

**H.C. ARORA**

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**Punjab & Haryana High Court**

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Hon. 2299,

Sector 44-C,

Chandigarh-160045

Dated: 19.3.2019

To,

1. Chief Secretary, Government of Punjab, Punjab Civil Secretariat, Chandigarh.
2. Chief Secretary, Government of Haryana, Haryana Civil Secretariat, Chandigarh

Subject:- Demand Notice – Demand for issuance of instructions to Sub Registrars/Joint Sub Registrars, for complying with the provisions contained in Section 269 ST of Income Tax Act, 1961, while registering sale deeds.

**By Email**

Dear Sir,

As you are aware, that w.e.f. 1.4.2017, the following provisions have been introduced/added, by way of Section 269 ST of Income Tax Act, 1961:-

“269ST. No person shall receive an amount of two lakh rupees or more-

- (a) in aggregate from a person in a day; or
- (b) in respect of a single transaction; or
- (c) in respect of transactions relating to one event or occasion from a person,

Otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:

Provided that the provisions of this section shall not apply to –(i) any receipt by-

- (a) Government;
- (b) any banking company, post office savings bank or co-operative bank;

(ii) transactions of the nature referred to in section 269SS;

(iii) such other persons or class of persons or receipts, which the Central Government may, by notification in the Official Gazette, specify.

Explanation.- For the purposes of this section,-

- (a) "banking company" shall have the same meaning as assigned to it in clause (i) of the Explanation to section 269SS;
- (b) "co-operative bank" shall have the same meaning as assigned to it in clause (ii) of the Explanation to section 269SS."

2. That it is also pertinent to submit that any person who receives cash payment in violation of the provisions of Section 269 ST of Income Tax Act, 1961, is liable to pay penalty equal to the amount of such transaction, under Section 271 DA of the Income Tax Act, 1961.

3. That I have come to know that instead of ensuring the compliance with the aforesaid newly added provisions of the Income Tax Act, 1961, the Sub Registrars/Joint Sub Registrars, who register the sale deeds of immovable property, are totally ignoring the aforesaid provisions, with the result that the aforesaid provisions are being violated by the sellers of agricultural land, who are accepting huge amount in cash at the time of registration of sale deed of their property. Thus, in a way, the Sub Registrars/Joint Sub Registrars are registering the sale deeds for immovable property, in gross violation of the aforesaid provisions of the Income Tax Act, 1961, and thereby showing gross/criminal negligence on the part of their duties to say the least, and are actively conniving with those sellers of immovable properties, who want to circulate unaccounted/black money. They are liable to be prosecuted for abetting the commission of offence by the sellers of the immovable property by facilitating the receipt of cash amount for sale of such property.

4. That the aforesaid conduct on the part of Sub Registrar/Joint Registrar in registering sale deeds of immovable properties, by implication, permitting the sellers of the land to accept cash amount of more than Rs. 2 Lakhs at a time, in a single transaction on a single day, which is frustrating the very object of provisions contained in Section 269 ST of Income Tax Act, 1961, which obviously aims at eliminating black money from property transactions. The said conduct on the part of the Sub Registrars/Joint Sub Registrars results into creation of more and more black money. Thus, the aforesaid

conduct on the part of said officers amounts “unbecoming conduct” on their part, and they are liable to be punished under the provisions of Punjab Civil Services (Punishment and Appeal) Rules, 1970.

5. That to substantiate the aforesaid allegation, I am enclosing herewith a copy of the sale deed executed by one Rajinder Pal Singh, for sale of his immovable property measuring 24 Kanal approximately situated in Maur Nabha A, Tehsil Tapa, for an amount of Rs. 56,10,000/-. A perusal of the aforesaid sale deed shows that entire amount of Rs. 57.10 Lakhs was received by his special power of attorney holder, and that too, purportedly at his residence. Thus, the salutary provisions of Section 269 ST read with Section 271 DA of the Income Tax Act, 1961, are being thrown to winds obviously for extraneous reasons by the Sub Registrars/Joint Sub Registrars, who register the sale deeds of property, where the consideration of the sale deed received by seller by way of cash is in violation of the aforesaid statutory provisions.

Thus, in view of the blatant violation of the provisions of Section 269 ST read with Section 271 DA of the Income Tax Act, 1961, by the Sub Registrars/Joint Sub Registrars with impunity, I would call upon you to issue appropriate instructions, to all the Sub Registrars/Joint Sub Registrars, through concerned Administrative Department, to ensure meticulous compliance of the aforesaid provisions of Sections 269 ST as well as 271 DA of the Income Tax Act, 1961, while registering sale deed of immovable property.

I would also call upon you to immediately order a special audit of the sale deeds which were registered by various Sub Registrars/Joint Sub Registrars from 1.4.2017 onwards, to understand and realize the gravity and seriousness of the issue being raised by me.

In case, the needful is not done within a period of one month from the date of receipt of this notice, in that event, I shall be left with no other alternative, except to approach the Hon'ble High Court of Punjab and Haryana at Chandigarh by filing a Public Interest Litigation (PIL) for the redressal of my aforesaid legitimate grievance, in public interest.

Meanwhile, please acknowledge receipt of this demand notice.

Thanking you.

Yours sincerely,

(HARI CHAND)  
ADVOCATE