

✓ BPN⁵⁶ 26757/84 LRA dt 30.8.84

P3/83 of SRV Chalokudy

The deed in question has been styled as a Release deed for Rs 13000 in respect of a property already mortgaged for Rs 24000. By the deed No 3151/75 of SRV Chalokudy referred to in the deed under reference the mortgagors 1. Paulose 2. Chacko and 3. Babu already gave property as mortgage for Rs 24000 to the mortgagee Sri George the M.D of the Chalokudy Company Ltd. By the deed under reference, the mortgagee (Company) is releasing the debt for Rs 13000 out of Rs 24000 in favour of the mortgagors from whom the Company derived the mortgage rights. The doubt raised by the DR is whether the deed under reference is a release for Rs 13000 or for Rs 24000 and whether it is chargeable on the deed.

The SR who accompanied the deed is of the view that the deed is a release for Rs 13000 requiring stamp duty of Rs 650 at conveyance sale under the Finance Ordinance 1983. The Dy. Regn is also of the same opinion of the SR that the deed is a release deed for Rs 13000 falling under article 48(b) of the SR.

By the deed under reference, the mortgagee Sri George who is the Managing Dir of the Chalokudy Company on behalf of the said Company is releasing a portion of the property for Rs 13000 in favour of the mortgagors from whom the Company derived the mortgage rights and therefore the deed is to be treated as a release deed at conveyance under article 48(b) of the SR set to the KSA as per Finance Ordinance 1983. According to the existing rules, transfer of property by way of release attracts no stamp duty. In the present case, the deed is a release deed for Rs 13000 out of Rs 24000.