



2025:DHC:8835-DB



\$~

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

%

Judgment reserved on: 15.09.2025

Judgment pronounced on: 08.10.2025

+

LPA 346/2020

RAMESH SHARMA

.....Appellant

Through: Mr. D.N. Goburdhun, Sr. Adv.
with Mr. Archit Chauhan, Mr.
Attin Shankar Rastogi, Mr.
Shivkant Arora, Mr. Adil
Vasudeva and Ms. Saloni,
Adv.

versus

GOVERNMENT OF N.C.T. OF DELHI & ORS.

.....Respondents

Through: Mr. Abhinav Sharma, Adv.

CORAM:

HON'BLE MR. JUSTICE ANIL KSHETARPAL

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

J U D G M E N T

ANIL KSHETARPAL, J.

1. Through the present Appeal, the Appellant assails the correctness of an order passed on 20.05.2020 in W.P.(C) 3560/2018 [hereinafter referred to as 'Impugned Order'], wherein the learned Single Judge has upheld the impounding of the Relinquishment Deeds [hereinafter referred to as 'RDs'], on account of deficient stamp duty by treating them as Gift Deeds.

FACTUAL MATRIX

2. The dispute in the present case arises from the property bearing



No. E-67, Greater Kailash, New Delhi [hereinafter referred to as ‘suit property’]. Late Shri Jagdish Prasad Sharma and late Smt. Shanti Devi, father and mother of the Appellant, respectively, jointly owned the suit property, with a half share each. On 24.09.2001, Appellant’s father executed a registered Will, in which he bequeathed his entire half share in the suit property in favour of the Appellant, Shri Ramesh Sharma. On 31.10.2003, Late Shri Jagdish Prasad Sharma passed away, leaving behind his widow, a son [Appellant herein], and five daughters.

3. Thus, now the suit property is jointly owned by the Appellant and his mother, with a half share each. Further, on 20.03.2013, Smt. Shanti Devi passed away, leaving behind the Appellant and his five sisters as the Class-I legal heirs.

4. On 03.07.2012, three sisters of the Appellant, namely Smt. Raj Adholia, Smt. Prema Sharma, and Smt. Karuna Mehta executed three separate RDs in favour of their brother, in the lifetime of their mother, and presented the same before the Sub-Registrar V-A, Mehrauli, New Delhi [hereinafter referred to as ‘Sub-Registrar’] on 06.07.2012 for registration. Further, on 17.07.2012, the remaining two sisters, namely, Smt. Dharamwati Joshi and Smt. Kaushik also executed their respective RDs in favour of the Appellant, also during the lifetime of their mother, and the same was presented before the Sub-Registrar for registration on the same date.

5. *Vide* a letter dated 17.07.2012 of Sub-Registrar addressed to the Collector of Stamps, Hauz Khas, Mehrauli, the Appellant received



information that the aforesaid RDs have been impounded on the ground of being deficiently stamped.

6. Subsequently, on 01.03.2013, SDM, Kalkaji, Delhi [hereinafter referred to as ‘SDM KJ’], after perusing the written explanation of the Appellant, *vide* Order No. F-6/SDM(SV)/2013/447 concluded that the said five RDs, on the account of being presented for registration on two different dates, are chargeable for stamp duty under Article 23 of Schedule I of the Indian Stamp Act, 1899¹. Pursuant thereto, acting in accordance with the Valuation Report submitted by the Tehsildar, Kalkaji, the SDM KJ, *vide* Order No. F-1/SDM/KJ/2013/2017 dated 15.05.2013, imposed the stamp duty of Rs.6,60,257/- along with a penalty of Rs.1,00,000/- upon the Appellant. Consequently, to avoid the immediate attachment of property, the Appellant deposited the aforesaid amount under protest *vide* challan dated 29.05.2013.

7. Further, an RTI application was filed before the SDM, Hauz Khas seeking details of RDs impounded between 01.01.2012 and 30.04.2012 on the ground that it is tantamount to a gift and is not sufficiently stamped. However, an unsatisfactory response was received, and consequently, an RTI Appeal was filed, but the Sub-Registrar again failed to provide the information.

8. Assailing the correctness of the orders dated 01.03.2013 & 15.05.2013 passed by the SDM KJ and unsatisfactory response to various RTI applications, the Appellant filed W.P.(C) 3560/2018 before the learned Single Judge of this Court.

¹ Article 23.



