

JSA Prism Corporate (Stamp Duty)

February 2024

Government of Karnataka amends the Karnataka Act 1957 by way of the Karnataka Stamp (Amendment) Act, 2023

The Government of Karnataka issued a notification on February 3, 2024, regarding the Karnataka Stamp (Amendment) Act, 2023 which currently cover several articles of Schedule 1 of the Karnataka Stamp Act, 1957. The existing rate of stamp duties on many instruments have been revised with the intention of augmenting the revenue of the State.

Please note that the table below provides the revised stamp duties for only certain instruments and does not cover all the instruments for which revised stamp duties have been specified.

Article Reference	Description of Instrument	Current Stamp Duty	Revised Stamp Duty
5(b)	Agreement or memorandum of an Agreement relating to the purchase or sale of a government security	INR 1 /- for every INR 10,000/- or part thereof of the value of the security at the time of its purchase or sale, as the case may be, <u>subject to a maximum of INR 1000/-</u> .	The cap of INR 1000/- is removed.
5(e)(ii)	Agreement in relation to sale of immovable property in part performance of a contract – where possession is not delivered	<u>Ten paise</u> for every INR 100/- or part thereof on the market value equal to the amount of consideration subject to a maximum of <u>INR 20,000/-</u> but not less than INR 500/-	Increased to Fifty paise for every INR 100/- or part thereof on the market value equal to the amount of consideration. The cap of INR 20,000/- is removed.
5(i-d) (ii)	Agreement relating to building works where the amount or consideration exceeds INR 10,00,000/-	<u>INR 100/-</u> and in addition <u>INR 100/-</u> for every INR 10,00,000/- or part thereof in excess of INR 10,00,000/-, subject to a <u>maximum of INR 500,000/-</u>	<u>INR 500/-</u> and in addition <u>INR 500/-</u> for every INR 10,00,000/- or part thereof in excess of INR 10,00,000/-. The maximum cap is now increased to <u>INR 10,00,000/-</u>
6(1)(i)	Agreement relating to deposit of title deeds, where the loan	<u>0.1 %</u> on the loan or debt amount subject to a minimum of INR 500/-	Now increased to <u>0.5%</u> of the loan amount subject to a minimum of INR 500/-.

	amount does not exceed INR 10,00,000/-		
6(1)(ii)	Agreement relating to deposit of title deeds, where the loan amount exceeds INR 10,00,000/-	<u>0.2%</u> on the loan or debt amount subject to a maximum of INR 10,00,000/-	Now increased to <u>0.5%</u> of the loan or debt amount. The maximum cap of INR 10,00,000/- is removed
6(2)	Agreement relating to pawn or pledge or moveable property, where such pawn or pledge has been made by way of security for the repayment of the money advanced or to be advanced by way of a loan or an existing debt or future debt - If such loan is payable on demand or otherwise		
(i)	Where the loan amount exceeds INR 100,000/- but does not exceed INR 10,00,000/-	<u>0.1%</u> of the debt amount.	Now increased to <u>0.5%</u> of the debt amount
	Where the loan amount exceeds INR 10,00,000/-	<u>0.2%</u> of the debt amount subject to a maximum amount of INR 10,00,000/-.	Now increased to <u>0.5%</u> of the debt amount and the cap has been removed.
11(b)	Arbitral award If the property which is the subject matter of award is a movable property and the amount or market value of the property as set forth in the award does not exceed INR 50,00,000/-	<u>3/4%</u> of the amount or market value.	Now increased to <u>1%</u> of the amount or market value
	When the amount or market value of the property set forth in the award exceeds INR 50,00,000/- but does not exceed INR 5,00,00,000/-	<u>INR 37,500/- + 1/2%</u> of the amount or market value exceeding INR 50,00,000/-	Now increased to <u>1%</u> of the amount or market value
	When the amount or market value of the property set forth in the award exceeds INR 5,00,00,000/-	INR 37,500/- + INR 2,25,000/- + <u>1/4%</u> of the amount or market value exceeding INR 5,00,00,000/-	Now increased to <u>1%</u> of the amount or market value
20(4) (i)	Amalgamation of companies, including a subsidiary amalgamating with parent company	<u>3%</u> on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company; or an amount equal to <u>1%</u> of the aggregate value of shares issued or allotted in exchange, or otherwise and in case of a subsidiary company, shares merged (or cancelled) with parent company. if any,	<u>5%</u> on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company; or an amount equal to <u>5%</u> of the aggregate value of shares issued or allotted in exchange, or otherwise and in case of a subsidiary company, shares merged (or cancelled) with parent company. if any,

		paid for such amalgamation; whichever is higher, subject to a maximum of INR 25,00,00,000/-.	paid for such amalgamation; whichever is higher subject to a maximum of INR 25,00,00,000/-.
20(4) (ii)	Reconstruction or Demerger of a Company	<u>3%</u> on the market value of the property of the transferor company, located within the State of Karnataka, and transferred to the resulting company; or an amount equal to <u>1%</u> of the aggregate value of shares issued or allotted to the resulting company and in addition, the amount of consideration if any, paid for such demerger or reconstruction; whichever is higher subject to a maximum of INR 25,00,00,000/-.	<u>5%</u> on the market value of the property of the transferor company, located within the State of Karnataka, and transferred to the resulting company; or an amount equal to <u>5%</u> of the aggregate value of shares issued or allotted to the resulting company and in addition, the amount of consideration if any, paid for such demerger or reconstruction; whichever is higher subject to a maximum of INR 25,00,00,000/-.
20 (7)	Conveyance relating to Transferable Development Rights	<u>3%</u> on the market value of the Transferable Development Rights equal to the market value of the corresponding portion of the property leading to such Transferable Development Rights.	Now increased to <u>5%</u> .
34 (c)(i)	An agreement relating to mortgage for every sum secured not exceeding INR 1,000/-	For every sum secured not exceeding INR 1,000/- will be of <u>INR 10/-</u>	Now increased to <u>INR 50/-</u>
34(c) (ii)	An agreement relating to mortgage wherein for every INR 1,000/- or part thereof, secured in excess of INR 1,000/-	<u>INR 10/-</u> plus <u>INR 1/-</u> for every INR 1,000/- or part thereof in excess of INR 1,000/-	Now increased to <u>INR 50/-</u> plus <u>INR 5/-</u> for every INR 1,000/- or part thereof in excess of INR 1,000/-
40A (B)	An agreement relating to reconstruction or amalgamation of Limited Liability Partnership	<u>3%</u> on the consideration or market value of the property whichever is higher of the transferor limited liability partnership located within the State of Karnataka.	Now increased to <u>5%</u> on the consideration or market value of the property whichever is higher of the transferor limited liability partnership located within the State of Karnataka.
44(b)	Reconveyance of mortgaged property where the consideration for which the property was mortgaged exceeds INR 1000/-	The stamp duty applicable was of <u>INR 100/-</u>	Now increased to <u>INR 200/-</u>
47(a)	An agreement relating to security bond or mortgage-deed, where in the amount secured does not exceed INR 1,000/-	<u>Fifty paise</u> for every INR 100/- or part thereof	Now increased to INR <u>2/-</u> for every INR 100/- or part thereof

47(b)	An agreement relating to security bond or mortgage-deed, where in the amount secured exceeds INR 1,000/-	The stamp duty was of <u>INR 200/-</u>	Now increased to <u>INR 500/-</u>
51	An agreement relating to surrender of lease in any other cases, except when the duty with which the lease is chargeable does not exceed INR 22.50/-	The stamp duty was of <u>INR 100/-</u>	Now increased to <u>INR 200/-</u>

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