Document Registration :
Requirements And Precautions

PEEYUSH SHARMA & Co.,
Chartered Accountants

Our Mission is to achieve a leadership position in domestic and international markets by providing services to our clients for their business needs with the highest standards of integrity, quality and efficiency. We strive to create an environment to promote group spirit and commitment to excellence amongst our staff, thereby providing opportunity for growth of individual members.

PEEYUSH SHARMA & CO., *Chartered Accountants, Dehrudun*
OfficeNo.6, 2nd Floor, Uttaranchal Complex, Haridwar Road, Dehrduna-248001,
Ph. No. +91-9897278300, +91-7417468466, e-mail: peeyushsharma.ca@gmail.com

The Transfer Of Property Act 1882 and ***Registration Act, 1908*** prescribe compulsory registration of certain documents. Transfer of Property Act mandates that certain documents to be valid; they should give "notice to the world". ***Registration Act, 1908*** gives the mechanism to the concept of "notice to the world". The documents registered in Book 1 of Registration Offices are public documents, so any public may inspect such book; get copies of the same and a list of details of registered documents chronologically in the shape of an ***Encumbrance Certificate (EC)***. Documents affecting immovable property through sale, gift, partition, release, mortgage, lease, sale agreement are some of the compulsorily registrable documents. Registration Act is one of the oldest legislations made during pre-Independence period that are being implemented in almost all parts of the country without altering substantially for the last 200 years. Records containing the copies of registered documents in Registration Offices are permanent in nature (philosophically speaking they have to be preserved for eternity); therefore, record preservation is one of the prime objectives of the Registration Department. Civil courts heavily depend on the records of Registration Department in deciding the issues like title, ownership, possession of immovable properties.

Majority of parties invariably approach solicitors, advocates or professional document writers to get their documents prepared; and, at times, also for registration. But, it is better to know some of the important aspects of document and its registration so as to check whether the person who is entrusted with its preparation and registration is acting properly.

One must know that the Transfer of Property Act and other civil laws in India keep the onus on the purchaser/beneficiary under the document to take all the responsibility of verification of the title, ownership, possession of property. It is not the responsibility of the Registering Officer or Registration Department to check all these aspects. The role of the Registrar or the Department is very limited in these aspects. The Registrar is empowered to verify certain issues but such power is limited and he cannot undertake roving enquiries. Therefore, it is the purchaser who must take all steps and precautions to record all the recitals/covenants properly pertaining to the transaction in the document; and get it registered as per the provisions of **Registration Act, 1908**. The mistakes in documentation may result in civil disputes and the parties have to undergo mental and physical strain besides incurring financial loss. "A stitch in time saves nine" is an apt phrase for documentation. Document is the final product of the transaction. The intent and objects of the transaction which may be part of mental design will go waste if you could not record properly the same by using proper and appropriate language/recitals in the document.

Following are some of the requirements and Precautions in document registration:

- **Attest blanks, erasures, alterations:** If there are any blanks, erasures, interlineations and alterations in the document, the parties shall attest them with their signatures or initials. So, please check whether there are any blanks, erasures, etc; in the document which require attestation by the parties before submitting it to Registrar for registration.
- **Full and identifiable property description:** Property shall be described with full details to identify the same without any ambiguity. In case of agriculture property, the survey number

(old and new), full extent of survey number, and if part of it is transacted then all the four boundaries of the property, extent of property under transaction, village name, panchayat name, mandal name, district name shall be written clearly. The details like pattadar pass book and title deeds may also be recorded to link the ownership with the details of property. In respect of house property, the details like door number (old and new), assessment number of the property, street name, and village/city name shall be mentioned. In respect of vacant lands situated in remote places the property description requires a lot more caution and effort. The people are cheated by fraudsters by creating multiple documents by selling the same property with various descriptions. It is in the interest of the buyer, the description of property must be full and complete. It is better to avoid vague description of boundaries like "neighbour's property". Make genuine efforts to know the current owners of the properties abutting the scheduled property and record in the document. Property description is heart of the documentation as ultimately the Registration Department converts these details into index particulars; and also uses to generate, **Encumbrance Certificate (EC)**. Accuracy of these details will result in proper indexing and help people to know the registered transactions on the property.