9. Upon appreciation of pleadings, *vide* Impugned Order, the petition W.P. (C) 3560/2018 has been disallowed by the learned Single Judge on the following grounds:

i. All five RDs form part of one single transaction. Merely because the RDs are executed on different dates, it cannot by itself be a determinative factor;

ii. The rights were relinquished only in favour of the Appellant, excluding the mother of the Appellant from the right in the relinquished shares. Therefore, the RDs amount to Gift Deeds and not Release Deeds;

iii. The RDs do not constitute a Family Settlement as they do not make any reference to the Will of the late father of the Appellant, or to any purported family settlement; and

iv. A bare reading of the Recitals & Covenants of the RDs clearly establishes that the RDs are documents of Conveyance and not Release simpliciter.

10. Another similar petition being W.P.(C) 9193/2019 captioned ***Tripta Kaushik v. Sub-registrar VI-A, Delhi & Anr.*** was clubbed and heard together with this petition by the learned Single Judge, as a common question of law arose in both the judgments. The learned Single Judge in W.P. (C) 9193/2019 allowed the petition since, in the peculiar facts of the case, the RD has been executed by a co-owner in favour of the only other co-owner, holding the RD to be a Release Deed and falling within the ambit of Article 55 of Schedule 1-A (for



Delhi) of the Stamp Act, 1899².

CONTENTIONS OF THE PARTIES

11. Learned senior counsel for the Appellant submits that RDs herein cannot be treated as a Gift Deed in view of the judgments passed in *Smt. G. Subbalakshmi Visweswara Rao v. Secretary to Government, Revenue Department & Ors.*³; *Maddula Girish Kumar & Anr. v. The Commissioner of Survey, Settlements and Land Records and Anr.*⁴; and *The Board of Revenue, Hyderabad v. Valivety Rama Krishnaiah*⁵.

12. *Per contra*, learned counsel for the Respondent submits that the RDs herein are Gift Deeds in view of the judgments rendered in *The Board of Revenue (The Chief Controlling Revenue Authority) v. V. M. Murugesu Mudaliar of Gudiyatham*⁶; *Narinder Kaur & Anr. v. Amarjeet Singh Sethi & Anr.*⁷; *Javer Chand & Ors. v. Pukhraj Surana*⁸; *Tripti Kaushik v. Sub Registrar VI-A & Anr.*⁹; and, *Neeraj Arya v. Rakesh Arya & Anr.*¹⁰.

13. Learned counsel for the parties have not made any other submissions.

ANALYSIS & FINDINGS

14. After having analysed the arguments of the learned counsel for

² Article 55.

³ 2011 SCC OnLine AP 1093.

⁴ 1992 SCC OnLine AP 125.

⁵ 1972 SCC OnLine AP 155.

⁶ AIR 1955 Mad 641.

⁷ (2000) 54 DRJ 53.

⁸ AIR 1961 SCC 1655.

⁹ 2020 SCC OnLine Del 2748.

¹⁰ 2023 SCC OnLine Del 7816.



the parties, the following issue requires adjudication: Whether for the purposes of the Indian Stamp Act, 1899¹¹, the relinquishment of rights in a property by the sisters (co-owners) in favour of their brother (another co-owner) can be treated as Gifts?

15. It is to be noted that the Relinquishment Deed has not been referred to in Schedule 1-A (for Delhi) of the Stamp Act, 1899¹², however, Article 55 prescribes stamp duty payable on the release deed, which reads as under:

“55.	<i>RELEASE</i> , that is to say, any instrument (not being such a release as is provided for by section 23(a) whereby a person renounces a claim upon another person or against any specified property--	
	(a) if the amount or value of the claim does not exceed Rs. 1,000	The same duty as Bond (No. 15) for such amount or value as set forth in the Release
	(b) in any other case	One hundred rupees”

16. The release does not include such a release as is provided for by Article 23A of the Stamp Act, 1899¹³, which reads as under:

“23A.	<i>CONVEYANCE IN THE NATURE OF PART PERFORMANCE</i> Contracts for the transfer of immovable property in the nature of part performance in any union territory under section 53A of the Transfer of property Act, 1882 (4 of 1882)	Ninety per cent of the duty as a Conveyance (No. 23)”
-------	--	---

¹¹ Stamp Act

¹² Schedule 1-A.

¹³ Article 23A.



