

FACULTY OF JURIDICAL SCIENCES

COURSE: B.A.LL.B./BBA.LLB/LL.B.

Semester - II

SUBJECT: ALWS II

SUBJECT CODE: BAL-208/BBL-208/LLB-206

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Lecture-14



What is a Sale Deed?

A sale deed is a legal document that showcases the transfer of title, rights, and ownership of a property from a seller to a buyer.

It is the most important document that legally reports the proof for the buyer and seller. It is an essential document for both the buyer or the transferee and the seller or the transferor. The purchase or sale of the property is not legally complete until a sale deed agreement is signed between the buyer and the seller. Normally, a sale deed agreement is signed only after both the parties are satisfied and comply with the terms and conditions.

Advantages of a Sale Deed Registration

Protects Parties

The deed protect the rights of both the buyer and the seller. A specific, well-drafted deed will avoid ambiguity and minimise legal risks.

Defines The Area

For the buyer, a key advantage is having a well-defined description of the property being purchased, including the square footage and the location.

A few additional benefits of a sale deed registration are as follows:

- As a sale deed registration form concludes the sale into a legal document, it is enforceable by the law
- A sale deed reduces troubles as all money due can be specified in the document. This makes the sale process more stable and comfortable. Additionally, it assures that your property is not taken for granted, given the existence of a registered and stamped legal document.

What is the Format of Sale Deed Form?

In general, a sale deed format should include the below-mentioned details-

- Descriptions of the parties involved- the full name, complete address, contact details, age & occupation for each buyer and seller

- Description of the property being transferred- id number, correct address, dimensions of the property, construction details of the building, if there is any
- Indemnity & encumbrance clause- This includes a declaration from the seller that the property being transferred is free from every encumbrance, litigation, and charge. Also, the seller indemnifies the buyer from any pending charges in this regard. The seller should settle a pending loan taken with the concerned property as a mortgage before proceeding with the sale. The buyer has every right to examine the related documents before registration
- The sale consideration- It's the price at which the transfer deal is closed. This section should also mention the advance amount paid if there is any. The parties should explicitly agree on the payment dates, the mode of payment, etc. The price and the details of the transactions should be mentioned in figures and numbers. The sale deed format should also mention the receipts of the sale transaction
- Delivery & possession of the property- the deed should specifically mention the date of handover to and possession by the buyer.

What Are the Things to Keep in Mind During Sale Deed Registration?

Title: It is important to ensure that the seller has a clear and undisputed title to the sold property. This can be verified by conducting a title search and obtaining a title certificate

Documentation: All necessary documentation, such as the sale agreement, power of attorney, and other relevant documents, must be in place before registering the sale deed agreement

Tax clearance: It is important to ensure that all outstanding taxes, including property tax and stamp duty, are paid and cleared before registering the sale deed

Legal advice: It is recommended to seek legal advice from a qualified lawyer before registering the sale deed to ensure that the process is carried out smoothly and legally

Valuation: It is important to get the property valued by a professional valuer before registering the sale deed to ensure that the price being paid is fair and reasonable

Survey: A property survey should be conducted to ensure that the sold property is accurately described and all boundaries are clearly defined

Registration fees: It is essential to pay the necessary registration fees to ensure that the sale deed agreement is properly registered and legally valid

Witnesses: The sale deed should be signed in the presence of at least two witnesses who can attest to the document's authenticity.

Requirements of a Sale Deed Registration

- The sale deed format must specify the name and address of the buyers and the sellers
- There must be a complete address of the property, and a description of the property should be mentioned
- The sale price consideration accepted between the buyer and the seller must be specified in the sale deed. That is, the amount which the buyer has to pay on the execution of sale deed must be mentioned in the property sale deed
- Additionally, if the advance amount is paid already, it must be mentioned in the sale deed
- The mode of payment must be mentioned
- The property sale deed must stipulate the time when the title of the property registration will get transferred to the buyer. All the documents related to the property must also be handed over to the buyer
- Ensure that the title of the property is available from any deviation

A sale deed of land is not legally binding unless it is enrolled in the sub-registrar office. Both the buyer and the seller, including the witness, must be there at the registrar's office on the date for the enrollment of the deed

The stamp duty and registration charges have to be paid to making the registration.

- Documents Required for Drafting Sale Deed Agreement
- Documents Required for a Sale Deed
- Documents Required for original sale deed
- Documents Required for property sale deed
- Documents Required for sale deed of land

Sale Deed Registration Process

The sale deed registration process generally involves the following steps:

- The seller and buyer agree to sell and purchase the property. This agreement is usually in the form of a sale deed.

- The sale deed is executed by both parties and signed in the presence of witnesses.
- The sale deed is then registered with the appropriate government authorities, usually the Office of the Sub-Registrar. This is done by submitting the sale deed along with certain documents, such as identity proof and proof of ownership of the property, to the Sub-Registrar's office.
- The Sub-Registrar verifies the documents and checks for any encumbrances or legal issues with the property. If everything is in order, the sale deed is registered and a copy is returned to the parties.
- The buyer can then take possession of the property and start using it.

Note that the process may vary slightly depending on the laws of the state in which the property is located. It is advisable to seek the assistance of a lawyer or a professional property advisor to ensure that the process is completed smoothly and efficiently.

Registration of an Original Sale Deed of Land

Both the seller and the purchaser have to keep all the important documents in the sub-registrar office to confirm the property sale deed and close the deal. The registration of a sale deed agreement form includes:

- The property's value has to be determined based on the circle rate in that region
- The circle rates of the area and the actual price paid for the property are related. While assessing the stamp duty the higher of the two values, the circle rate and the actual price paid have to be taken into consideration
- Additionally, a non-judicial stamp paper of the value so calculated has to be purchased consequently
- Consequently, the deed has to be provided and typed in stamp papers
- The final step needed in making the sale deed form registered is to compare the sub-registrar office to get the sale deed form registered. The parties must be followed by two witnesses.

Sale Deed Registration Charges

The sale deed registration charges in India depend on the state in which the property is located and the value of the property. Generally, the registration charges are calculated as a percentage of the value of the property, with the percentage varying from state to state.

It is important to note that the charges may vary based on the location and value of the property, and it is recommended to consult with a lawyer or a property advisor for more accurate information.

To register a sale deed, you can get in touch with Vakilsearch. Our pricing for sale deed registration starts at a pocket-friendly price of ₹1999 onwards.

What Is the Cancellation of a Sale Deed Agreement?

The cancellation of a deed can be done bilaterally by the seller and the purchaser if there is an agreement to this effect. The cancellation of sale deed registration process is done only if one party demands for cancellation and the other refuses to accept it.