour of the Petitioners or their nominees on 7 January 1986. The Petitioners were brought on the municipal assessment records and have been paying the municipal taxes in respect of the properties.

14. The Petitioners submit that, in the year 2012, the SRA Authorities required them to complete and establish their title before their proposals for redevelopment of the slum properties could be considered. For that purpose, substituted Powers of Attorney dated 1 February 2012 were executed, referring to the original Development-cum-Sale Agreements and the properties covered by them. In the case of Plot No.D-34, the original Agreement for Sale dated 28 March 1996 and the Power of Attorney dated 28 March 1996 formed the basis of the subsequent transaction. It is submitted that the Conveyances dated 10 July 2012 were executed only for the purpose of completing and perfecting the Petitioners' title under the earlier transactions. The Conveyances did not represent a fresh sale of the properties in the year 2012. They were executed in continuation of the earlier

transactions under which possession had been handed over and consideration had been paid. The Petitioners submit that the Conveyances dated 10 July 2012 annexed the relevant earlier documents. These include the Development-cum-Sale Agreements dated 9 December 1985, the Agreement for Sale dated 28 March 1996, the relevant payment receipts, the Powers of Attorney dated 7 January 1986 or 28 March 1996, as the case may be, the substituted Powers of Attorney dated 1 February 2012 and the municipal assessment records. The documents establish the connection between the earlier transaction and the subsequent Conveyances.

15. Before the Collector of Stamps, the Petitioners submitted that the Conveyances dated 10 July 2012 were executed to complete the earlier transactions and to perfect their title. Since possession had been delivered under the earlier agreements and the Petitioners had been paying the municipal taxes from that time, the subsequent Conveyances could not be treated as fresh transactions of sale taking place in 2012 and subjected to stamp duty on the market value prevailing in 2012. The Collector of Stamps, however, rejected the said contention on the ground that the earlier agreements were not referred to in the body of the Conveyances and were allegedly not annexed to them. In the case of Writ Petition No.9358 of 2016, the Collector recorded at page 56 as follows:

“The said agreement is not annexed to the conveyance and is an unregistered document and there is no reference of this Agreement in the Conveyance. As per clause 28 of Mah

Stamps Act the factors affecting the chargeability of stamp duty are to be mentioned in the document. In this context there is no relation between the Dev cum sale agreement and Deed of Conveyance and the benefit of date of execution of the Development cum Sale Agreement cannot be provided for deciding the market value of the property”

16. Similar findings were recorded by the Collector in the other Petitions. In Writ Petition No.9359 of 2016, the Collector recorded at page 52 that the Agreement for Sale was not annexed to the Conveyance and was an unregistered document, and that there was no reference to the Agreement in the Conveyance. The Collector held that there was no relation between the Agreement for Sale and the Deed of Conveyance and that the date of the earlier Agreement could not be taken into consideration for determining the market value.

17. In Writ Petition No.9360 of 2016, a similar finding was recorded at pages 62 and 63. In Writ Petition No.9361 of 2016, the Collector recorded the same reasoning at page 57. The Petitioners submit that these findings disclose an error apparent on the face of the record because the earlier agreements and the other relevant documents were in fact annexed to the respective Conveyances and showed that the Conveyances related to the same properties and the same transactions which had commenced under the earlier agreements.

18. The Petitioners submit that the mere fact that the earlier instruments were not referred to in the body of the subsequent Conveyances cannot determine the applicability of Section 4 of the Act. Section 4 is concerned with a transaction which has been

completed through more than one instrument. The question is whether the different instruments were in fact used for completing one transaction.

19. The Petitioners place reliance upon the judgment of this Court dated 20 August 2026 in Writ Petition No.13655 of 2017, *Kumar Housing Corporation vs. The State of Maharashtra & Ors.* According to the Petitioners, the said judgment settles the manner in which Section 4 is required to be applied where more than one instrument has been used for completing one transaction. It is submitted that, as held in *Kumar Housing Corporation*, for applying Section 4, “what is required to be seen is whether several instruments were in fact used for completing one transaction of sale, development agreement, lease, mortgage, or settlement”. The Petitioners submit that it is not necessary that the subsequent Conveyance must refer in its body to every earlier instrument forming part of the same transaction. What is necessary is to examine the documents as a whole and determine whether the earlier agreement and the subsequent Conveyance were instruments used for completing the same transaction concerning the same property.

20. In the present cases, the earlier agreements and the subsequent Conveyances relate to the same parties, the same properties and the same underlying transactions. Possession had been delivered under the earlier agreements. Consideration had been paid pursuant thereto. Powers of Attorney had been executed. The Petitioners had been brought on the municipal assessment records and had been paying municipal taxes. The

subsequent Conveyances were executed only when the SRA Authorities required the Petitioners to complete their title before considering the redevelopment proposals.

21. The Petitioners submit that these circumstances, when considered together, establish that the Conveyances dated 10 July 2012 were part of the same transactions which had commenced under the earlier agreements. The transactions must be considered as a whole. The subsequent Conveyances cannot be treated as independent and fresh sales merely because they were executed in 2012.