17. At this juncture, it is pertinent to refer to the judgment of the Full Bench of the Madras High Court in ***Chella Subbanna & Anr. v. Chella Balasubbareddi & Ors.***¹⁴, where the question arose whether a coparcener, irrespective of the partition of the family property, can relinquish his own interest in favour of the other coparceners. In this regard, the Full Bench has observed as follows:

“The relinquishment by one coparcener of his interest in the family estate in favour of the members of the coparcenary does not amount to an alienation; it merely amounts to an extinction of his interest in favour of the others.”

18. Further reliance is placed upon the decision of the Full Bench in ***Reference under Stamp Act Sec. 46***¹⁵, wherein the Full Bench held as follows:

“We can see no difference in principle between such a document as between members of a coparcenary and the document in question, which is a document between co-owners.”

19. Therefore, upon perusal of the abovementioned judgments, it is reiterated that Relinquishment does not tantamount to an alienation of rights, and an RD between the co-owners holds equal force as an RD between the coparceners.

20. Further, Learned counsel representing the Appellant has relied upon ***Smt. G. Subbalakshmi Visweswara Rao*** (*supra*), whereby the Andhra Pradesh High Court has held that the two relinquishment documents are release documents. The ratio of the same is reproduced below:

“10. Therefore, the principle that emerges is that by executing a release deed, one of the coparceners is merely separating himself from the joint family, while the others continue as members of the

¹⁴ 1945 (1) MLJ 140.

¹⁵ I.L.R. 18 Madras 233.



same undivided family. The estate of the coparceners, in law, is liable to be treated as held in entirety without recognition of identifiable shares. By executing a release deed, one or more coparceners are merely renouncing or extinguishing his or their interests in the estate without, in any manner, affecting the status of the remaining members of the joint family. Therefore, a release deed is not required to be executed by all the coparceners joining the same deed or the release deed is required to be executed in favour of the remaining coparceners either. The principle is, to the extent the coparceners have relinquished their respective rights, the release of the document derives a corresponding benefit of increased proportion in the estate. Therefore, I have no hesitation to hold that the view taken by the Collector as well as the Chief Controlling Revenue Authority in the instant case, is unsustainable in law and the two documents bearing Nos. 80/2002 and 713/2002, are rightly treated by the Sub Registrar concerned as release deeds and they have not suffered any deficit stamp duty.”

(Emphasis Supplied)

21. Further, the learned Counsel for the Appellant has relied upon the judgment rendered by the Special Bench of Andhra Pradesh High Court in **Madula Girish Kumar** (*supra*), whereby a reference was made under Section 57 of the Stamp Act, by the Chief Controlling Revenue Authority and Commissioner of Survey, Settlements and Land Records, Hyderabad, regarding stamp duty payable on the two documents executed by the mother, on behalf of her two minor sons, relinquishing their respective shares in the joint family movable and immovable properties in favour of their father. The Joint Registrar of Machilipatnam impounded those two documents, treating them as documents of conveyance on sale. While relying on the judgments in **Chella Subbanna** (*supra*) and **V. M. Murugesu Mudaliar** (*supra*), it was held that the two documents are deeds of release.

22. The next reliance is placed upon the judgment rendered by the Full bench of the Andhra Pradesh High Court in **Valivety Rama Krishnaiah** (*supra*), whereby the Court relied on the judgments



rendered in *Chief Controlling Revenue Authority v. Patel*¹⁶; *Kuppuswami Chettiar v. Arumuga Chettiar*¹⁷; and *Reference under Stamp Act Section 46* (*supra*), which is reproduced below:

“10. The question that fell for determination before the Full Bench was whether the instrument in question fell within the definition of a conveyance under Article 19 of the Schedule I-A of the Madras Stamp Act. Their Lordships were of opinion that it was not a conveyance. It was observed that the property in question was owned by the parties to the instrument as co-owners, the executants being entitled to a 3/5th share and the other two being entitled to the other 2/5th share. They laid stress on the fact that there was no division of the property by metes and bounds at any time anterior in accordance with their respective shares. In such circumstances, the document in question was a release within the meaning of Article 44 of the Madras Stamp Act.