- ***Check whether property is Assigned/Government/ wakf/endowment lands, etc.:*** Purchase or otherwise dealing with the government, assigned, wakf, endowment, scheduled areas (1 of 1970 Act) lands is prohibited and entails criminal proceedings. Therefore, it is advised to check and ensure that the property under transaction is not one of these lands.
    - ***Document shall be presented for registration within four months from the date of signing:*** Document other than will deed shall be presented for registration within four months from signing by the parties. In case of delay in presenting within the stipulated four months citing unavoidable circumstances by the parties, the Registrar may condone the delay after collecting the penalty. But in any case, the delay shall not exceed four months. That means a document shall be presented before the concerned Registering Officer for registration within four months without any penalty; and within eight months by paying penalty. But no document shall be accepted for registration after lapse of eight months from the date of signing (execution) by the parties. Therefore, the parties are advised to present the document before the Registering Officer concerned at the earliest possible day after execution of the document.
    - In respect of document executed outside India, the document can be presented for registration before the jurisdiction Registering Officer within four months after its arrival in India. The party presenting the document may have to prove to the satisfaction of the Registering Officer that the document was received in India on a particular date with documentary evidence like courier delivery receipt, affidavit from carrier of the document, etc.
    - ***Will deeds can be presented at any time:*** There is no time limit to present will deeds. A will can be presented for registration even after 50

years. A Will can be presented by the beneficiary/executor even after the death of the testator/testatrix. The Registering Officer will conduct enquiry as per the provisions of Registration Act, and may register the will if he is satisfied that the will was properly executed by the deceased testator.

- Competent Registrar/Sub Registrar Office: Documents in respect of immovable property transactions such as sale, lease, mortgage, release, partition, agreement/development agreements etc shall be presented to the jurisdiction Registrar/Sub Registrar Office for registration. Party shall find out the jurisdiction Registrar/Sub Registrar Office. Eg. Hyderabad Municipal Corporation Ward No.1 and 2 fall under the jurisdiction of Chikkadpalli Sub Registrar, whereas Ward Nos.3 to 5 falls under the jurisdiction of District Registrar, Hyderabad. If you want to register a sale deed pertaining to a property falling under Ward No.3, then you shall go to District Registrar, Hyderabad and present the document before the Joint Sub Registrar for its registration. If you are registering a property falling under Ward No.1 of MCH, then either you may present the document before jurisdiction Sub Registrar, Chikkadpalli or you may present the same before the District Registrar (Joint SR I), Hyderabad for its registration. It is always advisable to get the documents registered with the jurisdiction Sub Registrar. Documents other than immovable property transactions like movable property transactions, affidavits, etc., may be registered in any **Registrar/Sub Registrar Office**

• *Persons competent to present the document for registration:*

Person signing the document is called executant of the document. The executant can present the document for registration. If there is more than one executant in the document, then any one of the executants can present the document. But admission of execution shall be done by all the executants. The claimant (beneficiary) may also present the document. Any attested power of attorney holder may present the document. Attested power of attorney comes into picture when the document which shall be registered is actually signed by the principal but due to certain reasons, if the principal is not in a position to present and admit the execution before the Registering Officer, then the principal gives the power to the agent authorising him to present and admit the execution of the document, which the principal has signed. This power requires attestation. This power shall be attested by the Sub Registrar of the area where the principal resides if he is in India where **Registration Act, 1908** is in force. If the principal resides outside India, then the notary public/Consul/Vice-Consul of India shall attest such power of attorney.

To make it clear, once again, it is to inform that the attestation is required in case of the power authorising the agent to present the document executed by the principal; but not in the case of the general power of attorney which authorises the agent to sign on behalf of the principal. When the Agent signs the document on behalf of the Principal, he automatically becomes the executant, so he presents the document in the capacity of executant.

