



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 13631 OF 2026 (GM-ST/RN)

BETWEEN:

1. SRI. PRADEEP KUMAR H.S.
AGED ABOUT 58 YEARS,
S/O SADASHIVAIAH,
2. YASHASWINI PRADEEP,
AGED ABOUT 49 YEARS,
W/O PRADEEP KUMAR H.S,
RESIDING AT NO.17(29/15),
16TH MAIN, 39TH A CROSS,
JAYANAGAR, 4TH T BLOCK,
BENGALURU - 560 041.

...PETITIONERS

(BY SRI. NAVEEN G.S, ADVOCATE)

AND:

1. THE INSPECTOR GENERAL OF REGISTRATION
AND COMMISSIONER OF STAMPS,
DEPARTMENT OF STAMPS AND REGISTRATION,
OFFICE AT 8TH FLOOR, KANDAYA BHAVANA,
K G ROAD, BENGALURU - 560 009.
2. THE DISTRICT REGISTRAR,
OFFICE OF DISTRICT REGISTRAR, JAYANAGAR,
DEPARTMENT OF STAMPS AND REGISTRATION,
OFFICE AT NO.4, OLD NO.622/623,

Digitally signed
by NAGARAJA
B M



Location: HIGH
COURT OF
KARNATAKA



3RD FLOOR, 10TH A MAIN ROAD,
4TH BLOCK, JAYANAGAR,
BENGALURU - 560 011.

3. THE SUB-REGISTRAR,
OFFICE OF SUB-REGISTRAR,
JAYANAGAR (SHANTINAGAR),
DEPARTMENT OF STAMPS AND REGISTRATION,
OFFICE AT GROUND FLOOR, C BLOCK,
BMTC TTM BUILDING, KH ROAD,
SHANTINAGAR, BENGALURU - 560 027.

...RESPONDENTS

(BY SMT. NAVYA SHEKAR, AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO QUASH THE
ENDORSEMENT BEARING NO. STP/56/2025-26/E-90073 DTD
17.02.2026 ISSUED BY THE R-1 PRODUCED AT ANNEX-G AND
ETC.,

THIS PETITION, COMING ON FOR PRELIMINARY
HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:
CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned writ petition is filed calling in question
the endorsement dated 17.02.2026 issued by the first
respondent, as per Annexure-G, whereby the request of



the petitioner seeking refund of alleged excess stamp duty has been declined.

2. Heard learned counsel appearing for the petitioners and the learned Additional Advocate General appearing for the respondents. Perused the material on record.

3. The short point that arises for consideration before this Court is:

"Whether the stamp duty paid on the agreement to sell, as evidenced under Annexure-A, which was not given due credit or adjusted at the time of execution of the subsequent sale deed in favour of the petitioners, would constitute 'excess payment' so as to entitle the petitioners to claim refund under Section 44(2) of the Karnataka Stamp Act, 1957 (for short 'the Act' ?"



4. The grievance of the petitioners is that though stamp duty was already paid on the agreement to sell, the same was not accounted for at the time of registration of the sale deed, resulting in payment of stamp duty twice over, thereby leading to excess collection by the State. It is in this backdrop, the petitioners have invoked Section 44(2) of the Act seeking refund of the alleged excess duty.

5. This precise issue is no longer res integra and stands answered by a Co-ordinate Bench of this Court *in W.P.No.5474/2020 in the case of M/s Creative Aromatics Specialities Pvt. Ltd., vs. State of Karnataka and Others*, wherein this Court, while interpreting the scope and ambit of Section 44(2) of the Act, has examined the entitlement of a party to seek refund of stamp duty paid on an antecedent agreement when such duty is not adjusted at the time of execution of the conveyance deed.



6. This Court deems it appropriate to extract paragraph No.10 of the said judgment, which reads as under:

"10. In the case of Sri. S.K.Parthasarathy Raju and another vs. The State of Karnataka and another in WP Nos.1334-1335/2015, a Co-ordinate Bench of this Court, wherein it is held as follows:

"6. At this stage itself it is necessary to indicate that rather than the contentions which are urged in the objection statement, the reason as assigned in the impugned endorsement dated 23.09.2014 would have to be taken note and then arrive at a conclusion, as the decision taken by the authority cannot be substituted by other reasons. If in that view the endorsement dated 23.09.2014 is closely perused, it is seen that the competent authority has kept in view the provision contained in Section 2 of the Act in the light of the stamp duty as provided under Article 41(eb) to the Schedule to the Act. With regard to the refund as sought, it is stated in the endorsement that the stamp duty as paid by the petitioners is not pursuant to any order or demand made



by the authorities. Therefore, the question of refund does not arise is the contention. On this aspect of the matter what is necessary to be taken note is that the provision in Section 44(2) of the Act provides for refund of stamp duty which is paid in excess of what is otherwise legally chargeable.

