

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE**

DATED THIS THE 21ST DAY OF JUNE, 2012

PRESENT

**THE HON'BLE MR. JUSTICE K.L.MANJUNATH**

AND

**THE HON'BLE MR. JUSTICE V.SURI APPA RAO**

W.A. No.1645/2007(GM-ST/RN)

BETWEEN :

- 1 THE DEPUTY INSPECTOR GENERAL OF  
REGISTRATION  
AND APPELLATE AUTHORITY  
BANGALORE
- 2 DEPUTY COMMISSIONER AND DISTRICT  
REGISTRAR, MYSORE DISTRICT  
D.C.OFFICE PREMISES  
MYSORE
- 3 THE SUB REGISTRAR  
MYSORE NORTH  
MYSORE
- 4 THE STATE OF KARNATAKA  
REVENUE DEPARTMENT  
M.S.BUILDINGS  
BANGALORE-01,

REPTD.BY ITS  
PRINCIPAL SECRETARY

...APPELLANTS

( By Sri. KESHAVA REDDY, ADDL. GOVT ADVOCATE )

AND :

- 1 A C RAGHURAMRAJU  
S/O. LATE A.R. CHANGAMARAJU  
AGED 47 YEARS  
R/AT NO. 68, GOVINDAPPA ROAD  
BASAVANAGUDI  
BANGALORE -04
- 2 THE PRESIDENT OF UNION OF INDIA  
REP BY THE CHIEF COMMISSIONER OF  
INCOME TAX,  
BANGALORE,  
CENTRAL REVENUE BUILDING  
QUEENS ROAD, BANGALORE -01

...RESPONDENTS

( By Sri. M V SESHACHALA FOR R2 and Sri. K.VARADARAJU  
FOR R.1. )

This Writ appeal is filed under Sec. 4 of the Karnataka High Court Act praying to set aside the order passed in W.P.No.12580/2005 dt. 19-12-2006.

This appeal coming on for final hearing this day, K.L. Manjunath J. delivered the following :

**J U D G M E N T**

The short question that arises for consideration in this appeal is, whether the Union of India is required to pay the stamp duty, if the property of the Union of India is exchanged with the property of a private person.

2. Heard the Counsel for the parties.

3. It is not in dispute that, if the Union of India purchases any property, for such sale transaction there is an exemption to pay the stamp and registration charges as per the Government Order dt. 3<sup>rd</sup> February, 1973. Now in the instant case, the property of the respondents and the property of the Income Tax were got exchanged and the difference value has been paid.

But the District Registrar initiated proceedings stating that, Union of India is also required to pay the stamp duty towards the value of the property exchanged, on

the ground that the Government Order dt. 3-2-73 is applicable only to the sale transaction, but not for exchange of properties. The learned Single Judge after hearing the parties has considered the case of the Union of India and held that there is an exemption for exchange also. Accordingly, he directed the parties to pay the difference in value. This order is called in question in this appeal.

4. It is not in dispute that either a sale or exchange is nothing but transfer of property. When an exemption is granted to the Central Government exempting the stamp duty payable by it while purchasing the property, and if Union of India exchanges this property with a private person and if the difference amount as required under the Karnataka Stamp Act is paid, it is not open for the Government to contend that the Union of India is also required to pay stamp duty separately on the

ground that the exchange does not amount to sale. Considering the nature of transaction, exchange is nothing but sale. Accordingly, we do not see any reasons to interfere with the order.

In the result, the appeal is dismissed.

SD/-  
JUDGE

SD/-  
JUDGE

mgn/-