

Annual Statement of Rates and stamp duty

Free study notes · 1 note · 25 Oct 2026

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1 Maharashtra Stamp Act 1958: instrument, conveyance, market value (s.2) and the ASR as the measure of true market value

Stamp duty in Maharashtra is charged on the instrument, and for a conveyance it is charged on the market value of the property or the consideration stated, whichever is higher; the Annual Statement of Rates (ASR) is the yardstick used to test that market value.

Core facts

- **Act: Maharashtra Stamp Act, 1958.** It was enacted as the **Bombay Stamp Act, 1958** (Bom. LX of 1958) and later renamed.
- **Key definitions in s.2:**
 - **s.2(f)** Collector
 - **s.2(g)** conveyance
 - **s.2(h)** duly stamped
 - **s.2(i)** executed / execution = **signed / signature**
 - **s.2(k)** impressed stamp (includes franking-machine impressions)
 - **s.2(l)** instrument
 - **s.2(na)** market value
- **Instrument (s.2(l)):** any document by which a right or liability is, or purports to be, **created, transferred, limited, extended, extinguished or recorded.**
- **Market value (s.2(na)):** the price the property would fetch if sold in the **open market on the date of execution, or the consideration stated** in the instrument, **whichever is higher.**
- **Charging section: s.3.** Instruments listed in **Schedule I** are chargeable at the rates shown there.
- **Conveyance** is **Article 25** of Schedule I. **Gift** is Article 34 and **lease** Article 36.
- **ASR** (ready reckoner) = yearly average rates of land and buildings, zone-wise, issued under the **1995 Rules** to fix the **true market value** for stamp duty.
- Purpose of the ASR: to **check under-valuation** of instruments and **evasion of stamp duty.**

Explained

Why the State levies stamp duty (Seventh Schedule)

Entry	What it covers
List III, Entry 44	Stamp duties other than judicial stamps (but not the rates)
List I, Entry 91	Rates for bills of exchange, cheques, promissory notes, bills of lading, letters of credit, insurance policies, share transfers, debentures, proxies, receipts

Entry	What it covers
List II, Entry 63	Rates for all other documents, including conveyances of land

So the duty on a sale deed of land is a **State** rate, fixed by the Maharashtra Act.

Conveyance (s.2(g))

- Covers a conveyance on sale and every instrument by which property, movable or immovable, is **transferred inter vivos** and which is not otherwise provided for in Schedule I.
- The definition is inclusive. It also covers:
 - decrees or orders of civil courts that transfer property
 - orders of the **High Court or NCLT** on **amalgamation, merger or reconstruction** of companies
- Explanation to Article 25:** an **agreement to sell** immovable property is treated as a **conveyance** when **possession** is handed over (or agreed to be handed over) under it. Duty is then payable as on a conveyance.

How "market value" works with the ASR

Step	What happens
1	Parties state the consideration in the deed
2	Value is worked out from the ASR rate × area, after applying the ASR guidelines
3	Duty is charged on the higher of the two
4	If the registering officer thinks the value is not truly set forth, he refers the deed to the Collector under s.32A

Worked example 1: consideration below ASR

- Consideration in the sale deed: **₹60 lakh**.
- ASR value: flat of 120 sq m built-up × ₹60,000 per sq m = **₹72 lakh**.
- Market value for duty = higher of 60 and 72 = **₹72 lakh**.

Worked example 2: consideration above ASR

- Consideration: **₹95 lakh**. ASR value: **₹80 lakh**.
- Duty is charged on **₹95 lakh**. The ASR is a floor for checking, not a ceiling.

Worked example 3: duty at a given rate

- Market value ₹72 lakh, duty rate taken as 5% (as given in the question).
- Duty = 72,00,000 × 5% = **₹3,60,000**.

The actual rate depends on the area (municipal corporation, council, rural) and on surcharges added by municipal laws. Questions state the rate to use.

Common traps

✗ "Market value is defined in s.2(g)." ✓ **s.2(na)** defines market value; s.2(g) defines **conveyance**; s.2(l) defines **instrument**.

✗ "Stamp duty is always charged on the consideration written in the deed." ✓ It is charged on the **market value or the consideration, whichever is higher**.

✗ "The ASR rate is a ceiling; duty can never exceed it." ✓ If the consideration is **higher** than the ASR value, duty is on the consideration.

✗ "An agreement to sell never attracts conveyance duty." ✓ If **possession** is given under it, it is treated as a **conveyance** (Explanation to Article 25).

✗ "'Executed' in the Stamp Act means registered." ✓ It means **signed** (s.2(i)).

✗ "The Act was originally the Maharashtra Stamp Act, 1958." ✓ It was enacted as the **Bombay Stamp Act, 1958**.

Quick revision

- Maharashtra Stamp Act 1958 = former Bombay Stamp Act 1958.
- s.2(l) instrument; s.2(g) conveyance; s.2(na) market value; s.2(h) duly stamped; s.2(i) executed = signed.
- Market value = open-market price on date of execution **or** consideration, whichever is higher.
- s.3 charging section; Schedule I Article 25 = conveyance.
- Agreement to sell + possession = conveyance.
- ASR = ready reckoner; zone-wise average rates for true market value.
- ASR purpose: prevent under-valuation and duty evasion.
- Undervalued deed → registering officer refers to Collector under s.32A.
- ASR land rate is also used for development charge, UDCPR premiums and TDR indexation.