22. The Petitioners submit that the Respondents have relied upon Section 28 of the Act and upon the judgment of this Court dated 18 March 2025 in Writ Petition No.6537 of 2017, *Praman Infrastructure P. Ltd. vs. The State of Maharashtra & Ors.* The said judgment is relied upon for the proposition that an annexure, “if explicitly referenced in the sale deed”, may be treated as forming part of the instrument for the purposes of stamp duty assessment. According to the Petitioners, the reliance upon Section 28 and the decision in *Praman Infrastructure* is misplaced in the present case. The question here is not merely whether an annexure can be treated as part of an individual instrument for the purpose of Section 28. The issue is whether several instruments formed part of one transaction for the purpose of Section 4 of the Act.

23. The Petitioners submit that the two provisions operate in different fields. The requirement under Section 28 concerning the contents of an instrument cannot be applied in such a manner as

to defeat the separate statutory scheme under Section 4, where the transaction has been completed through more than one instrument. The Petitioners submit that the test laid down in *Kumar Housing Corporation* is the appropriate test. The Court is required to examine whether the earlier agreement and the subsequent Conveyance were in fact instruments used for completing one transaction. That question has to be answered by considering the documents and the whole transaction together.

24. Applying that test to the present cases, the Petitioners submit that the Development-cum-Sale Agreements dated 9 December 1985 and the Conveyances dated 10 July 2012 in Writ Petition Nos.9358, 9360 and 9361 of 2016 relate to the same properties and the same transactions. Similarly, the Agreement for Sale dated 28 March 1996 and the Conveyance dated 10 July 2012 in Writ Petition No.9359 of 2016 relate to the same property and the same transaction. The Petitioners submit that Section 4 of the Act applies to all four cases. The stamp duty liability cannot be determined by treating the Conveyances dated 10 July 2012 as fresh transactions of sale and by applying the market value prevailing in 2012.

25. The Petitioners raise a separate challenge to the manner in which the market value of the properties has been determined. It is submitted that the Stamp Authorities have proceeded on the basis of the Ready Reckoner or Annual Statement of Rates, despite the admitted physical, statutory and development restrictions affecting the properties. The Petitioners submit that the properties are affected, in varying degrees, by CRZ-I and CRZ-II restrictions,

mangroves, RG and road reservations, slum occupation and other restrictions on development. These restrictions affect the actual use and development potential of the properties and have a direct bearing on their true market value. According to the Petitioners, the Ready Reckoner is only a guideline. It cannot replace the statutory duty of the Collector to determine the true market value of the property on the basis of all relevant circumstances. Reliance is placed upon the Division Bench judgment of this Court in *Prasadnagar Co-operative Housing Society Ltd. v. State of Maharashtra*, 2005 (2) Mh.L.J. 310. The Petitioners submit that the said judgment makes it that Ready Reckoner rates are merely guidelines and constitute only a prima facie indication of value. They cannot be treated as conclusive for determining the true market value. The Petitioners submit that, at paragraph 8 of *Prasadnagar Co-operative Housing Society Ltd.*, the Division Bench considered the judgment of the Supreme Court in *R. Sai Bharathi v. J. Jayalalitha*, (2004) 2 SCC 9, and reiterated that a guideline value is not final but is only a prima facie rate. At paragraphs 10 and 11, the Division Bench directed that the Ready Reckoner should be treated only as a guideline and as a declaration of prima facie market value, and “nothing more”.

26. The Petitioners submit that the above principle has direct application to the present cases. The record discloses that the properties are subject to substantial restrictions on their development and use. In such circumstances, the Collector was required to examine the actual effect of those restrictions before determining the true market value.

27. In Writ Petition No.9358 of 2016, the Petitioners point out that the Collector's order records that approximately 2300 square metres were affected by mangroves and records that “no construction or use is permissible in the Mangrove area”. Despite this finding, the said portion was valued at 50% of the Ready Reckoner rate. The Petitioners submit that such an approach does not amount to a determination of the true market value of the affected land.

28. In Writ Petition No.9359 of 2016, the Petitioners submit that the property is affected by CRZ-I and other restrictions. According to the Petitioners, the entire area falls under CRZ-I. Despite the restriction on development, the Collector proceeded to value the property at 85% of the Ready Reckoner rate, resulting in a valuation of approximately Rs.15.44 crore.

29. In Writ Petition No.9360 of 2016, the Collector's order records that approximately 3600 square metres in Plot No.D-44 and approximately 2400 square metres in Plot No.D-45 were affected by mangroves. The Collector recorded that “no construction or use is permissible in the Mangrove area”. Nevertheless, the affected portions were valued at 50% of the Ready Reckoner rate, resulting in a valuation of approximately Rs.8.59 crore for Plot No.D-44 and Rs.13.11 crore for Plot No.D-45.

30. In Writ Petition No.9361 of 2016, the Collector's order records that approximately 2000 square metres in Plot No.D-42 were affected by mangroves and that “no construction or use is

permissible in the Mangrove area". The said portion was nevertheless valued at 50% of the Ready Reckoner rate, resulting in a valuation of approximately Rs.5.62 crore. Similarly, approximately 1200 square metres in Plot No.D-36 were stated to be affected by mangroves and the same was valued at 50% of the Ready Reckoner rate, resulting in a valuation of approximately Rs.3.37 crore.