11. Reference was made by the Full Bench to a decision in ‘Reference under Stamp Act Section 46’ (1895) 18 Mad 233 (FB). The said Full Bench in a reference under Section 46 of the then Stamp Act had to consider the question of a document executed by a Hindu son in favour of his father representing the other members of the family relinquishing his rights in the property of the family in consideration of certain lands being allotted to him for life and also certain debts incurred by him being paid. The learned Judges observed that it was a deed by which one co-owner renounced his claim for partition against the family property in consideration of a certain income to be enjoyed by him for his life out of certain lands over which he had no power of alienation. It was held that the instrument in question was a release and should be stamped as such. The principle enunciated therein was in relation to a Hindu joint family and a relinquishment by one coparcener in favour of the others in consideration of some benefit conferred on the relinquishing coparcener. Such an instrument was held to be a release deed. The principle decided in “Reference under Stamp Act, Section 46” (1895) 18 Mad 233 (FB), was applied by the later Full Bench to the case of Co-owners and a release by one or more of them in favour of the others for a stated consideration. The Full Bench held that the document in question was a release deed and that it was neither a deed of dissolution of partnership nor a conveyance.

12. In another Full Bench decision of the Madras High Court in Chief Controlling Revenue Authority v. Patel, AIR 1968 Mad 159, a somewhat similar question had arisen. That again was a reference

¹⁶ AIR 1968 Mad 159.

¹⁷ AIR 1967 SC 1395.



under Section 57 of the Stamp Act and the question was whether the instrument in the case before the Full Bench was a release of conveyance amounting to a transfer of property for value. The Full Bench considered the essential ingredients of a release. They quoted with approval the observations from the Full Bench decision in AIR 1955 Mad 641 (FB) and held that the instrument before them was a release. In support of their conclusion, they referred to a decision of their Lordships of the Supreme Court in Kuppaswami Chettiar v. Arumuga Chettiar, AIR 1967 SC 1395. The Supreme Court was concerned with a document of release. It was observed by the Supreme Court that a release deed could only feed title, but could not transfer title and that renouncement must be in favour of a person who had already title to an estate, the effect of which was only to enlarge the right.

13. Now advertent to the document in the present case before us we have no manner of doubt that it is a release deed. We, therefore, unhesitatingly hold that the document has been correctly stamped as a release deed."

(Emphasis Supplied)

23. From the abovementioned discussion, it is observed that the release deed can only feed title but cannot transfer title. In this case, the Appellant, his mother, and the five sisters all became co-sharers in the suit property on the death of the father. The transaction was between the family members, wherein the chances of economic consideration are remote. Hence, in the present matter, the RDs have only added a title to the already existing title of the Appellant. Therefore, an error was committed in the Impugned Order by treating the RDs as deeds of gift for the purposes of the Stamp Act and upholding its impounding.

24. Further, to uphold the impounding of the RDs, the learned Single Judge has relied upon the judgment in **V. M. Murugesu Mudaliar** (*supra*), where the Full Bench of the Madras High Court was considering a document whereby three persons renounced all their interest in the property of the partnership firm in favour of the



two remaining partners for some consideration. In that context, the Court held that the document would amount to a release deed within the meaning of Article 44(B) of Schedule 1-A (for Andhra Pradesh) of the Stamp Act, 1899. However, by passing reference, it was observed as under:

“In the case of co-owners, there need be no conveyance as such by one of the co-owners in favour of the other co-owners as each co-owner in theory is entitled to enjoy the entire property in part and in whole and it is not necessary for one of them to convey his interest to another. It is sufficient if he releases his interest, the result of which would be the enlargement of the share of another. There can however, be no release by one person in favour of another, who is not already entitled to the property as a co-owner.”

25. This Bench has dealt with a similar issue in a judgment pronounced on 26.08.2025 in FAO(OS) 130/2024 captioned **Anita Kumar v. Ajay Kumar Since Deceased Through LRs & Ors.**, wherein the court made a sincere attempt to trace the source of the abovementioned extracted observations, however failed to find one. The relevant extracts from the judgment in **Anita Kumar** (*supra*) are reproduced as follows:

*“25. It is noted that the purpose of the Stamp Act is to collect revenue. The nomenclature of a document is not decisive for the purpose of adjudicating the liability to pay stamp. **This Bench has made a sincere attempt to trace the source of the extracted observations, however failed to find one. In any case, the ratio of the judgment passed by the Court is binding. However, before the Full Bench of the Andhra Pradesh High Court, a different question was referred for decision, and hence, the aforementioned observations are not the ratio of the judgment.***

*26. **Therefore, laying down, as an abstract proposition of law, all the relinquishment deeds executed by a particular co-sharer(s) in favour of another co-sharer or some of the co-sharers, while excluding the remaining co-sharers are not relinquishment deeds, but gift deeds, would not be appropriate.***

(Emphasis Supplied)



26. Hence, the reliance of the learned counsel on the judgment rendered in the **V. M. Murugesu Mudaliar** (*supra*) to contend that in the context of the Stamp Act, an RD executed in favour of one or more co-owners and not in favour of all the co-owners cannot be said to be a release, lacks substance because in this case, ultimately, all the sisters executed RDs in favour of their brother.

