

April 29, 2015

Maharashtra Stamp Act – Amendments 2015

The Government of Maharashtra on 24th April 2014, issued further amendment to the Maharashtra Stamp Act, 1958 (“**Act**”) by way of the Maharashtra Stamp (Amendment) Act, 2015 (“**Amendment Act**”). Few of the main highlights of the Amendment Act are as under:

- ❖ The Amendment Act introduces the procedure to regulate the use of e-payment through Government Receipt Accounting System (G.R.A.S.) for payment of stamp duty. [*Section 10, 10D*]
- ❖ The liability for payment of duty on a works contract is cast upon the person receiving such contract. [*Section 30*]
- ❖ The maximum penalties that can be levied under Sections 31, 32A, 34 and 39 is increased from double the deficient portion of stamp duty to *four times* the deficient portion of the stamp duty.
- ❖ The Collector shall no longer have the power to refund any portion of the penalty imposed on impounded instruments under section 37 [*Section 38 is deleted*].
- ❖ The new proviso substituted for the proviso under section 48 in effect clarifies that where an agreement for sale is stamped under Article 25 of Schedule I of the Act and is registered under the Registration Act and thereafter the agreement is cancelled by a registered cancellation for *whatsoever* reasons before taking the possession of the property which is the subject matter of such agreement, an application for relief for refund should be made within a period of *five* years of the execution of the agreement. However, such application has to be made within six months from the date of registration of cancellation deed.
- ❖ Important modifications in the rates of Stamp Duties payable as per Schedule I are as under:

Sr. No.	Article/ Description of Document	Provision under the Act	Provision under the Amendment Act
1.	Article 12 Award	Maximum was Rs. 100	Award being any decision in writing by an arbitrator or umpire, on a reference made otherwise than by an order of the Court in the course of a suit, being an award made as a result of a written agreement to submit present or future differences to Arbitration but not being an award

			directing partition - Five hundred rupees.
2.	Article 15 Instrument of Cancellation	Rs. 100	Rs. 500
3.	Article 34 Gift	--	Further addition as under is made: <i>"Provided further that, if the residential and agricultural property is gifted to husband, wife, son, daughter, grandson, grand-daughter, wife of deceased son, the amount of duty chargeable shall be rupees two hundred."</i>
4.	Article 35 Indemnity Bond	Rs. 200	Rs. 500
5.	Article 39 Memorandum of Association of a company (a) if accompanied by Articles of Association (b) if not so accompanied	(a) Rs. 200 (b) The same duty as on articles of association	(a) Rs. 1000 (b) 0.2 per cent. according to the share capital of the company, subject to minimum of rupees one thousand and maximum of rupees 50,00,000
6.	Article 47 Partnership	Limited to Instruments of Partnership. Where the share of contribution brought in by cash is in excess of Rs. 50,000 – Rs. 500 subject to max of Rs. 5000	The new Article encompasses instrument of any Limited Liability Partnership and Joint Venture to run a business, earn profits and to share profits, whether in cash or in kind as well. Where the share of contribution brought in by cash is in excess of Rs. 50,000 – 1% of the amount of share contribution subject to max of Rs. 15000

7.	Article 48 Power of Attorney (a), (b), (c), (d), (e) & (h) for procuring registration or admitting execution, suits and proceedings, generally for more than one transaction, etc.	(a), (b), (c), (d), (e) & (h) Rs. 100	(a), (b), (c), (d), (e) & (h) Rs. 500
----	---	--	--

The contents hereof should not be construed as legal opinion. This provides general information existing at the time of preparation and is intended as a news update and ANB Legal neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained herein. It is recommended that professional advice be taken based on the specific facts and circumstances. The contents hereof do not substitute the need to refer to the original pronouncements.