Such general power of attorney is optionally registrable document; and if parties wish to get it registered, they can get it registered. A power which requires attestation, even though it is registered as per the provisions of **Registration Act, 1908** instead of attestation, shall not be accepted by the Registrar/Sub Registrar as it is incurable defect.

- ***Affixing of photograph and fingerprints:*** In respect of sale deed, the photographs and fingerprints of both the seller and buyer shall be affixed in the prescribed format under Section 32A of **Registration Act, 1908**. In respect of other documents, the photograph and fingerprints of presentent shall be affixed.

- ***Route Map:*** A map/sketch shall be enclosed with the non-testamentary document affecting immovable properties clearly drawing the route leading to the scheduled property. This route map shall be drawn so that even a stranger can locate the property by using the landmarks mentioned in the map. The map must indicate where exactly the property is located and the nearby landmarks such as post office, police station, temple, mosque, chowrastha etc.

- ***Address proof of parties, witnesses/identifying witnesses:*** Along with the document, the parties shall also enclose copies of address proof of the executing, claiming parties, attesting witnesses and identifying witnesses. The address proof recognizable by the department includes passport, ration card, Aadhar card (UID), bank passbook containing the full address of the person, driving licence etc.

- ***Production of PPBs & TDs at the time of registration and to get entries made:*** The parties shall produce pattadar passbooks and title deeds issued by revenue department if the document affects agricultural land. Now, production of pattadar passbooks and title deeds is made compulsory. Parties shall ensure that relevant entries are made by the Registering Officer in these books regarding the transaction.

Document Preparation Precautions

- ***Document preparation – checks and cautions***

Document writing is a professional job. So it is expected that the person who prepares the document shall act as a professional and delivers a good product to the user. You may be a buyer, lessee, mortgagee, member in a partition deed or a document writer or any other person connected with documentation – whatever relation you have with the document in question, you require to take the following precautions in document writing/document preparation. The following are certain precautions one must take while preparing a document.

- ## *Check the names and spelling of the parties*:

  Names of the parties are material part of the document. Therefore, the names of the parties shall be correctly recorded in the document. To ensure this, if the document is prepared in English language, verify the academic records/passport/aadhaar card etc to get correct spelling (names) of the parties including surname. In case a person name is recorded differently in different records, then mention the different versions of the name as alias. If a woman name in is recorded as daughter of a person in one link document and; subsequently in another document her name was recorded as wife of a person, then it is better to reconcile and record both the status to avoid confusion. Father/husband name shall be recorded correctly. Get full and accurate information from the parties. Any small mistake in the names of the parties will result in execution of a rectification deed. This will put the parties in unnecessary troubles. The vendors may not be available in the station or whereabouts of them may not be known to the purchasers. The vendors may demand additional amounts or put many conditions to execute rectification deed in favour of the purchasers. Therefore, it is the duty of the person who prepares the document to take all the care and caution to record names of the all the parties correctly.

- ## *Age of the parties:*

  Record correct age of the parties by verifying records available. Don't put approximate age by seeing the physical appearance of the persons. It is advisable to ascertain and record correct age of the parties.

- ## *Profession and addresses:*
- Profession of the parties, present and permanent addresses shall be recorded in the document without any mistakes.
- Vague description of the parties will create confusion. Therefore, give full and comprehensive information of these important aspects. Take some time and verify twice or thrice and get it cross-checked by another person to ensure that there will not be any mistake in these aspects.

- ## *Link document numbers*:
- Record correctly the link document number, date of registration, Book Number/CD volume number, page number in book, Sub Registrar/Registrar Office name, and District name correctly. Many a time parties fail to record correct link document numbers and thereby forced to execute rectification deeds subsequently by the bankers and other interested parties. The names of the vendors and vendees of the link documents if recorded in the present document, then they shall be recorded as they exist in such previous documents without any variations.

- ## *Consideration:*
- Record details of consideration paid in numbers and words without any mistake. This is a material part of documentation; therefore, full care shall be taken to record the consideration without any mistake.