27. Further, this Bench, in **Anita Kumar** (*supra*), has analysed, in the context of the Stamp Act, the judgments relied upon by the Counsel for the Respondent. The same is extracted hereunder:

*“21. Further, the learned counsel representing the Appellant has relied upon a celebrated judgment passed by a four-Judge Bench in **Javer Chand** (*supra*). In this judgment, the Supreme Court decided as to whether or not two hundies sued upon were admissible in evidence. Since this judgment is not with regard to a relinquishment deed or a release deed, the ratio of the same does not apply to the present case.*

....

23. Further, in **Narinder Kaur** (*supra*), which appears to be the first judgment from this Court, the release deed was executed by the son in favour of his father, who had no subsisting share in the property. The Court was examining an application filed under Order XXXIX, Rules 1 and 2 of the CPC, to grant an injunction or not. Multiple relinquishment deeds were executed between the family members. In para 3, the Court has observed as under:

“Para 3....At this stage I would only mention the basic legal fallacy in the document is that a Relinquishment performace cannot be in favour of any particular cosharer; if it is to operate in favour of a particular party it amounts to a transfer and must be effected either by Sale Deed or by a Gift Deed, depending entirely on whether there was any consideration for such a transfer.”

24. The source of such observations appears to be the full bench judgment of the Andhra Pradesh High Court in **The Board of Revenue (The Chief Controlling Revenue Authority)** (*supra*)....

25.....However, before the Full Bench of the Andhra Pradesh High Court, a different question was referred for decision, and hence, the aforementioned observations are not the ratio of the judgment.”

(Emphasis Supplied)



28. Therefore, the answer to the issue before us is in negative. Thus, the relinquishment of rights in a property by the sisters (co-owners) in favour of their brother (another co-owner) cannot be said to be a Gift for the purposes of the Stamp Act.

29. Further, it is emphasised here that the procedure contemplated by the Stamp Act, facilitates the collection of revenue for the State. The nomenclature of a document is not decisive for the purpose of adjudicating the liability to pay stamp.

30. On a plain reading of the RDs, it becomes evident that the sisters executed the RDs to release their share in favour of their brother, Sh. Ramesh Sharma, and there was no economic consideration/transaction exchanged at the time of the execution. Moreover, as the Will executed by late Sh. Jagdish Prasad Sharma, Sh. Ramesh Sharma had already become owner to the extent of 50% share. All the RDs were basically acknowledging the bequest made by late Sh. Jagdish Prasad Sharma in favour of Sh. Ramesh Sharma.

31. Additionally, on bare perusal of all the RDs, it is evident that the recitals in all the RDs are identical and styled as release deeds. In the said documents, the five sisters of the Appellant have separately agreed to relinquish their rights in the Suit Property in favour of their brother. Even the execution of all the RDs took place within a period of 14 days only. As rightly held by the Learned Single Judge, this Court is also of the same view that the RDs form part of a single transaction and hence cannot be a single determinative factor for the RDs to be considered as Gift Deeds.



2025:DHC:8835-DB



32. In any event, in the peculiar facts of the case, the Court, upon appreciation of evidence, as and when led, may come to the conclusion that relinquishment of rights by all the sisters in favour of their brother was in the nature of a Family Settlement.

33. Further, declaring the RDs as Gift Deeds for the purposes of payment of stamp duty without permitting the parties to lead evidence would not be appropriate.

34. The present Appeal is accordingly allowed by setting aside the order of the learned Single Judge.

35. By the natural corollary, the Collector of Stamps, Hauz Khas, Mehrauli is directed to release the document, which is stated to have been impounded.

36. The Registry is directed to communicate a copy of this judgment to the Collector of Stamps, Hauz Khas, Mehrauli.

37. The present Appeal is disposed of, in the above terms.

ANIL KSHETARPAL, J.

HARISH VAIDYANATHAN SHANKAR, J.

OCTOBER 08, 2025

jai/sh