7. If that be the position, the issue is not as to whether the amount had been voluntarily paid by the party or had been demanded by the authorities and had been paid. What is necessary to be considered while taking note of an application filed under Section 44(2) is the actual legally chargeable stamp duty on a transaction and in that light examine whether the parties entering into a transaction have made payment of stamp duty in excess of the legally chargeable limit. On arriving at such conclusion, if it is seen that any excess amount than what is legally chargeable is paid, the same becomes refundable."

7. On a careful reading of the aforesaid dictum laid down by the Co-ordinate Bench, it is manifest that the entitlement to refund under Section 44(2) of the Act,



hinges not on the nature of payment whether voluntary or pursuant to demand but on the determinative factor, namely, whether the stamp duty paid exceeds what is legally chargeable on the transaction.

8. In the light of the authoritative pronouncement of the Co-ordinate Bench, this Court is not persuaded to accept the contention urged by the learned AGA that the petitioners, having failed to avail the benefit of "denoting" under Section 16 of the Act at the time of execution of the sale deed, have forfeited their right to seek refund under Section 44(2) of the Act. Such a contention, if accepted, would run contrary to the very scheme and object underlying Section 44(2), which is a beneficial provision enabling refund of excess duty irrespective of the stage at which such excess payment is noticed, subject of course to limitation prescribed therein.

9. It is not in dispute that the petitioners, under the agreement to sell dated 31.07.2025 (Annexure-A),



have paid a sum of Rs.6,00,000/- towards stamp duty. The said agreement has subsequently culminated in execution of an absolute sale deed dated 22.08.2025 (Annexure-B). However, while registering the sale deed, the stamp duty already paid under the agreement was not adjusted by invoking Section 16 of the Act.

10. The concept of "denoting" under Section 16 of the Act is essentially an enabling provision which permits adjustment of stamp duty already paid on a prior instrument when the transaction culminates in a conveyance. The non-exercise of such an option, whether on account of lack of proper advice or inadvertence, cannot, in the considered view of this Court, defeat a substantive statutory right conferred under Section 44(2) of the Act, provided the petitioners are able to demonstrate that there has been payment of stamp duty in excess of what is legally chargeable.



11. The object of the Stamp Act is primarily to secure revenue to the State on transactions relating to instruments. At the same time, the legislature, in its wisdom, has incorporated Section 44 to ensure that the State does not unjustly retain amounts collected in excess of what is legally permissible. The provision thus strikes a balance between safeguarding revenue and preventing unjust enrichment by the State.

12. In the case on hand, the petitioners have clearly demonstrated that a substantial amount of Rs.6,00,000/- has been paid towards stamp duty under the agreement to sell and that such payment has not been given due credit at the time of execution of the sale deed, thereby resulting in excess collection. The application for refund has also been made within the time stipulated under Section 44(2) of the Act.

13. In that view of the matter, the endorsement dated 17.02.2026 issued by respondent No.1 declining



refund is wholly unsustainable, as the same proceeds on an erroneous understanding of the statutory scheme and overlooks the binding precedent of this Court. The said endorsement is therefore liable to be quashed.

14. Consequently, this Court is of the considered opinion that the petitioners have made out a clear case for grant of relief, and respondent No.1 is under a statutory obligation to consider and grant refund of the excess stamp duty in accordance with law. Accordingly, the point for consideration is answered in the '**Affirmative**'.

For the foregoing reasons, this Court proceeds to pass the following;

ORDER

- i. The writ petition is hereby **allowed**;
- ii. The endorsement dated 17.02.2026 issued by respondent No.1, as per Annexure-G, is hereby quashed;



iii. Respondent No.1 is directed to process the claim of the petitioners and refund the excess stamp duty paid, having regard to the duty already paid under the agreement to sell (Annexure-A) and the sale deed (Annexure-B), strictly in terms of Section 44(2) of the Karnataka Stamp Act, 1957;

iv. Such exercise shall be completed within a period of four (4) weeks from the date of receipt of a certified copy of this order.

Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE

HDK