- ## *Cheque Number/DD Number etc:*
- If the amount is paid through a cheque or DD or Pay Order then the details such as the number, date of issue, bank and branch name and the amount shall be recorded without any mistakes. Check correctly these details. There is every possibility of committing mistakes in recording these details. Take expert's advice in recording DD/pay order numbers.

- ## *Schedule of the property:*
- This is very important part of the document. This part describes the details of the property by mentioning in which village/city it is situated.

- ## *Agriculture property:*
- Village name, mandal name, district name, sub registrar office name, survey number(s), full extent of the survey number(s), the extent now being transacted under the document (survey number wise), all the four boundaries.

- ## *Open Plot:*

  Village name, mandal name, district name, sub registrar office name, survey number/town survey number, plot number, total extent of the plot, the extent now being transacted under the document if part of the plot is transacted, all the four boundaries.

- ## *House/commercial units:*

  Village name, mandal name, district name, sub registrar office name, survey number/town survey number, plot number, municipal/panchayat assessment number, door number new and old, extent of the land, plinth area of structures, all the four boundaries.

- ## *Flat in an apartment:*

  Village name, mandal name, district name, sub registrar office name, survey number/town survey number, plot number, total extent of the plot along with four boundaries for the entire piece of land on which the entire apartment structure is raised as Schedule 1. Flat number, plinth area (including common areas), all the four boundaries of the flat, car parking area and undivided share of land as Schedule 2.

  Try to get full information of owners abutting the property and falling in the boundaries and record their names instead of mentioning them vaguely like 'the neighbour's property'. If there is a road in one of the boundaries, then mention its width also; if there is a name to the road them mention name of the road. If the full survey number (agricultural land) is transacted, there is no need to record the details boundaries. But if the parties interested then they may also be recorded.

- Take abundant caution and care to record correctly these details. Check twice or thrice. Get it cross-checked by a person who got critical eye in catching the mistakes.

- ## *Attesting witnesses:*

- Attesting witnesses play a vital role in case of dispute regarding the document's validity. Therefore, select reputed and persons having good conduct as attesting witnesses. Attesting witnesses are the persons who see the very signing (execution) of the document by the parties under the document. Their version regarding the execution of the document will be very important and crucial in case of any dispute regarding validity of the document in the court of law. As human beings are mortals, see that the young or middle-aged persons are secured as attesting witnesses to the document. As per Transfer of Property Act, the statutory requirement is two attesting witnesses; but if parties wish then more than two persons may be taken as attesting witnesses.

- Not only the above, the parties shall take care of all the recordings in the document since it is a formal, legal, contract document. Give full, comprehensive and factual information in the document; ensuring that their interests are safeguarded. Instead of leaving it to the document writers / advocates alone, the parties shall also actively participate in preparation of document particularly in verification of the details word by word.

Sale Deed Preparation - Requirements and Precaution

Today, in India, the Conveyancing is being done by semiskilled persons who do not possess the full and required legal knowledge and skills. Many people involved in Conveyancing are hanging around the Sub Registrar Offices with little knowledge regarding Contract Act, Transfer of Property Act, Indian Stamp Act and Registration Act. They basically got the skills of a computer operator and use cut and paste options extensively to prepare any document by using the templates available without understanding the uniqueness of each document and also importance of capturing all the vital issues/aspects involved in the transaction.

But, Conveyancing has been practiced as a fine art in England and other developed nations by a class of trained lawyers who have specialized as conveyancer after an intensive study of the law relating to contracts and real property. Though the term conveyancing used by most of the England Lawyers for drafting the documents of their clients but as the years rolled by Conveyancing got its own importance even in India too.

In Modern India Draftsman plays an important role while drafting any legal documents or deeds and he can do so if he is highly qualified in the field of law so draftsman must keep in mind all the legal principles before preparing any legal documents or deeds.

The word "**CONVEYANCING**" means transfer of property inter-vivos i.e. between two living persons.

Conveyancing is an art of drafting deeds and legal documents whereby any right, title or interest in tangible immovable property is transferred from one person to another. Conveyancing is not just an ordinary art but it is thoroughly based on legal knowledge and principles evolved over the years. The term conveyancing is restricted to deeds and documents concerned with the transfer of property; whereas drafting carries a general meaning that of preparing any legal documents or deeds or any other business oriented documents.

