

Update



Key changes made by way of Maharashtra Stamp (Amendment) Act, 2015

Niddhi Parmar

mt@vinodkothari.com

Vinod Kothari & Company

Corporate Law Services Group

corplaw@vinodkothari.com

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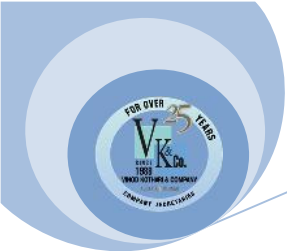
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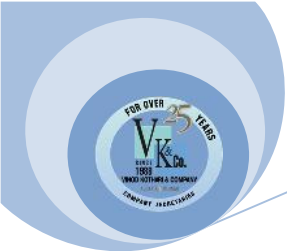
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On 24th April, 2015, the erstwhile Maharashtra Stamp Act, 1958 (hereinafter referred to as “principal Act”) received the assent of the Governor, to be called as the Maharashtra Stamp (Amendment) Act, 2015¹. Various changes have been made in the principal act and some new provisions have been inserted for more clarity in understanding. The rate of stamp duty on certain instrument under Schedule I have been increased, we have briefly covered the areas and have stated the Key changes made by way of Maharashtra Stamp (Amendment) Act, 2015 which could have impact on financial sectors.

Key changes made by way of Maharashtra Stamp (Amendment) Act, 2015

Particulars	Prior to the Amendment	Post Amendment	Remark
Section 4 – Several instruments used in single transaction of [development agreement,] sale, mortgage or settlement	(1) Where, in the case of any [development agreement,] sale, mortgage or settlement, several instruments are employed for completing the transaction, the principle instrument only shall be chargeable with the duty prescribed in Schedule I for the conveyance, [development agreement,] mortgage or settlement, and each of the other instruments shall be chargeable with a duty of [one hundred rupees] instead of the duty (if any) prescribed for it in that Schedule.	(1) Where, in the case of any [development agreement,] sale, lease , mortgage or settlement, several instruments are employed for completing the transaction, the principle instrument only shall be chargeable with the duty prescribed in Schedule I for the conveyance, [development agreement,] lease , mortgage or settlement, and each of the other instruments shall be chargeable with a duty of [one hundred rupees] instead of the duty (if any) prescribed for it in that Schedule.	This means that in case of Lease (which includes lease of movable property as well) only principal instrument will be chargeable with the duty prescribed under Schedule I for lease.
Section 10 – Duties how to be paid	No Such Provision	A new sub-section (3A) has been inserted after sub-section (3) - The procedure to regulate the use of e-payment, through Government Receipt Accounting System	Various means by which duty can be paid has been specified under sub-section (3) but for e-payment the authority has been delegated

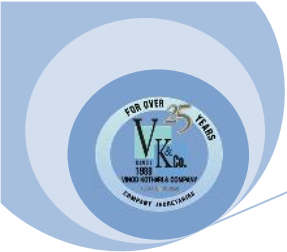
¹ <http://bombayhighcourt.nic.in/libweb/acts/Stateact/2015acts/2015.20.pdf>



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Update

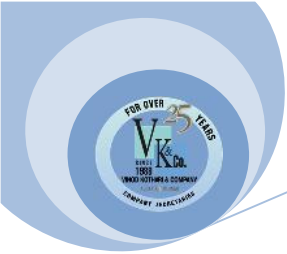
Particulars	Prior to the Amendment	Post Amendment	Remark
		(G.R.A.S.) (Virtual Treasury) for payment of duty shall be such as the Chief Controlling Revenue Authority may by an order determine	to Chief Controlling Revenue Authority to determine the procedure for regulate the use of the same.
Section 31 – Adjudication as to proper stamps	Proviso to sub-section (4) – Provided that, in no case, the amount of the penalty shall exceed double the deficient portion of the stamp duty.	Proviso to sub-section (4) – Provided that, in no case, the amount of the penalty shall exceed four times the deficient portion of the stamp duty.	The Penalty provision has been revised to four times.
Section 34 – Instruments not duly stamped inadmissible in evidence, etc.	Proviso to sub-clause (ii) of clause (a) – Provided that, in no case, the amount of the penalty shall exceed double the deficient portion of the stamp duty.	Proviso to sub-clause (ii) of clause (a) – Provided that, in no case, the amount of the penalty shall exceed four times the deficient portion of the stamp duty.	
Section 39 – Collectors’ power to stamp instruments impounded	Proviso to sub-clause (b) of sub-section (1) – Provided that, in no case, the amount of the penalty shall exceed double the deficient portion of the stamp duty.	Proviso to sub-clause (b) of sub-section (1) – Provided that, in no case, the amount of the penalty shall exceed four times the deficient portion of the stamp duty.	
SCHEDULE I			
Article – 6 – Agreement relating to Deposit of Title Deeds, Pawn, Pledge or	The deposit of title deeds or instrument constituting or being evidence of the title to any property whatever (other than a marketable security), where such deposit has been made by way of security for the repayment of the money advanced by way	The deposit of title deeds or instrument constituting or being evidence of the title to any property whatever (other than a marketable security), where such deposit has been made by way of security for the repayment of the money advanced by way	No Change



