IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-18185-2016 (O&M)
Date of Decision:30.03.2026

Market Committee Shri Muktsar Sahib

......Petitioner

Versus

State of Punjab and others

......Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. S.P. Garg, Advocate for the petitioner.

Mr. Raghav Goel, AAG, Punjab.

*****

JASGURPREET SINGH PURI J.(Oral)

1. The present petition has been filed under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of *certiorari* for quashing the impugned orders dated 12.02.2015 (Annexure P-1) and 04.03.2016 (Annexure P-3), passed by respondents No.2 and 3, whereby the petitioner has been directed to make good the deficiency in stamp duty amounting to Rs.4,50,000/- on the land purchased by it.

2. Learned counsel appearing on behalf of the petitioner submits that the petitioner is a Market Committee which is formed under the provisions of the Punjab Agricultural Produce Markets Act, 1961 and it is an autonomous body and is controlled by the Government, and therefore the prayer in the petition is for seeking exemption from stamp duty. In this

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document

regard, he submits that the Government had issued notifications dated 12.09.2013 and 18.05.2016, which have been attached along with the reply filed by the respondent-State, whereby stamp duty in favour of Government departments has been exempted. He also refers to the provisions of Section 3(1) of the Indian Stamp Act, 1899 as applicable to the State of Punjab (hereinafter referred to as "the Act"), and submits that by virtue of the proviso to the aforesaid provision, no duty shall be chargeable in respect of any instrument executed by, or on behalf of, or in favour of the Government in cases where, but for this exemption, the Government would be liable to pay the duty chargeable in respect of such instrument. He further submits that since the Market Committee is under the active control of the Government and is a creation of the statute, any land purchased by the petitioner would be exempted from stamp duty.

3. He further submits that the land which was purchased by the petitioner measuring 20 marlas was registered by way of Vasika No.4 on 01.04.2013 and is situated in Urban Estate, Shri Muktsar Sahib, and because of the aforesaid reasons, the exemption from payment of stamp duty may be granted and the impugned orders, by which directions have been issued to the petitioner to deposit the deficient stamp duty are liable to be quashed.

4. On the other hand, learned State counsel, while referring to the reply filed by the respondent-State, submits that the aforesaid exemption sought by the petitioner is not permissible in view of the fact that the

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document

petitioner, which is a Market Committee, cannot be termed as the Government because, as per the proviso to Section 3(1) of the Act, as applicable to the State of Punjab, the same applies only to the Government and not to any other body which may be a creation of the statute. In this regard, he refers to a judgment passed by this Court in CWP No.6735-2021 titled as ***Municipal Council, Zirakpur through its Executive Officer vs. State of Punjab and others*****,** decided on 09.09.2025, and submits that although the aforesaid case pertains to a Municipal Council, the ratio and the principle of law remain the same because in that case also the Municipal Council was created under the statute, and in the present case also the petitioner is a Market Committee created under the statute, but in both cases such bodies cannot be termed as the Government, and the exemption can be granted only to the Government.

5. He further submits that even otherwise, in the present case, the two notifications referred to by learned counsel for the petitioner are not applicable in view of the fact that admittedly the land measuring 20 marlas was purchased by the petitioner on 01.04.2013 and the notifications dated 12.09.2013 as well as 18.05.2016, although pertaining to exemption in favour of the Government, were issued after the execution of the sale deed and, therefore, cannot be applied retrospectively. He further submits that even otherwise, the aforesaid notifications do not grant any exemption to a Market Committee, but only to the Government, and therefore no benefit of the same can be extended to the petitioner.

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document

6. I have heard learned counsel for the parties.

7. The issue involved in the present case is as to whether the petitioner, which is a Market Committee, having purchased land on 01.04.2013, is entitled to exemption from payment of stamp duty or not. The proviso to Section 3(1) of the Act is reproduced as under:

> *"Provided that no duty shall be chargeable in respect of*
> (1) *any instrument executed by, or on behalf of, or in favour of, the Government in cases where, but for this exemption, the Government would be liable to pay the duty chargeable in respect of such instrument."*

8. A perusal of the proviso to Section 3(1) of the Act would show that exemption from stamp duty can be granted only in respect of instruments executed by, or on behalf of, or in favour of the Government. The provision does not provide for any exemption being available to statutory bodies or instrumentalities of the State. This Court had an occasion to deal with a similar proposition of law in *Municipal Council, Zirakpur's case (supra)*. The relevant portion of the said judgment is reproduced as under:-

> *"8. Taking up the first proviso to Section 3(1) of the Act for consideration, a perusal of the aforesaid would show that the exemption from stamp duty is for an instrument where the same is made in favour of 'Government'. So far as the present petitioner is concerned, who is claiming exemption under the aforesaid provision, the same is only a*

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document

Municipal Council which, although recognized by an Act of Legislature but it cannot be termed as a 'Government'. A Municipal Council may be an organ of the local self-government, operating as a body which can be under the supervision of the Government but by no means it can be said that a Municipal Council is Government. Reliance made by the learned Additional Advocate General, Punjab on the judgment of Hon'ble Supreme Court in ***Union Public Service Commission Versus Dr. Jamuna Kurup and others (Supra)*** *is well placed. Therefore, clearly the petitioner is not entitled for grant of exemption on the basis of the aforesaid provision of Section 3(1) of the Act as reproduced above."*

9. This Court is of the considered view that the ratio and the rationale of the aforesaid judgment would directly apply to the present case as well. In the aforesaid judgment, the matter was pertaining to seeking of exemption by a Municipal Council and it was so held that despite the fact that the Municipal Council was a creation of a statute, it cannot be termed as a Government department. Similar is the position in the present case that the petitioner, although it may be formed under a statute, namely the Punjab Agricultural Produce Markets Act, 1961, but the mere fact that it has been created under the aforesaid Act would not mean that the petitioner becomes the Government itself or a department of the Government. The aforesaid

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document

provision of law contained in the proviso to Section 3(1) of the Act pertains only to the Government.

10. So far as the two notifications referred to by learned counsel for the petitioner are concerned, the same are not applicable because of two reasons. Firstly, they have been issued after the registration of the sale deed and, therefore, the same cannot be held to be applicable retrospectively. Secondly, the aforesaid notifications also deal with exemption to be granted to the Government and, therefore, no benefit thereof can be extended to the petitioner. This Court, therefore, is of the considered view that the present petition is devoid of merit and the same is hereby dismissed.

30.03.2026 **(JASGURPREET SINGH PURI)**
shweta **JUDGE**

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No

SHWETA
2026.04.07 16:54
I attest to the accuracy and
integrity of this document