The word "SALE" defined under Section 54 of "The Transfer of Property Act, 1882" is a transfer of ownership in exchange of price paid or promised or part-paid and part-promised..
It means absolute transfer of tangible immovable property by the vendor to the purchaser by entering into a contract for sale wherein both the parties will settle the terms and conditions of transfer. Such transfer can be done through the registered document and thus delivery of the property can be by handing over the actual possession of the immovable property by the vendor to the purchaser or the person legally authorised by him. In a sale of tangible immovable property, all the statutory rights i.e. easementary rights, beneficiary rights, actionable claims as well as vested interest in the immovable property will be transferred in-toto in favour of buyer from the vendor.

Before explaining the term "Sale Deed", let us define "Agreement to sell" which precedes "SALE DEED" and it protects the interest of both buyer and seller. An agreement to sell is a legal written document on which the conveyance deed is drafted under which both the parties will settle certain terms and conditions i.e. seller will be intending to transfer/sale the property and buyer will be intending to purchase it.

An agreement to sell has to be executed by the seller and the buyer on a non-judicial stamp paper and the same has to be duly signed by both the parties. It has got legal value and if necessary can be produced as evidence in a court of law. An agreement is a pre-requirement for the sale of an immovable property wherein the buyer will pay to seller some token amount as advance and seller must issue receipt for the amount received as token amount.

While entering into an agreement to sell, the seller should mandatorily state all the material defects in the property as well as in the title and it is the right and duty of the buyer to investigate the title before buying the property. There should not be any lis pendens i.e. pendency of suit in a court of law regarding the property in sale. Lastly the agreement to sell must contain all the terms and conditions which are necessary for transaction of a valid sale of an immovable property.

In Andhra Pradesh Agreement to sell is a compulsory registrable document from the year 1999, now it is made compulsory registrable document all over India. In Andhra Pradesh, 5% Stamp Duty shall be paid on the market value of the property or consideration whichever is higher on the agreement to sell; and the same is adjustable on sale deed executed in pursuance of this agreement.

The word "SALE DEED" otherwise called as "Conveyance Deed" is a legal written document executed by the vendor and the purchaser which evidences the sale and transfer of ownership of the tangible immovable property.

A sale deed is governed by the Transfer of Property Act and the Registration Act, 1908 and is an important document for both the buyer or the transferee and the seller or the transferor. A sale deed is executed, usually, after the execution of the agreement to sell, and after compliance of various terms and conditions between the seller and the purchaser mutually. A sale deed is the main document which gives details of how the seller got the property, at what consideration the seller is selling the property and assurance to the purchaser that the property is free from any encumbrances, liabilities or indemnity clauses. A sale deed acts as an essential document for the further sale of the property by the purchaser as it establishes the proof of ownership of property.

Requirements of Sale Deed:

Sale deed is one of the most valuable legal documents in a purchase or sale of a property. A sale deed is drafted by legal draftsman on a non-judicial stamp paper of the requisite value as prescribed by stamp act of the particular state concerned. Today, in many States including Andhra Pradesh, the stamp papers are available up to the value of Rs.100/- only. The parties shall use 5-6 Non-Judicial stamp papers and remaining amount shall be paid through challan system (AP) and through stamping and other mechanism provided by the State Government (in others States). A draftsman must include certain clauses while preparing the construction of the sale deed which are as follows:

- ***Name of the deed:*** It is the parties who have to decide that which deed has to be prepared e.g. DEED OF SALE or DEED OF MORTGAGE or DEED OF LEASE etc. and based on which there will be transfer of ownership of immovable property. Since this Sale deed, parties may use DEED OF SALE (OR) SALE DEED.

- ***Parties to sale deed:*** An absolute sale deed must contain the names, age and respective addresses of parties to the transaction and both the parties i.e. seller and buyer must be competent to enter into a contract so that it will not affect the validity of the valid sale. It is very much important that the sale deed is duly signed and executed by both the parties with their bona-fide intention. A valid sale deed must start with clear description of the parties.

