

**OFFICE OF THE COMMISSIONER AND INSPECTOR-GENERAL OF
REGISTRATION AND STAMPS, A.P., VIJAYAWADA**

Circular Memo No: CCRA1/7701/2021,

Dated:14.12.2021

Sub: Registration and Stamps Dept. – Registration of documents – denoting duty on instruments under Section 16 of the I.S.Act, 1899– clarificatory orders issued – Reg.

Reef: Revised Circular Memo No.CCRA3/6216/08/A, Dt:19.02.2019.

It has come to the notice of the under signed that benefit of Denoting Duty under Section 16 of IS Act 1899 is extended to certain instruments which are not covered by this provision.

2. Section 16 of the Indian Stamp Act, 1899 reads as follows:

DENOTING DUTY

"Where the duty with which an instrument is chargeable, or its exemption from duty, depends in any manner upon the duty actually paid in respect of another instruments, the payment of such last mentioned duty shall, if application is, made in writing to the Collector for that purpose, and on production of both the instruments, be denoted upon such first mentioned instrument by endorsement under the hand of the Collector or in such other manner (if any) as the State Government may by rule prescribe."

3. From the above, it is clear that the provision is intended to avoid cascading duty on the instruments which are dependent on each other and duty payable on an instrument is de-notified if this instrument is dependent on another instrument on which duty was already paid.

3.1 For instance, in a transaction of sale of immovable property, sometimes an Agreement to Sell coupled with GPA/Sale Agreement with possession is entered between the intended Vendor and Vendee, and later actual sale is executed between the same parties. In this case stamp duty paid on agreement to sell coupled with GPA/Sale agreement with possession as per Article 6(B)/47-A of Schedule - 1A of the Indian Stamp Act, 1899 is denoted on written application made by the party concerned.

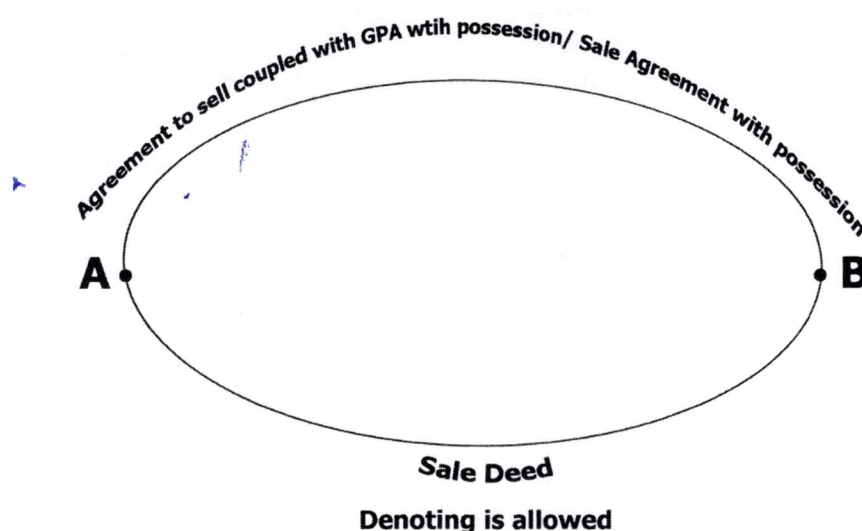
3.2 Similar procedure can be adopted in the case of sale subsequent to a conditional mortgage. The stamp duty collected on the conditional mortgage deed under Article 35 of Schedule - 1A can be denoted on the subsequent sale deed entered between the same parties.

4. It has come to the notice of the Commissioner and Inspector General that Stamp duty paid on the Agreements to sell coupled with GPA/sale agreement with possession is being denoted on the subsequent sale deeds even when subsequent sale deed is executed in the name of a person other than the intended Vendee as mentioned in the Agreement of Sale cum GPA/ Sale Agreement with possession.

5. The matter has been examined and the following clarification is issued:

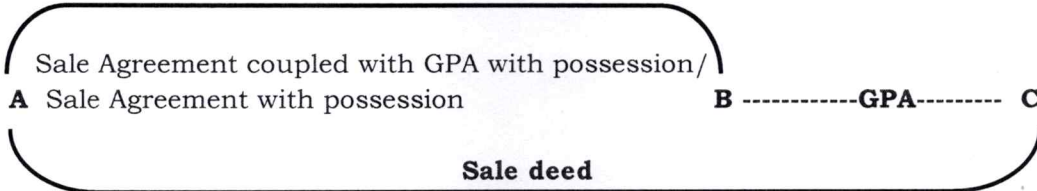
Case 1: If an intended vendor and vendee execute an Agreement to Sell coupled with GPA/Sale Agreement with possession and later sale deed is executed as mentioned in the agreement on the name of the intended vendee, the stamp duty paid on the Agreement to Sell coupled with GPA/ Sale Agreement with possession may be denoted on the sale deed executed on written application made by the party concerned as the sale deed executed depends on the Agreement to sell cum GPA/ Sale Agreement with possession.

EXPLANATION: If **B** agrees to purchase a property from **A** and gets an Agreement to Sale coupled with GPA/ Sale Agreement with possession and later gets a sale deed executed in his favour and the same is presented for registration along with a written application for denoting stamp duty paid on agreement to sell on the subsequent sale deed, such stamp duty paid **may be denoted**.



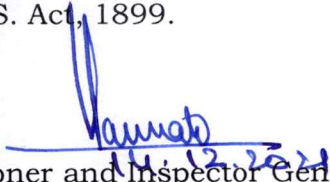
Case 2: If an intended vendor and vendee execute an Agreement to Sell coupled with GPA/Sale Agreement with possession and later execute sale deed in the **name of a person other than the intended vendee**, as mentioned in the agreement to sell coupled with GPA/Sale agreement with possession, such stamp duty paid **may not be denoted** as the sale deed in this case is not dependent on the agreement to sell coupled with GPA/ sale agreement with possession.

EXPLANATION: If **B** agrees to purchase a property from **A** and gets an Agreement to Sell coupled with GPA/ Sale Agreement with possession registered on his favour and later on gets a sale deed, executed by **B** on the name of a third party i.e. **C** and the same is presented for registration along with a written application for denoting stamp duty paid on Agreement to sell coupled with GPA/ Sale Agreement with possession and the stamp duty paid **may not be denoted** on the subsequent sale deed as the sale deed is not dependent on the Agreement to sell.



Denoting is not allowed

6. In the case of sale deeds executed consequent to the conditional mortgage deeds the same analogy may be followed.
7. In partial modifications of all the instructions on this subject, the registering officers are hereby directed to follow the above clarifications while denoting stamp duty under section 16 of I.S. Act, 1899.


Commissioner and Inspector General of
Registration and Stamps, A.P., Vijayawada.

To

All the Deputy Inspectors- General (R&S) in the State.

All the District Registrars in the State.

All the Sub-Registrars in the state through District Registrar concerned.

Copy to All the officers and all sections in HOD office.

Copy to NIC

Copy to stock file.

