April 2025

Key Changes under the Maharashtra Stamp (Amendment) Act, 2025

The Maharashtra Stamp (Amendment) Act, 2025 ("**Amendment Act**"), enacted on April 1, 2025, introduces several key changes to the Maharashtra Stamp Act, 1958 ("**Maharashtra Stamp Act**"). The amendment includes *inter alia* increase in fees and streamlining online payment of stamp duty.

Key amendments under the Amendment Act

1. **Increase in stamp duty for supplementary documents (Section 4)**: The stamp duty chargeable on '*other instruments'* that form part of a single transaction has been raised from INR 100 (Indian Rupees one hundred) to INR 500 (Indian Rupees five hundred).

   This amendment to Section 4 of the Maharashtra Stamp Act enhances the stamp duty payable on each additional/ancillary instrument (such as power of attorney, release deed, or a similar document) executed along with the principal instrument (such as sale deed, mortgage deed, or other primary document) within a single transaction. The amendment is likely to result in an increased overall cost of execution of such transactions by parties within the State of Maharashtra.

2. **Online payment of stamp duty (Section 10)**: The online payment of stamp duty has been streamlined by amendments to the process of e-payment of stamp duty and introduction of the concept of '*e-stamp certificate*' under Section of the Maharashtra Stamp Act. These amendments have been summarised below:

   a) the Chief Controlling Revenue Authority ("**CCRA**") may, by notification, specify the instruments for which stamp duty must be paid by either of these 2 (two) methods: (i) by franking machine; or (ii) by e-payment, in virtual treasury through Government Receipts Accounting System ("**GRAS**") or a designated bank account specified in the official gazette;

   b) any duties paid by e-payment will be valid only if: (i) the instrument contains an endorsement to that effect by an officer authorised by CCRA ("**Authorised Officer**"), or (ii) a certificate to that effect is issued by an Authorised Officer in case of consolidated payments for an electronic record, or (iii) an e-stamp certificate is issued through prescribed electronic means and mode; and

   c) mere e-payment of stamp duty without the aforesaid validation will not be considered as valid stamp duty payments. The procedure for e-payment, endorsement, certification, and issuance of e-stamp certificate will be prescribed by the CCRA by way of an order.

   The facilitation of online payment of stamp duty promotes ease of compliance. The validation of stamp duty paid through the issuance of an 'e-stamp certificate' is a progressive step towards digitisation and administrative convenience. It is expected to substantially reduce the time, effort and paperwork involved in the payment of stamp duty. While initial implementation challenges may arise, the digitized framework is likely to benefit all stakeholders, including the transacting parties and the State Government.

3. **Adjudication of stamp duty (Section 31)**: The process, fees and payments involved in the adjudication of stamp duty payable on an instrument have also been amended and the concept of pre-adjudication deposit of deficit stamp duty has been introduced. These amendments have been summarised below:

   a) the application fee for adjudication of stamp duty has been increased from INR 100 (Indian Rupees one hundred) to INR 1,000 (Indian Rupees one thousand);

   b) an application for adjudication of executed instruments will only be accepted if the applicant deposits with the Collector:

      i) in cases of market value based stamp duty, the difference between the duty already paid and the duty chargeable on either the market value (as determined by applicant) or the consideration mentioned in the instrument, whichever is higher; and

      ii) in other cases, the difference between the stamp duty chargeable (as determined by the applicant) and the duty already paid.

   Post adjudication, the Collector will adjust the deposited amount against the stamp duty finally determined and any excess amount deposited will be refunded to the applicant within a period of 45 (forty-five) days, without interest.

   The amendments to the said Section 31 of the Maharashtra Stamp Act significantly increase the upfront costs involved in the determination of stamp duty chargeable on executed instruments. While a portion of the cost escalation may be attributed to the enhancement of application fee, the primary cause is the newly introduced requirement mandating applicants to deposit the self-assessed deficit stamp duty at the time of filing an application for adjudication. Resultantly, the transacting parties will be obliged to arrange for and deposit the estimated deficit duty upfront, as opposed to the earlier practice of remitting such duty subsequent to the adjudication and determination of the actual amount payable.

Conclusion

The amendments are intended to ease the process of stamp duty compliance by streamlining the process of e-payment of stamp duty and enabling the issuance of e-stamp certificates for validation of duty paid. However, they also introduce a significant increase in the upfront costs associated with the stamp duty adjudication process and the execution of instruments, as stated above. It may be worthwhile for transacting parties in Maharashtra to take the same in consideration before execution of instruments within the State.

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