31. The Petitioners submit that the Maharashtra Stamp (Determination of True Market Value of Property) Rules require the Collector to consider the nature of the land, the construction, the location and the situational advantages or disadvantages of the property while determining its true market value. It is submitted that Rule 6 requires the Collector, after giving an opportunity of hearing, to consider the objections raised by the parties and the relevant factors and evidence before determining the true market value. The Ready Reckoner may provide a starting point for the exercise, but it cannot take the place of the statutory adjudication required to be undertaken by the Collector. The Petitioners submit that the mechanical application of a fixed percentage of the Ready Reckoner rate to land which is incapable of development or use is contrary to the statutory requirement of determining the true market value. Where the Collector records that no construction or use is permissible on a portion of the property, the same cannot be valued merely by applying a fixed percentage of the Ready Reckoner rate without examining the actual value of such restricted land. The Petitioners submit that land affected by mangroves or CRZ-I, where the applicable restrictions prevent

construction or use, requires a separate and proper assessment. It cannot be assigned a substantial value by applying a percentage of the Ready Reckoner rate.

32. The Petitioners challenge the impugned orders on the ground of violation of the principles of natural justice. It is submitted that the earlier order of this Court dated 3 April 2014 required a fresh adjudication by the Collector of Stamps. According to the Petitioners, where a quasi-judicial authority relies upon a site inspection report, survey report, technical material or valuation material which is adverse to the affected party, the affected party must be given the material relied upon and a meaningful opportunity to deal with it. A mere opportunity to remain present before the authority is not sufficient if material adverse to the party is relied upon without disclosing the same. The Petitioners submit that they requested the authorities to furnish the survey material, demarcation of the property, details of the areas affected by CRZ restrictions, reservations, mangroves and other restrictions, and the basis on which the developable area had been determined. It is submitted that, where the valuation depends upon the physical boundaries of the plots and the extent of land affected by various restrictions, the survey, and demarcation material is relevant to the determination of market value. The Petitioners ought to have been given an effective opportunity to examine and contest such material before it was relied upon for determining their stamp duty liability. The Petitioners submit that to the extent the impugned orders rely upon survey reports, site inspection material, technical calculations

or other valuation material which was not furnished to the Petitioners, the procedure adopted by the authorities did not provide a fair and effective opportunity of hearing.

33. The Petitioners submit that the impugned orders suffer from two fundamental errors. First, the authorities have failed to consider the earlier agreements and the subsequent Conveyances as instruments forming part of the same transaction for the purpose of Section 4 of the Act. Second, while determining the market value, the authorities have proceeded mechanically on the basis of the Ready Reckoner without determining the effect of the admitted restrictions on the actual use and development potential of the properties. The Petitioners submit that the impugned orders, insofar as they determine the stamp duty on the basis of the 2012 market value and the valuation methodology adopted by the authorities, cannot be sustained and require interference in exercise of the jurisdiction of this Court under Articles 226 and 227 of the Constitution of India.

34. Mr. Vineet Naik, learned Senior Advocate appearing for Respondent No.2, submits that the present Petitions challenge the orders dated 3 March 2016 passed by Respondent No.2, whereby the Appeals filed by the Petitioners under Section 32B of the Maharashtra Stamp Act were rejected. By the impugned orders, the orders dated 9 October 2014 passed by the Collector of Stamps, District Borivali, under Section 31 read with Sections 32A(4) and (5) and Section 53A of the Maharashtra Stamp Act, were upheld. The Petitioners were held liable to pay the stamp duty determined on the respective registered deeds. The relevant

details of the properties, documents, consideration and stamp duty are set out below for convenience.

35. Description of the properties and impounded documents

Petition No.	Subject Plot	Registered Document No.	Consideration shown / Stamp Duty paid	Market Value / Stamp Duty leviable
9358/2 016	D-40, admeasuring 8,404.5 sq. mtrs.	Document No. 5379 dated 10 July 2012	Consideration: Rs.8 Lakhs; Stamp Duty paid: Rs.40,000/-	Market Value: Rs.56,20,76,50 0/-; Stamp Duty leviable: Rs.2,81,03,825 /-
9359/2 016	D-34, admeasuring 4,141.39 sq. mtrs.	Document No. 5377 dated 10 July 2012	Consideration: Rs.35 Lakhs; Stamp Duty paid: Rs.1,75,000/-	Market Value: Rs.27,02,80,00 0/-; Stamp Duty leviable: Rs.1,35,14,000 /-
9360/2 016	D-37, D-38, D-39, D-39/A, D-41, D-44, D-45 and D-46, total approximately 37,086 sq. mtrs.	Document No. 5380 dated 10 July 2012	Consideration: Rs.30 Lakhs; Stamp Duty paid: Rs.1,70,000/-	Market Value: approximately Rs.248.5 Crores; Stamp Duty leviable: Rs.12,42,97,25 0/-
9361/2 016	D-36, admeasuring 5,481.65 sq. mtrs., and D-42, admeasuring 5,411.59 sq. mtrs., total 10,893.24 sq. mtrs.	Document No. 5378 dated 10 July 2012	Consideration: Rs.12 Lakhs; Stamp Duty paid: Rs.60,000/-	Market Value: Rs.73,72,82,50 0/-; Stamp Duty leviable: Rs.3,68,64,125 /-

36. According to the Petitioners, although the respective Deeds of Conveyance were executed in the year 2012, they were only consequential documents executed pursuant to the earlier Development-cum-Sale Agreements entered into in the year 1985. Those earlier agreements were unregistered and unstamped. It is submitted that the 2012 Conveyances were executed only for completing and perfecting the Petitioners' title to the subject lands and, therefore, the transaction would fall within Section 4 of the Act. The Petitioners contend that the Development Agreements and the Powers of Attorney executed in 1985 were annexed to the respective registered documents and, therefore, the complete transaction was disclosed to the Authority. On this basis, it is submitted that the stamp duty ought to have been determined with reference to the market value of the lands in the year 1985 and not their market value in the year 2012.

