

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.C5/243(286)/02-OPD-(C)

Bus Bhavan,
Commercial Wing,
Hyd'bad - 24,
Date: ~~22.08.08~~

CIRCULAR NO. 31/2008-OPD(C), Dt.01.09.2008

1/9/08

Sub: **LICENSING**:—Reduction of licence period of Canteens, Stalls/Shops, Space/Office Accommodation from 6 yrs to 5 yrs in view of revised Stamp Duty, Amendment to Article 33 of Schedule 1(A) of Indian Stamp Act-1899- Issue of Instructions -Reg.

- Ref: 1.This Office Circular No.17/2003-OPD(C), Dt.20.02.2003.
2..This Office Circular No.83/2003-OPD(C), Dt.29.10.2003.
3..This Office Circular No.32/2007-OPD(C), Dt.27.08.2007.
4.This Office Circular No.07/2008-OPD(C), Dt.11.03.2008.

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Instructions were issued vide Circular No.83/2003-OPD(C), Dt.29.10.2003, to increase the licence period of Canteens/Dormitories, stalls/shops, space/office accommodation, telephone booths to 6 yrs and the licence period of Cycle/Scooter Stands to 4 years for the existing licensees in order to encourage their business and minimise the vacant stalls in the bus stations.

The Government of A.P., have amended article 33 of Schedule-1(A) of Indian Stamp Act-1899, which has come into force from 01.08.2005 duly revising stamp duty. The amended provisions of the Act, based on which the stamp duty has to be worked out, are as follows.

- a) Where the licence purports to be for a term of not less than one year and not more than 5 years, the stamp duty is chargeable @ 2% on the value of the average annual rent or fee or by whatever name it is called.
- b) Where the licence purports to be for a term of not less than 5 years and not exceeding 10 years, the stamp duty is chargeable @ 5% on the value of one and half times of the average annual rent or fee or by whatever name it is called.

It is mandatory to follow amended provisions in respect of immovable properties of the Corporation such as Canteens/Stalls/Shops/Spaces etc.

The stamp duty shall be @2% on the average annual licence fee in respect of Cycle/Scooter stands, whose maximum Licence Period is Four(4) years.

The stamp duty shall be @5% on one and half times of the average annual licence fee in respect of Canteens/Stalls/Space, whose maximum Licence Period is Six(6) years, and in case of un-used bus stations/buildings whose licence period is 10 years.

Instructions were issued vide circular 4 cited above to follow the above amended provisions.

In respect of the revised stamp duty, some of the Field Managers have informed that majority of licensees of stalls/canteens whose maximum licence period is Six(6) years and whose agreements came into being after 1.8.2005, are not in a position to pay the stamp duty since the stamp duty amount comes to thousands @ 5% on one and half times of average annual licence fee.

It is also learnt that the licensees are thinking of giving notice to close the business prematurely because of passenger travel to the bus station has come down in view of implementation of 'Hail & Board' system and also revised Stamp Duty.

With a view to motivate the licensees to continue the existing licences, to lessen the burden of revised stamp duty payable, on the licensees and to occupy the new stalls, a note was processed to the Corporation Board with a proposal to reduce the licence period of Stalls/ Canteens/ Spaces/ Telephone Booths/Dormitories/Office accommodation etc. from 6 years to 5 years.

Corporation Board vide resolution No.56/2008, Dt.08.08.2008, has resolved to reduce the maximum licence period of stalls/canteens/shops from 6 years to 5 years so that the stamp duty payable by the licensees will be reduced to 2% on the value of the average annual licence fee instead of 5% on one and half times of the average annual licence fee.

In pursuance of the above Board Resolution No. 56/2008, Dt.08.08.2008, the following guidelines are issued.

- i. The licence period of all stalls /shops /spaces /Telephone Booths/ Office accommodation/Dormitories etc., **has been reduced from 6 years to 5 years with prospective effect, i.e. these instructions are applicable for the tenders to be called hereafter.**
- ii. However, there is no change in the licence period of all unused buildings, un-used bus stations, Bus Depots and other commercial places, whose existing licence period is ten(10) years and cycle/scooter stands whose existing licence period is Four(4) years only.

- iii. The licence fee for the stalls/canteens/spaces etc. whose licence period is reduced from 6 years to 5 years shall be same for the initial three years and licence fee shall be increased by 10% in 4th year, 15% in the 5th year over the licence fee payable in 3rd and 4th year of licence respectively.
- iv. Other terms and conditions contained in the Circular No.17/2003-OPD(C), Dt.20.02.2003, 32/2007, Dt.27.08.2007 & 7/2008, Dt.11.03.2008 stand good and other circulars issued from time to time are also applicable to these stalls/shops,, except to the extent modified above.

The field Officers are advised to follow the above guidelines scrupulously.

Please acknowledge.


VICE CHAIRMAN &
MANAGING DIRECTOR

To
All Regional Managers,
Dy.Chief Traffic Managers,
Depot Managers,

Copy to : All EDs, Dir(V&S), FA, CAO.
Copy to : All HODs and Officers of OPD.
Copy to : All Dy.CPMs, Dy.CAOs, Pos & AOs.