

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

**Circular memo No: S1/5124/2013.Dated: 14.12.2021**

Sub : Registration and Stamps Dept. – Registration of documents – chargeability of Development Agreements – Further Clarification issued - Reg.

Ref : Circular Memo No. S1/5124/2013, dated 07-06-2013.

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Through the reference cited certain clarifications have been issued on determination of nature and chargeability of instruments of Development Agreements. It is observed that there is a confusion in the field formations on certain recitals of the documents. On representations received requesting for clarifications, the matter was examined and following clarifications are issued.

**2.** Development agreements are common feature in the real estate sector wherein the land owner/owners transfers their land in favor of developer for a compensation of flats/developed land or in the form of consideration or both in return. By virtue of powers conferred through the development agreements the developer acquires the rights from land owner to develop land or to construct the complex/buildings. The developer hands over ownership rights of certain percentage of developed area/units to the land owner. The **remaining flats/developed land is retained by the developer** and sometimes he may get GPA rights over the land of owner to sell the same to 3<sup>rd</sup> parties. The Piece of land/property may be owned by a person in the capacity of co-owners or co-parceners. The possible instances of accrued rights of ownership in the land/property on such instruments of development agreements and chargeability there on are discussed as here under.

**Case 1:** If a piece of land/property is owned by a person and given the same for development and receives a portion of buildup area/plotted area from the developer, in lieu of giving development right to the developer, the transaction is covered under the instrument of Agreement of Development and chargeable under Article 6 (B) of Schedule 1(A) of Indian Stamp Act 1899.

**Case 2:** If a piece of land/property is owned by more than one person (co-owners/co-parceners) and given their property for development and **receives** a portion of buildup area/plotted area **jointly** from the developer, it covers under the instrument of **Agreement for Development** and chargeable under **Article 6 (B)** of Schedule 1(A) of the Indian Stamp Act 1899.

**EXPLANATION: I.**

If **A, B, C** and **D** give their joint undivided property for development to **E** and receives an **undivided portion** of developed property **jointly** from **E** in lieu of sharing of development rights, it is an Agreement for Development and chargeable accordingly.

**Case 3:** If a piece of land is owned by **more than one person** (co-owners/co-parceners) and give their property for development and receives a portion of buildup area/plotted area in **severality** from the developer, it is a **Development Agreement cum Conveyance** and is chargeable with aggregate amount under **Article 6 (B)** and **Article 20** of **Schedule 1(A)** of Indian Stamp Act 1899.

**EXPLANATION: II.**

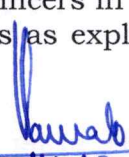
If **A, B, C** and **D** give their joint undivided property for development to **E** and receives **divided portions** of developed property **individually** or in sub groups from **E** in lieu of **transfer of rights to develop**, it is a **Development Agreement coupled with Conveyance** and chargeable under Articles 6(B) and Article 20 (Aggregate) of Schedule-1(A) of I.S.Act.1899.

**Case.4:** If a piece of land is owned by more than one person (co owners/coparceners) and give their property for development through development agreement and receives a portion of buildup area /plotted area **after the construction of structure** in **severality** from the developer /developers, it shall be treated as **Development Agreement cum Partition** chargeable under **Article.6(B)** and **Article 40** of schedule-I(A) of I.S.Act 1899 as all the parties in the development agreement have acquired joint right over the structure.

**EXPLANATION:-III**

If **A,B,C,&D** give their joint undivided property for development to **E** through a registered Development Agreement and receives **divided portions of developed property individually after construction of structure** or in sub groups from **E** in lieu of development rights then it is **Development Agreement cum Partition** and chargeable under **Article-6(B)** and under **Article -40** of Schedule-I(A) of I.S.Act.1899.

3. In view of the above, all the registering officers in the State are hereby directed to assess the development agreements as explained above without any deviation.

  
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.

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