37. The Petitioners contend that substantial portions of several of the subject plots were affected by existing slums, R.G. reservations, C.R.Z. reservations, D.P. Road reservations and other restrictions under the Development Control and Promotion Regulations. According to the Petitioners, these restrictions reduced the value and development potential of the affected portions of the lands, but the same were not considered by the Authority. It is submitted that, since the transaction had in substance taken place in the year 1985, the market value prevailing in 1985 ought to have been considered for determining the stamp duty and not the market value prevailing in 2012. The Petitioners have raised certain other grounds of challenge, which,

according to the Respondents, do not require separate consideration for deciding the present Petitions.

38. Mr. Naik submits that a plain reading of the Deeds of Conveyance executed in 2012 shows that there is no recital, clause or reference to any earlier document executed between the parties, including the alleged agreements or Powers of Attorney of 1985. There is no recital stating that the Conveyances were being executed for completing or perfecting the title of the Petitioners to the subject lands. Even the receipts relating to the consideration paid to the vendors, which are appended to the respective deeds, do not state that any balance consideration was being paid in 2012 pursuant to or in continuation of amounts paid in 1985. Similarly, there is no recital, clause or reference in the Conveyances regarding any portion of the subject plots being affected by existing slums, R.G. reservations, C.R.Z. reservations, D.P. Road reservations or any other such restrictions. It is submitted that, having regard to Section 28 read with Section 4 of the Act, the Petitioners were required to state fully and the facts and circumstances which affected the chargeability of the instruments. In the absence of such disclosure, the Authority was justified in considering the document as it stood and in not looking beyond its contents, unless the annexures were and unambiguously referred to and incorporated into the document. According to the learned Senior Advocate, any fact which has a direct bearing on the market value, a fact which is relied upon to reduce the development potential of the property, must either be stated in the main document or be incorporated through an annexure which is and

unambiguously referred to in the document.

39. Reliance is placed upon the judgment dated 18 March 2025 passed by this Court in *Praman Infrastructure Pvt. Ltd.* It is submitted that, while considering a similar issue and relying upon the judgment of the Supreme Court in *Himalaya House Co. Ltd. Bombay v. The Chief Controlling Revenue Authority*, this Court, from paragraph 12 onwards, held as follows:

"12. A foundational question arises as to whether a recital indicating the applicability of CRZ restrictions on a part of the land - thereby potentially reducing the effective development potential and hence impacting the sale consideration-must mandatorily find place in the body of the sale deed, or whether reference to an annexure would be sufficient.

.....

14. It is necessary to include in the main body of the document all critical facts and recitals that go to the essence of the sale consideration or that bear upon the market value. Courts and authorities administering the stamp laws cannot look beyond the four corners of the main text unless the references to annexures are unambiguous. A recital affecting market valuation, one that diminishes development potential, must be set forth in the document or be unambiguously incorporated through a referenced annexure.

15. The statutory framework If the principal instrument is silent on CRZ restrictions and they appear solely in an annexure that is vaguely referenced or not explicitly incorporated, the stamp authorities are justified in disregarding such vague recitals.

16. Therefore, in my opinion, a suitably incorporated

annexure that is referenced within the sale deed is to be treated as part of the instrument and is necessary to place the CRZ limitations on record for the purpose of assessing market value. The omission of such an express reference could lead to the authorities disregarding material limitations and assessing stamp duty based on an inflated market value.

17.

18. The Supreme Court, while interpreting Section 27 of the Indian Stamp Act, held that parties to a document are required to set forth in the document fully and truly the consideration (if any) and all other facts and circumstances affecting the chargeability of the document with duty or the amount of duty payable. The Court observed that no provision in the Indian Stamp Act empowers the revenue authorities to conduct an independent inquiry into the value of the property conveyed. Additionally, the Court held that a reference to an earlier transaction in a deed of assignment does not amount to an incorporation of its terms unless the document demonstrates the intention of the parties to adopt such incorporation.

19. Therefore, in my opinion, while an annexure, if explicitly referenced in the sale deed, may be deemed part of the instrument for the purpose of stamp duty assessment, facts and circumstances that bear upon the Floor Space Index (FSI) and development potential of the property must necessarily be stated on the face of the main deed. Any ambiguity in referencing such limitations could lead to incorrect assessments and disputes regarding valuation.”

40. Learned Senior Advocate submits that, when the Petitioners' case is examined in the light of the above judgment, their submissions cannot be accepted. According to him, none of the

impounded Conveyances refers to the alleged transaction of 1985. There is no specific reference in the Conveyances to any portion of the subject plots being affected by reservations or restrictions which reduced their development potential.

41. It is submitted that the only conclusion possible is that the transactions completed by the respective Deeds of Conveyance dated 10 July 2012 were transactions completed in the year 2012 and not in the year 1985, as contended by the Petitioners. Reliance is placed upon Section 2(na) of the Act, which defines "market value" in relation to property which is the subject matter of an instrument as the price which such property would have fetched if sold in the open market on the date of execution of the instrument, [or the consideration stated in the instrument whichever is higher]. Reliance is placed upon Rule 2(1)(f), relating to "valuation guidelines", and Rule 4, relating to the "Annual Statement of rates of immovable property", of the Bombay Stamp (Determination of True Market Value of Property) Rules, 1995.