- ***Description of the property sold:*** A valid sale deed must contain full description of the property which is the subject matter of sale. It must include identification number, total plot area, construction details as well as its location with its surrounding areas. A schedule of the property must be included in the sale deed which will define the exact location where the property is actually situated.

- ***Agreement for sale:*** In the agreement for sale both the parties may mutually settle the terms and conditions of the agreement so that it will not affect the rights of the parties. A sale deed may be preceded by agreement to sell.

- ***Sale consideration clause:*** A sale deed must include the clause stating the sale consideration/amount as agreed between the seller and the buyer which has to be paid by the buyer to the seller on the execution of sale deed. A sale amount should be clearly stated in sale deed as agreed in the agreement to sell so that there should not be any onus on the parties to the transaction.

- ***Advance payment, if any:*** If there is any transaction of token amount paid by the buyer to the seller then it has to be clearly mentioned in the sale deed, and how much is the remaining balance to be paid on the execution of the sale deed.

- ***Mode of payment:*** It is always the buyer who has to decide that how he is going to pay the sale consideration amount whether by Cash /Cheque/ Demand Draft and the same has to be agreed by the seller.

- ***Passing of the title:*** A sale deed should contain the clause when the original title of the property to be passed to the purchaser. A time limit should be given to the seller for the transfer of the title. Once the title of the immovable property is transferred, all the rights will pass to the purchaser.

- ***Delivery of the possession:*** The possession of the immovable property will be transferred to the purchaser by the vendor once the registration process is completed. A clause in the sale deed must state when there will be actual delivery of the possession.

- ***Indemnity provision if any:*** A seller must clear all the statutory charges i.e. property tax, electricity charges, water bills, cess, society charges, maintenance charges and all other charges relating to the property before the execution of the sale deed. In case there is any encumbrance on the property, the seller needs to repay the loan amount and get the property papers cleared of the encumbrance. It is the duty of the buyer to verify the encumbrance status from the office of the Registrar/Sub Registrar/Mee Seva Centres (in AP).

- ***Execution:*** Once the Sale Deed is prepared all the parties to the deed shall execute it by affixing their thumb impression or full signature. Each page should be signed by the seller and buyer. Any erasure, alteration, addition or deletion is to be authenticated by full signature of the parties. Execution of the sale deed requires to be witnessed by two witnesses. The witnesses shall give their full particulars and addresses.

- ***Registration According to Section***: 17 of "The Registration Act, 1908", the registration of a tangible immovable property is compulsory if the value of the respective property exceeds rupees 100/- and it is the registration of the property which makes the sale valid. For getting the registration done both the parties must be present in person or through their duly authorized agent(s) before the jurisdictional sub-registrar office with the original documents within four months from the date of execution. A stamp duty has to be paid by the purchaser to the sub-registrar for getting the registration done. A certified copy of the registration document to be obtained for the future reference.

- ***Testatum:*** Once all the terms and conditions have been settled between both the parties, a sale deed is prepared. The executed sale deed should be witnessed by at least two witnesses one from seller side and one from buyer side, giving their full names, addresses and signatures.

- ***Original documents:*** Once the property gets registered under the registration act all the original documents of the sold property to be hand over by the seller to the purchaser. All the statutory rights along with ownership, possession, title, interest will get vested in favour of the purchaser.

- ***Default clause:*** An agreement for sale of immovable property should include the clause stating if there is any default by the vendor or the purchaser then the party who rescinds the contract need to pay damages to the other party for the breach of contract so that it will not affect to the execution of the sale deed.

Since drafting of sale deed requires abundant caution and presence of mind with sufficient knowledge of property and other allied laws, it would be better if services of advocates who have vast experience in property transactions are utilized to avoid unexpected and uncalled for litigations which may arise in a poorly drafted sale deed.

Stamp Duty Matters

There are so many doubts on the subject of payment stamp duty. How to pay? When to pay? Whom to pay? What are the different methods to pay? Etc. We would like to make it simple.