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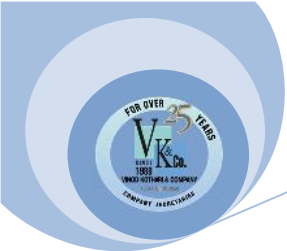
Particulars	Prior to the Amendment	Post Amendment	Remark
	<p>of loan or an existing or future debt –</p> <p>(1)(a) – If the amount secured by such deed does not exceed Rs. 5 lakh - One rupee for every one thousand or part thereof for the amount secured by such deed subject to the minimum of one hundred rupees</p> <p>(1)(b) – in any other case - Two rupees for every 1000 or part thereof, for the amount secured by such deed</p>	<p>of loan or an existing or future debt –</p> <p>(1)(a) – If the amount secured by such deed does not exceed Rs. 5 lakh - 0.1 per cent. of the amount secured by such deed subject to the minimum of one hundred rupees</p> <p>(1)(b) – in any other case - 0.2 per cent. of the amount secured by such deed</p>	
	<p>The pawn, pledge, or hypothecation of movable property, where such pawn, pledge or hypothecation has been made by way of security for their repayment of money advanced or to be advanced by way of loan or an existing or future debt—</p> <p>(2)(a) – If the amount secured by such deed does not exceed Rs. 5 lakh - One rupee for every one thousand or part thereof for the amount secured by such deed subject to the minimum of one hundred rupees</p> <p>(2)(b) – in any other case - Two rupees for every 1000 or part thereof, for the amount</p>	<p>The pawn, pledge, or hypothecation of movable property, where such pawn, pledge or hypothecation has been made by way of security for their repayment of money advanced or to be advanced by way of loan or an existing or future debt—</p> <p>(2)(a) – If the amount secured by such deed does not exceed Rs. 5 lakh - 0.1 per cent. of the amount secured by such deed subject to the minimum of one hundred rupees</p> <p>(2)(b) – in any other case - 0.2 per cent. of the amount secured by such deed</p>	No Change



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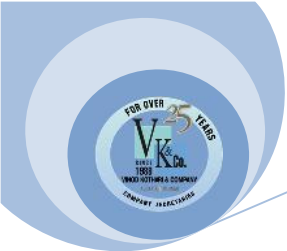
Particulars	Prior to the Amendment	Post Amendment	Remark
	secured by such deed		
	No such explanation	Explanation II - For the purposes of this Article, any new instrument executed for additional loan or extension of previous loan shall be treated as a fresh instrument and chargeable with the duty to the extent of additional amount being secured or disbursed or sanctioned.	<i>New Insertion</i>
Article 10 – Articles of Association of a Company	Where the Company has no share Capital or nominal share capital or increased share capital - One thousand rupees for every rupees 5,00,000 or part thereof , subject to maximum of Rs. 50 lakhs	Where the Company has no share Capital or nominal share capital or increased share capital - 0.2 per cent. on share capital or increased share capital, as the case may be, subject to maximum of Rs. 50 lakhs.	<i>No Change</i>
Article 13 - Bond	BOND not being a debenture and not being otherwise provided for any provisions of this Act (whether or not such provision relates to any particular type of Bonds), or by the Bombay Court-fees Act, 1959—for every rupees five hundred or part thereof – Five rupees, subject to a minimum of rupees one hundred.	BOND not being a debenture and not being otherwise provided for any provisions of this Act (whether or not such provision relates to any particular type of Bonds), or by the Bombay Court-fees Act, 1959 - One per cent. of amount of Bond, subject to a minimum of rupees five hundred	<i>The maximum limit has been increased</i>
Article 17 – Certificate or other document	Certificate or other document, evidencing the right or title of the holder thereof, or	Certificate or other document, evidencing the right or title of the holder thereof, or	<i>No Change</i>