42. Without prejudice to the above submissions, Mr. Naik submits that the compilations filed in each of the Petitions disclose another important aspect. The compilations contain copies of the registered documents. On a first reading, it may appear that the entire document of 1985 formed part of the registered deed as an annexure. However, according to the learned Senior Advocate, a closer examination of the compilations shows otherwise.

43. In Writ Petition No.9358 of 2016, concerning Registered Document No.5379/12. The "Seal of the Registrar" appears on

these pages. Only a part of the 1985 document is annexed and bears the Seal of the Registrar. The 1985 document is annexed in its entirety, but these pages do not bear the Seal of the Registrar. The document contains the receipts bearing the Seal of the Registrar.

44. In Writ Petition No.9359 of 2016, concerning Registered Document No.5377/12 with the "Seal of the Registrar" appearing on the relevant pages. The 1985 document is annexed in its entirety. However, these pages do not bear the Seal of the Registrar.

45. In Writ Petition No.9360 of 2016, concerning Registered Document No.5380/12, with the "Seal of the Registrar" appearing on the relevant pages. Only a part of the 1985 documents relating to the respective plots is annexed with the Seal of the Registrar. The 1985 document relating to Plot Nos.37 to 41 is annexed in its entirety. However, these pages do not bear the Seal of the Registrar. The document contains receipts bearing the Seal of the Registrar.

46. In Writ Petition No.9361 of 2016, concerning Registered Document No.5378/12, with the "Seal of the Registrar" appearing on the relevant pages. Only a part of the 1985 document is annexed with the Seal of the Registrar. The 1985 document is annexed in its entirety, but these pages do not bear the Seal of the Registrar. The document contains the receipts bearing the Seal of the Registrar.

47. It may be contended by the Petitioners that, even if the relevant portions of the 1985 documents were annexed to the respective deeds, there was sufficient disclosure of the earlier transaction. However, Mr. Naik submits that the 1985 documents were neither referred to in the Conveyances nor annexed to them in the manner contemplated by law. He submits that the judgment of this Court referred to above squarely applies to the present case. It is submitted that the recitals in the 1985 documents record that the provisions of the Urban Land Ceiling Act were applicable and that the owners had made applications under Sections 20 and 21 of that Act, which were then pending. The Urban Land Ceiling Act was subsequently repealed, and the repeal became applicable to the State of Maharashtra with effect from 29 November 2007. According to Mr. Naik, the subject lands were thereby freed from the restrictions imposed by the ceiling law. The registered Conveyances were executed in 2012, by which time the lands had regained their value in the open market. It is submitted that this circumstance supports the stand of the State that the 2012 documents were undervalued and that properties having a value running into hundreds of crores of rupees were sought to be transferred on payment of only nominal stamp duty.

48. Mr. Naik submits that, as recorded by the Authorities in the impugned orders, the Petitioners had admitted that forged and fabricated rent receipts had been produced in the proceedings to support their case for reducing the market value of the properties. It is submitted that, in view of such conduct, the Petitioners are not entitled to seek any relief from this Court in the present Petitions.

As regards the determination of the market value, it is submitted that the Authorities have correctly applied the yearly valuation guidelines applicable to the year 2012. These guidelines prescribe the method for valuation of different categories and uses of land and different categories of constructed premises. They were issued by the Revenue Department of the State under Rule 2(1)(f), relating to "valuation guidelines", and Rule 4, relating to the "Annual Statement of rates of immovable property", of the Bombay Stamp (Determination of True Market Value of Property) Rules, 1995. The guidelines for the year 2012 were handed over across the Bar, and reliance was placed upon Rules 17 and 22 thereof. It is submitted that, while determining the market value of the respective lands, the Authority has taken into account the relevant factors relating to the market value prevailing in the year 2012 and has determined the stamp duty payable. The impugned orders, according to the learned Senior Advocate, cannot be said to be perverse, arbitrary or contrary to law so as to warrant interference by this Court in exercise of its jurisdiction under Articles 226 and 227 of the Constitution of India. The Petitioners' challenge, according to the Respondents, is without merit and the Petitions are liable to be dismissed.

REASONS AND FINDINGS:

49. I have considered the submissions made by the Petitioners and the State. Since the main questions in all the four Writ Petitions are mostly common, they are being considered together.

50. The first question is what is the real nature of the transaction. According to the Petitioners, the Conveyances made in 2012 were only the final documents by which the transactions made in 1985, and in one case in 1996, were completed and the title was formally transferred. According to the State, the Conveyances of 2012 were independent instruments. Therefore, according to the State, the market value of the properties in 2012 had to be taken.

51. The documents have to be seen together. A stamp duty matter cannot be decided only by looking at the last document and forgetting why and in what circumstances that document came to be made. At the same time, it is not enough for a party to say that all documents are one transaction. There must be some material on record showing how the different documents are connected.

