ORDERS ON STAMP DUTY

The plaintiff has produced an unregistered agreement of sale dated 18.06.2019 which is insufficiently stamped. On perusal of the said document it *prima-facie* reveals that defendants have entered into an agreement of sale with the Plaintiff by agreeing to sell the property bearing Sy. No.11/2 measuring 23 guntas situated at Chinnenahalli village, Kikkeri hobli, K.R.Pete taluk, for consideration amount of Rs.8,00,000/-, said document is not duly stamped.

2. The agreement of sale is not admitted in evidence for any purpose unless it is duly stamped. Section 34 of Karnataka Stamp Act puts a complete embargo and bar against admissibility of this document which is not duly stamped.

3. As already stated above said agreement is came into effect on 18.06.2019. Hence, court has to fall-back under article 5(e) of the Karnataka Stamp Act, 2011.

4. On perusal of the agreement of sale at page No.2 it recited as "ನಿಮ್ಮ ಅನುಕೂಲಕ್ಕಾಗಿ ನೀವು ಈ ದಿನದಿಂದಲೇ ಸ್ವತ್ತಿನ ಸ್ವಚ್ಛತೆ, ಮಟ್ಟ ಮಾಡಿಸಿಕೊಳ್ಳುವುದು ಮತ್ತು ಅಭಿವೃದ್ಧಿ ಕೆಲಸಗಳನ್ನು ಮಾಡಿಸಿಕೊಳ್ಳಬಹುದಾಗಿರುತ್ತದೆ." The very recitals of the agreement shows that in furtherance of contract possession has been delivered to the plaintiff. As per above said article for agreement of sale, when possession

of the property is delivered, it has to be written the said document on stamp paper having value as provided under article 5(e)(i) to (iv). On perusal of the said document furnished by the plaintiff it is written on stamp paper having value of Rs.200/-. On perusal of the sale consideration amount it appeared as Rs.8,00,000/-. On perusal of the document it prima facie recited that possession has been delivered through this document. Hence, it is relevant to note here article 5(e) (i) as follows:

i) Possession of the property is delivered or is agreed to be deliver before execute in the conveyance.	Same duty as a conveyance (No.20) on the market value of the property (Provided that, where a deed of cancellation of earlier agreement is executed by and between the same parties in respect of the same property and if proper stamp duty has been paid on such agreement, then the duty on such deed of cancellation shall not exceed rupees five hundred.)

5. A plain reading of the above said article is clear that, when possession has been delivered through agreement of sale at the time stamp duty has to pay on market value of the property as a conveyance.

6. In case on hand agreement written on stamp papers having value of Rs.200/-. The market value of the property as recited in the document is

Rs.8,00,000/- as per the Article 5(e) (i) as stated above party has to pay stamp duty and market value. On perusal of the Article 20 of the Karnataka Stamp Act it appears that for conveyance 5% of the value is stamp duty. For Rs. 8,00,000/- 5% turn outs is Rs. 40,000/-. Hence, plaintiff has to pay stamp duty of Rs.40,000/- on agreement of sale. On perusal of the agreement of sale dated – 18.06.2019 written on stamp paper having value of Rs. 200/-. Hence, 40000-200=39800 is actual deficit stamp duty.

7. According to Section 34(a) of Karnataka Stamp Act, the plaintiff has to pay penalty sum equal to ten times to deficit duty calculated by this court.

Accordingly, the plaintiff has to pay Rs.39,800 X10=3,98,000+deficit stamp duty Rs.39,800=Rs.4,37,800/- as duty and penalty on unregistered agreement of sale. In order to meet ends of justice and to prevent the abuse of the process of the court it is necessary to direct the plaintiff to pay the duty and penalty. Accordingly, court proceed to pass the following;

ORDER

The plaintiff is hereby directed to pay duty and penalty of Rs.4,37,800/- on unregistered agreement of sale dated 18.06.2019 within 60 days from the date of this order.

To pay duty and penalty by 20.01.2026.

I Addl. Sr.CJ & JMFC,
K.R.Pete.