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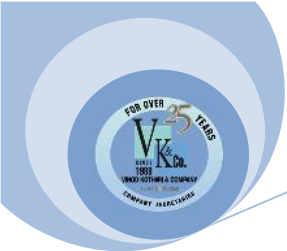
Particulars	Prior to the Amendment	Post Amendment	Remark
	any other person either to any shares, scrip or stock in or of any incorporated company or other body corporate, or to become proprietor of share, scrip or stock, in or of any such company or body - One rupee for every one thousand rupees or a part thereof, of the value of the shares, scrip or stock	any other person either to any shares, scrip or stock in or of any incorporated company or other body corporate, or to become proprietor of share, scrip or stock, in or of any such company or body – 0.1 per cent of the value of the shares, scrip or stock	
Article 25 - Conveyance	<p>CONVEYANCE (not being a transfer charged or exempted under Article 59) – On the True market value of the property which is the subject matter of the Conveyance –</p> <p>(a) If relating to movable property, for every rupees 500 or part thereof – Fifteen rupees.</p>	<p>CONVEYANCE (not being a transfer charged or exempted under Article 59) – On the True market value of the property which is the subject matter of the Conveyance –</p> <p>(a) If relating to movable property – 3 per cent of the market value of the property.</p>	No Change
Article 39 - Memorandum of Association of a Company	<p>(a) If accompanied by article of association under section 26 of the CA, 1956 – Two hundred rupees;</p> <p>(b) If not so accompanied – the same duty as is leviable on AoA under Article 10 according to the share capital of the company.</p>	<p>(a) If accompanied by article of association under section 26 of the CA, 1956 – One thousand rupees;</p> <p>(b) If not so accompanied – 0.2 per cent according to the share capital of the company, subject to minimum of rupees one thousand and maximum</p>	Stamp duty increased



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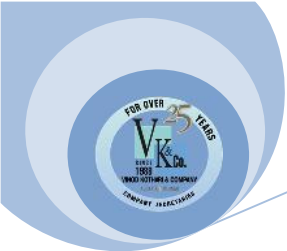
Particulars	Prior to the Amendment	Post Amendment	Remark
		of rupees 50,00,000.	
Article 40 – Mortgage Deed	<p>MORTGAGE DEED, not being an agreement relating to Deposit of Title Deeds, Pawn or Pledge or Hypothecation (Article 6), Bottomry Bond (Article 14), Mortgage of a Crop (Article 41), Respondentia Bond (Article 53), or Security Bond or Mortgage Deed (Article 54) –</p> <p>(b) When possession is not given or agreed to be given as aforesaid - Five rupees for every one thousand or part thereof for the amount secure by such deed, subject to the minimum of one hundred rupees and the maximum of ten lakh rupees.</p>	<p>MORTGAGE DEED, not being an agreement relating to Deposit of Title Deeds, Pawn or Pledge or Hypothecation (Article 6), Bottomry Bond (Article 14), Mortgage of a Crop (Article 41), Respondentia Bond (Article 53), or Security Bond or Mortgage Deed (Article 54) –</p> <p>(b) When possession is not given or agreed to be given as aforesaid - 0.5 per cent of the amount secure by such deed, subject to the minimum of one hundred rupees and the maximum of ten lakh rupees.</p>	<i>No change</i>
	<p>(c) When a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above mentioned purpose where the principle or primary security is duly stamped - The same duty as a Bond (Article 13) for the amount secured, subject to a maximum of rupees two hundred.</p>	<p>(c) When a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above mentioned purpose where the principle or primary security is duly stamped - Five hundred rupees.</p>	<i>Stamp duty increased</i>
Article 51 –	RECONVEYANCE OF MORTGAGED	RECONVEYANCE OF MORTGAGED	<i>Stamp duty increased</i>