52. In the present case, such material is available. In Writ Petition No.9358 of 2016, the transaction goes back to the Development-cum-Sale Agreement dated 9 December 1985 concerning Plot D/40. The Petitioners rely upon the possession given, payments made, the Power of Attorney and the substituted Power of Attorney, followed by the Conveyance dated 10 July 2012. In Writ Petition No.9359 of 2016, the earlier Agreement for Sale is dated 28 March 1996 concerning Plot D-34 and the later Conveyance is again dated 10 July 2012. In Writ Petition No.9360 of 2016, the earlier Development-cum-Sale Agreements concern several plots, namely D-37, D-38, D-39, D-39A, D-41, D-44, D-45 and D-46. In Writ Petition No.9361 of 2016, the earlier Development-cum-Sale Agreement concerns D-36 and D-42.

Therefore, the earlier agreements, possession documents, Powers of Attorney, receipts and final Conveyances cannot be seen as papers having no connection with each other.

53. The Respondents are correct to some limited extent. Merely because different documents relate to the same property, Section 4 does not apply. There must be one transaction and the several instruments must have been used for completing that transaction. But where the documents show that the later document was only completing the transfer which had been agreed and acted upon earlier, this requirement is satisfied. Section 4 is important. The relevant provision reads:

“Section 4. Several instruments used in single transaction of development agreement, sale, lease, mortgage or settlement.—

(1) Where, in the case of any development agreement, sale, lease, mortgage or settlement, several instruments are employed for completing the transaction, the principal instrument only shall be chargeable with the duty prescribed in Schedule I for the conveyance, development agreement, lease, mortgage or settlement, and each of the other instruments shall be chargeable with a duty of five hundred rupees instead of the duty (if any) prescribed for it in that Schedule.”

54. This provision does not say that all documents must have the same name. It does not say that all documents must be made on the same date. What has to be seen is whether several instruments were used for completing one transaction.

55. The same approach is found in *Kumar Housing Corporation Private Limited*. In paragraph 21 of that judgment, it was observed:

“The Section 4 applies where “several instruments are employed for completing the transaction”. Therefore, the enquiry is not limited only to finding whether all documents have the same title or whether they were executed on the same date. What is required to be seen is whether several instruments were in fact used for completing one transaction of sale, development agreement, lease, mortgage, or settlement.”

56. The same judgment further records in paragraph 27:

“I am unable to accept this submission in the manner in which it is made. Section 4 applies where several instruments are employed for completing a single transaction of, amongst other things, “development agreement” or “sale”. Therefore, merely because one document may have the character of a development agreement and the final document is a conveyance, that fact by cannot take the matter outside the scope of Section 4. The entire transaction is required to be examined.”

57. The above principle concerns the main approach taken by the Authorities in the present cases. The Authorities have given much importance to the fact that the earlier documents were called Development-cum-Sale Agreements or Agreement for Sale, whereas the later documents were Conveyances. But the name given to a document is not the complete test. What was the transaction? What rights were created by the earlier documents? Was possession given? Was consideration paid? Was authority to develop, deal with and ultimately transfer the property given? Was

the final Conveyance only the document by which the earlier arrangement was completed? These are the questions which have to be seen.

58. On these questions, the material before the Court supports the Petitioners. The earlier documents created rights in favour of the Petitioners. The Petitioners rely upon possession, payment of consideration, Powers of Attorney and receipts. The later Conveyances were made in favour of the same Petitioners for the same plots and according to the earlier arrangements. The documents relied upon by the Petitioners do not show that a new agreement was made for the first time in 2012. The long gap between the earlier agreements and the final Conveyances does not end the earlier transaction. Delay in making the final Conveyance may have some other legal consequences, but such delay alone does not make one transaction into two separate transactions. The question still is whether the final document was made for completing the earlier agreement.

59. The State has relied upon Section 28 and the judgment in *Praman Infrastructure Private Limited*. That judgment does lay down an important principle. The Authority cannot be expected to reconstruct a transaction from vague or incomplete material. Paragraph 13 states:

“The authorities cannot disregard material recitals found in an annexure, provided the main deed unambiguously incorporates it.”

60. Paragraph 14 further states:

“It is necessary to include in the main body of the document all critical facts and recitals that go to the essence of the sale consideration or that bear upon the market value. Courts and authorities administering the stamp laws cannot look beyond the four corners of the main text unless the references to annexures are unambiguous.”

61. Paragraph 15 of *Praman Infrastructure* states:

“If the principal instrument is silent on CRZ restrictions and they appear solely in an annexure that is vaguely referenced or not explicitly incorporated, the stamp authorities are justified in disregarding such vague recitals.”

62. And paragraph 16 states:

“Therefore, in my opinion, a suitably incorporated annexure that is referenced within the sale deed is to be treated as part of the instrument and is necessary to place the CRZ limitations on record for the purpose of assessing market value.”

63. The above principle has to be applied, but it has to be applied to the particular issue for which it was stated. *Praman Infrastructure* was concerned with facts which were relied upon for reducing market value, such as CRZ restrictions, FSI, leasehold limitations and tenant occupation. The position in the present four petitions is somewhat different. The Petitioners are not asking the Court to bring some outside fact into the Conveyances only for reducing their value. They rely upon the earlier instruments for showing that the Conveyances of 2012 were part of the same transaction. There is a difference between the two matters. One is a fact relating to the property which may reduce its market value, such as CRZ restriction, reservation or restricted development

potential. Such fact has to be stated in the instrument or made part of it. The other question is whether the instrument under consideration is one of several instruments used for completing the same transaction. For deciding this second question, the complete chain of documents has to be seen. Section 4 requires such consideration.