Indian Stamp Act, 1899 prescribes that the stamp duty has to be paid before or at the time of execution of instrument. Execution means signing of the document in question. So, it is clear that the stamp duty has to be paid before signing of the document since it is not practically possible to pay while signing the document.

Payment of stamp duty in respect of documents to be registered:

Before the infamous Telgi scam, in the State of Andhra Pradesh, the Government through its treasuries, Sub Registrar Offices and licenced Stamp Vendors used to sell non-judicial stamp papers denominations up to Rs.25000/-. The parties used to buy the stamps from these sources and documentation was done using these non-judicial stamps. After the scam, the Government thought it appropriate to minimise the circulation of high valued stamps, and introduced challan system. Now, in Andhra Pradesh, the non-judicial stamp papers are available in the denomination of Rs.10/-, 20/-, 50/- and 100/- only. The parties shall use these stamp papers to document their transaction and remaining stamp duty shall be paid through challan system. Presently, each Sub Registrar Office is attached with either State Bank of Hyderabad (Telangana region) or State Bank of India (Andhra and Rayalaseema regions) branches. People required to pay the stamp duty have to go to Sub Registrar Office concerned to know the exact amount to be paid. The Sub Registrar Office will give guidance with regard to how to fill the challan (pay-in form) and how much amount the party has to pay under various head like stamp duty, transfer duty registration fee, user charges etc. The party then go to the designated branch of that particular office and pay the amounts and get a copy of the challan. He produces such copy of challan along with the document to be registered. Sub Registrar accepts the document on the strength of the challan and registers the document and verifies on the same day evening with the bank scrolls furnished by the concerned bank.

How to pay stamp duty on old documents (validation/impounding):

- **Within one year from the date of signing of instrument/document:** As per Indian Stamp Act, 1899, the parties can come forward to pay the deficit stamp duty on the instrument/document within one year from the date of execution (signing). If the parties pay the stamp duty within one year voluntarily and approaches the Collector (District Registrar in the State of Andhra Pradesh), then the District Registrar will collect the deficit stamp duty only; and will not levy any penalty. This provision allows the parties to pay the stamp duty without any penalty if they come forward to pay the deficit stamp duty within a year from the date of signing of the document.

- **After one year from the date of singing of instrument/document:** If any deficitly stamped instrument/document is presented before any public officer or civil court, then such public officer or court will impound (hold) the instrument. Such instrument will not be taken as evidence unless proper stamp duty is paid along with the penalty. The courts should collect 10 times of penalty. Suppose if the deficit stamp duty on the instrument is Rs.10000/-. The court shall collect Rs.10000/- (deficit stamp duty) + Rs.100000/-(one lakh) being 10 times of deficit stamp duty. But, the courts will allow the parties to approach the Collector (in Andhra Pradesh, all the District Registrars are declared as Collectors under Indian Stamp Act) to present these deficitly stamped instruments/documents and get them adjudicated. The Collector got the discretionary power to levy a penalty minimum of Rs.5/- and the maximum of 10 times of the deficit stamp duty. Recently, the Commissioner and Inspector General of Registration and Stamps gave instructions to all the District Registrars to levy a minimum of 3 times penalty on the impounded instruments. Suppose, if there is a deficit stamp duty of Rs.10000/-, then the District Registrar will collect Rs.10000/- + Rs.30000/- (towards penalty). After collecting the deficit stamp duty and penalty, the Collector will add a certificate under Section 42 of Indian Stamp Act, 1899, which is equivalent to payment of stamp duty. Even though there is no word called validation in the Indian Stamp Act, 1899, the adjudication process and collecting process is called as such in courts and other places by the common public.

Documents signed outside India:

Documents signed outside India and received in India can be stamped under Section 18 of Indian Stamp Act, 1899. Within three months from the date of first received in India, the parties may approach the District Registrar and pay the proper stamp duty on the instrument/document. The District Registrar will collect the deficit stamp duty and either affixes a special adhesive label or frank the amount on the instrument.