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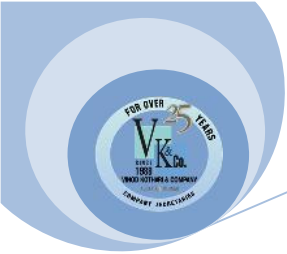
Particulars	Prior to the Amendment	Post Amendment	Remark
Reconveyance of Mortgaged Property	<p>PROPERTY</p> <p>(a) If the consideration for which the property was mortgaged does not exceed rupees 2500 – The same duty as a Bond (Article 13) for such consideration</p> <p>(b) In any other case – Two hundred rupees</p>	PROPERTY – Five hundred rupees	
Article 54 – Security Bond or Mortgage Deed	<p>SECURITY BOND OR MORTGAGE DEED, where such security bond or mortgage amount secured by deed is executed by way of security for the due execution of an office, or to account for money or other property received by virtue thereof, or by a surety to secure the due performance of a contract, or in pursuance of an order of the court or a public officer, not being otherwise provided for by the Bombay Court-fees Act, 1959 –</p> <p>(i) Where the amount secured does not exceed rupees 2,500 – the same duty as Bond (Article 13) for the amount secured;</p> <p>(ii) Where the amount secured exceed rupees 2,500, for every rupees</p>	<p>SECURITY BOND OR MORTGAGE DEED, where such security bond or mortgage amount secured by deed is executed by way of security for the due execution of an office, or to account for money or other property received by virtue thereof, or by a surety to secure the due performance of a contract, or in pursuance of an order of the court or a public officer, not being otherwise provided for by the Maharashtra Court-fees Act. - 0.5 per cent for the amount secured by such deed subject to the maximum of ten lakh rupees</p> <p>Provided that, where on an instrument executed by a person for whom a person stands surety and executes security bond or a mortgage deed, duty has been paid under</p>	<i>Stamp duty increased</i>



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	<p>five hundred of the amount secured or part thereof - the same duty as is leviable under clause (b) of Article 40</p> <p>Provided that, where on an instrument executed by a person for whom a person stands surety and executes security bond or a mortgage deed, duty has been paid under article 40, then the duty payable shall be one hundred rupees</p>	<p>article 40, then the duty payable shall be one hundred rupees</p>	
<p>Article 59 – Transfer (whether with or without consideration)</p>	<p>TRANSFER (whether with or without consideration)</p> <p>(a) of debentures, being marketable securities whether the debenture is liable to duty or not, except debentures provided for by section 8 of the Indian Stamp Act, 1899 - Fifty paise for every rupees 100 or part thereof of the consideration amount of the debenture subject to a maximum of ten thousand rupees.</p> <p>(b) of any interest secured by bond,</p>	<p>TRANSFER (whether with or without consideration)</p> <p>(a) of debentures, being marketable securities whether the debenture is liable to duty or not, except debentures provided for by section 8 of the Indian Stamp Act, 1899 - 0.5 per cent</p> <p>(b) of any interest secured by bond, mortgage deed or policy of insurance;</p> <p>(c) of any property under section 22 of the Administrators' General Act, 1963;</p> <p>(d) of any trust property without</p>	<p>No Change</p>



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	<p>mortgage deed or policy of insurance;(c) of any property under section 22 of the Administrators' General Act, 1963;(d) of any trust property without consideration from one trustee to another trustee, or from a trustee to a beneficiary - The same duty as a Bond (Article 13) for such amount or value of the interest as set forth in the transfer, subject to a maximum of two hundred rupees.</p>	<p>consideration from one trustee to another trustee, or from a trustee to a beneficiary - Five hundred rupees</p>	
<p>Article 60 – Transfer or Lease</p>	<p>TRANSFER OF LEASE by way of assignment and not by way of under lease or by way of decree or final order passed by any Civil Court or any Revenue - The same duty as is leviable on a Conveyance under clause (a), (b), (c), as the case may be, of Article 25, on the market value of the property, which is the subject matter of transfer.</p>	<p>TRANSFER OF LEASE by way of assignment and not by way of under lease or by way of decree or final order passed by any Civil Court or any Revenue - The same duty as is leviable on lease under clause (i), (ii), (iii) or (iv), as the case may be, of Article 36, for the remaining period of lease</p>	<p><i>Prior to amendment the same duty was leviable as in case of a conveyance</i></p> <p><i>Post amendment – same duty is leviable as applicable on lease.</i></p>