64. The Respondents say that the Conveyances of 2012 did not contain any recital that they were only completing the transactions of 1985 or 1996. They say there was no recital about the balance consideration and that the earlier documents were only annexed. This submission cannot be ignored. An express recital would have been better and could have avoided later disputes. But absence of one particular sentence in the final Conveyance cannot wipe out the earlier instruments, possession documents, Powers of Attorney and receipts, when all these documents are on record and were considered by the Respondents while deciding the stamp duty issue.

65. The objection based on Section 28 cannot be applied in such a way that Section 4 becomes without meaning. Section 4 speaks of a situation where “several instruments” are used for completing a transaction. Therefore, the Authority has to identify the different instruments and decide whether, taken together, they form one transaction. This exercise cannot be avoided only because the final document does not repeat every fact which was contained in the earlier documents.

66. The judgment in *Kumar Housing* is relevant on this point. In paragraph 37, this Court observed:

“The impugned orders have proceeded on the basis that because the earlier documents and the final Conveyance were described differently, Section 4 could not apply. This approach does not consider the statutory requirement whether the several instruments were “employed for completing the transaction”. The Authorities have concentrated on the separate names and descriptions of the documents.”

67. The judgment further observed:

“The continuous nature of the transaction and the fact that the final Conveyance completed the transfer contemplated under the earlier arrangements has not been given proper effect.”

68. The same reasoning applies in the present cases. If the earlier agreements are read along with the possession documents, Powers of Attorney and receipts, and the final Conveyances are seen in that background, it would not be proper to divide the transaction into one earlier transaction which had ended and another new transaction starting in 2012. The final Conveyances were made for completing the transfer which had been contemplated under the earlier arrangements.

69. I have considered the submission of the Respondents that in some cases the copies of the earlier documents produced by the Petitioners were not sealed copies or were not complete copies of the registered documents. This objection may have some relevance when the Authority has to decide whether a particular document is

proved or whether a particular fact can be accepted. But here the identity of the earlier transactions is not being shown from one loose document only. There is a chain of documents consisting of the agreements, possession-related documents, Powers of Attorney, receipts and final Conveyances. The Respondents examined the compilations and relied upon the earlier documents while putting forward their case. Therefore, this objection does not destroy the connection between the different instruments.

70. The Respondents next submit that some of the earlier documents referred to restrictions under the Urban Land Ceiling Act and that the ULC regime was repealed in Maharashtra with effect from 29 November 2007. According to the Respondents, after such repeal the properties got greater open-market value and the State was justified in taking the later value. This submission does not answer the main question. The repeal of the ULC law may have relevance when the actual market value on a particular date is considered. But the first question before the Court is whether the Conveyances of 2012 were independent transactions or whether they were instruments used for completing the earlier transactions. If Section 4 applies, the State cannot avoid Section 4 merely by saying that the value of the property had increased later. Increase in value of a property does not make a new sale.

71. The Respondents say that the transactions under the earlier documents were separate and the Conveyances of 2012 must be valued independently. I am unable to accept this submission. The material shows continuity in the parties, continuity in the properties and continuity in the rights which were being

transferred. The later Conveyances do not show that the properties were purchased for the first time in 2012. There is no material showing that a fresh agreement was entered into in 2012 at the market value then prevailing. The consideration mentioned in the 2012 documents is not shown to be the price of a new transaction entered into in 2012.

72. The Petitioners rely upon Section 2(na), which provides:

“Section 2 (na) “market value” in relation to any property which is the subject matter of an instrument, means the price which such property would have fetched if sold in open market on the date of execution of such instrument or the consideration stated in the instrument, whichever is higher;”

73. This definition makes the date of execution relevant where the instrument is independently liable to ad valorem duty. But Section 2(na) cannot be read separately from Section 4. First, it has to be decided whether the instrument is an independent taxable transaction or whether it is one of several instruments used for completing the same transaction. The same reasoning is found in *Kumar Housing*, paragraphs 33 and 34. Paragraph 33 holds that the date of execution of “such instrument” becomes relevant where the instrument is independently liable to ad valorem duty. Paragraph 34 then makes the important point that the 2012 market value cannot be applied by treating the final document as a new independent transaction when the documents in fact form part of one transaction under Section 4. Therefore, the submission of the State that Section 2(na) requires the market value of 2012 in every case cannot be accepted. Section 2(na) does not permit the Revenue to ignore Section 4. Both provisions have to be read

and applied together.

74. The Petitioners have challenged the manner in which the Ready Reckoner rates were applied. They say that the properties were affected by various restrictions, including slum conditions, CRZ or environmental restrictions, mangroves, reservations, road reservations and other development restrictions. The Respondents, on the other hand, rely upon the Annual Statement of Rates and the applicable 2012 guidelines and say that the valuation was made according to the prescribed rates.

75. On this issue, the submission of the Petitioners that a Ready Reckoner rate is not conclusive is well founded as a matter of principle. The material relied upon by the Petitioners from *Prasadnagar Co-operative Housing Society Ltd.* refers to the observation of the Supreme Court that:

“The guideline value has relevance only in the context of section 47-A ... Thus, the guideline value fixed is not final but only a prima facie rate prevailing in an area. ... The authorities cannot regard the guideline valuation as the last word on the subject of market value.”

