

Highlights of the Karnataka Stamp Act Amendment Bill, 2023

The rates of Stamp Duty payable in Karnataka for various instances are set to increase. In most instances, the new rate is almost 5 times that of the existing one. Following are some of the important provisions where the Stamp Duty rates will witness a hike:

Sl. No	Article	Existing Rate of Stamp Duty	Proposed Rate
i.	33- Memorandum of Association of a company – a) if accompanied by Articles of Association	Rs. 1000/-	Rs.5000/-
ii.	10- Articles of Association of a Company where the company has no share capital or nominal share or increased share capital	1,000 for every 10 Lakhs or part thereof subject to a maximum of 50 Lakhs	5,000 thousand for every 10 lakhs or part thereof subject to a maximum of One Crore
iii.	20 (4)- Conveyance relating to Amalgamation of Companies, including a subsidiary amalgamating with parent company	3% of market value of the property of the transferor company located within Karnataka transferred to the transferee company. <u>OR</u> 1% 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 and in addition, the amount of consideration if any, paid for such amalgamation; -whichever is higher.	5% of market value of the property of the transferor company located within Karnataka transferred to the transferee company. <u>OR</u> 5% 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 and in addition, the amount of consideration if any, paid for such amalgamation; -whichever is higher.
iv.	40 A- Constitution of LLP or conversion of firm/private company/unlisted public company to LLP	a) where the capital does not exceed rupees ten lakhs- Rs. 1000/- b) where the capital exceeds Rs. 10 lakhs; for every Rs. 5 lakh or part thereof exceeding Rs. 10 lakhs -	a) where the capital does not exceed rupees ten lakhs- Rs. 5000/- b) where the capital exceeds Rs. 10 lakhs; for every Rs. 5 lakh or part thereof exceeding Rs. 10 lakhs - Rs.5000/- plus Rs.1000 for every Rs. 5 lakhs or part

		Rs.1000/- plus Rs. 500 for every Rs. 5 lakhs or part thereof, exceeding Rs. 10 lakhs capital amount, subject to a maximum of Rs. 10 lakhs	thereof, exceeding Rs. 10 lakhs capital amount, subject to a maximum of Rs. 25 lakhs
v.	40 B- Reconstruction or Amalgamation of LLP	3% on the consideration or market value of the property whichever is higher of the transferor LLP located within the State of Karnataka	5% on the consideration or market value of the property whichever is higher of the transferor LLP located within the State of Karnataka
vi.	54- Registration of Trust	Rs.1000/-	Rs.2000/-
vii.	4- Affidavit	Rs.20/-	Rs.100/-
viii.	6- Agreement relating to deposit of title deeds, pawn or pledge (1) where such deposit, has been made by way of security for the repayment of money advanced by way of loan or an existing or future debt;	if such loan or debt is repayable on demand from the date of instrument evidencing the agreement. – i) Where the loan or debt amount does not exceed Rs. 10 Lakhs- 0.1 % on the loan or debt amount subject to a minimum of Rs. 500/- ii) Where the loan or debt amount exceeds Rs. 10 Lakhs - 0.2% on the loan or debt amount subject to a maximum of Rs. 10,00,000.	if such loan or debt is repayable on demand from the date of instrument evidencing the agreement. – i) Where the loan or debt amount does not exceed rupees ten lakhs- 0.5 % on the loan or debt amount subject to a minimum of Rs. 500/- ii) Where the loan or debt amount exceeds rupees ten lakhs- 0.5% on the loan or debt amount.
	(2) The pawn or pledge of moveable property, where such pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt. If such loan or debt is repayable on demand or otherwise.	i) Where the loan amount exceeds Rs. 1 Lakh but does not exceed Rs. 10 Lakhs- 0.1% of the loan or debt amount ii) Where the loan amount exceeds rupees ten lakhs - 0.2 % on the loan or debt amount subject to a maximum of Rs.10 Lakhs	i) Where the loan amount exceeds Rs. 1 Lakh but does not exceed Rs. 10 Lakhs- 0.5% of the loan or debt amount. ii) Where the loan amount exceeds rupees ten lakhs - 0.5 % on the loan or debt amount.
ix.	56- inserted for stamp duty on bank guarantee	--	Rs. 300/- for Paper bank guarantee Rs. 200/- for e-bank guarantee
x.	22- Counterpart or duplicate-of, any	a) if the duty with which the original instrument is	a) No change

	instruments, chargeable with duty and in respect of which the proper duty has been paid.	chargeable does not exceed Rs. 500- same duty as payable on original b) in any other case- Rs. 500/-	b) in any other case- Rs. 1000/-
xi.	31- Letter of allotment, of shares, in any company or proposed company, or in respect of any loan to be raised by any company or proposed company	Re.1/-	Rs.10/-
xii.	39- Partition Instrument for non-agricultural purpose	a) If property situated in the jurisdiction of Municipal Corporation or Urban Development Authorities or Municipal Councils or Town Panchayats- Rs. 1000 for each share b) If property situated in areas other than those above- Rs. 500 for each share	a) If property situated in the jurisdiction of Municipal Corporation or Urban Development Authorities or Municipal Councils or Town Panchayats- Rs. 5000 for each share b) If property situated in areas other than those above- Rs. 3000 for each share

405, 7th Cross, IV Block, Koramangala, Bangalore – 560 034

☎: 080-25534374 / 25536618

✉: info@sharadasc.com

www.sharadasc.com