76. Therefore, the Ready Reckoner rate can be used as a starting point for valuation. But it does not prove the actual market value in every case. The Respondents were required to consider the circumstances of the particular properties which had a real effect on their value. At the same time, in the present cases, I do not find it necessary to separately decide the exact market value of each of the four properties for the year 2012. This is because that question becomes unnecessary once it is held that the Conveyances of 2012

were not independent fresh transactions for the purpose of the disputed levy. The same approach was adopted in *Kumar Housing*, where it was observed that the question whether the 2012 market value was otherwise correct “loses its importance” once Section 4 is applied.

77. Therefore, the submissions relating to CRZ, mangroves, reservations, slums and other restrictions do not require separate decision for deciding whether the impugned demands can continue. This is not because such factors can never affect market value. They may have such effect. But the impugned demand was based on the assumption that the Conveyances of 2012 were independent transactions liable to stamp duty on the 2012 market value. That basic assumption cannot be sustained.

78. I have considered the submission that the Petitioners had taken different stands at different stages and that some documents were earlier described as Development Agreements whereas later they were referred to as Agreements for Sale. There is some substance in the criticism of the Respondents. A party cannot be allowed to change the description of a document only for getting some financial benefit. But that does not finish the matter. The legal character of an instrument cannot be decided only from the label given to it by a party. The Court has to see the substance and legal effect of the document. *Kumar Housing*, paragraphs 29 and 30, considered this aspect and held that inconsistency in description does not permit the Revenue to impose stamp duty contrary to the statute. The relevant principle was stated in these words:

“Stamp duty is required to be determined according to the real nature and legal effect of the instrument. The liability cannot be decided only on the basis of estoppel when the document and the provisions of law require examination of its real substance.”

79. I apply the same principle here. The Petitioners cannot claim any benefit merely by changing the name of a document. But at the same time, the State cannot impose a fresh levy merely because the Petitioners used a different description at a different stage. The documents have to be examined. On such examination, the earlier agreements created substantive rights, possession and authority in favour of the Petitioners, and the later Conveyances completed those earlier arrangements.

80. The allegation regarding forged or fabricated rent receipts requires consideration. The Respondents say that the Authorities recorded that forged or fabricated receipts had been produced for reducing the market value. Such allegation is serious. Even if there was some irregularity concerning any particular receipt, that cannot change the legal nature of the Conveyances of 2012. The question before the Court is the statutory liability of those instruments. An allegation concerning one supporting document cannot be used to create a new taxable transaction contrary to Section 4.

81. I have considered the submission regarding failure to register or regularise some of the earlier documents within the prescribed time and the reliance placed by the Authorities on the delay. Delay may have some consequences under the Registration Act or other provisions of law. But delay does not answer the question arising

under Section 4. The question remains whether several instruments were used for completing one transaction. *Kumar Housing*, paragraph 38, reaches the same conclusion and holds that delay in registration cannot convert an otherwise continuous transaction into several independent transactions.

82. The Respondents rely upon the fact that the Conveyances of 2012 do not say, in words, that they are only “completion” or “perfection” documents. This submission has some force from the drafting point of view, but it cannot be treated as a complete answer in law. The Court is not deciding the matter only on the basis of one sentence or one omission. The transaction has to be seen as a whole. Section 4 requires the several instruments used for completing the transaction to be identified. I hold that the earlier Development-cum-Sale Agreements and Agreement for Sale, the connected possession documents, Powers of Attorney, receipts and the Conveyances dated 10 July 2012 constitute several instruments employed for completing the same underlying transactions within the meaning of Section 4 of the Maharashtra Stamp Act, 1958.

83. This conclusion does not mean that no stamp duty can ever be charged. Section 4 does not give exemption from stamp duty. It only provides the manner in which stamp duty is to be charged where several instruments are used for completing one transaction. The principal instrument has to be dealt with according to the duty prescribed for the principal transaction and the other instruments have to be dealt with in the manner provided under Section 4. The basic error in the impugned orders

is more fundamental. The Authorities treated the Conveyances of 2012 as if an entirely new sale had taken place in 2012 and thereafter applied the market value of 2012 to that fresh transaction. The material on record does not support this basic factual assumption. The Authorities were first required to consider the legal relationship between the earlier instruments and the final Conveyances. Instead, the impugned orders proceeded on the different names of the documents, the long passage of time and the later increase in market value. Such approach does not give proper effect to Section 4.

84. Consequently, the findings recorded by the Collector of Stamps and affirmed in appeal, to the extent they proceed on the basis that the Conveyances of 2012 were independent transactions liable to fresh stamp duty on the market value of 2012, cannot be sustained. The consequential demand for deficit stamp duty and the penalty based upon such alleged deficit must fail.

85. The petitions deserve to be allowed on merits.

86. In view of the foregoing discussion and for the reasons recorded hereinabove, the following order is passed:

(i) Writ Petition Nos.9358 of 2016, 9359 of 2016, 9360 of 2016 and 9361 of 2016 are allowed;

(ii) The impugned orders dated 3 March 2016 passed by the Appellate Authority under Section 32B of the Maharashtra Stamp Act, 1958, and the orders dated 9 October 2014 passed by the concerned Collector of Stamps under the provisions of the said Act, are quashed and set

aside;

(iii) The consequential penalty, interest and recovery proceedings founded upon the impugned alleged deficit stamp duty are quashed and set aside;

(iv) Rule is made absolute in the above terms.

(v) There shall be no order as to costs.

(AMIT BORKAR, J.)