

2023 Amendments under Karnataka Stamp Act 1957

The Karnataka Stamp (Amendment) Act, 2023 notified on 3rd February 2024 (“**Amendment**”) provides for change in the stamp duty under Schedule 1 of the existing Karnataka Stamp Act 1957 (“**Act**”). Majority of the changes are two-fold, (i) rates have been increased; and (ii) the upper cap for stamp duty is removed/ increased.

IMP For: Property Matters | General Contracting | M&A- NCLT | LLP | Partnership

We have briefly created a short note on relevant changes below:

Article	Description	Existing duty	Revised duty
Relating to Property			
5e(ii)	Agreement for sale of immovable property where possession of property is not delivered.	10 paise for every INR 100 or part thereof on the market value equal to the amount of consideration but not less than INR 500 and more than INR 20,000.	10 paise increased to 50 paise upper cap of INR 20,000 is removed
6 (1)	Agreement for deposit of title deed , as security, for loans repayable on demand where:		in both cases increased to 0.5% upper cap of INR 10,00,000 is removed in (ii)
	i. loan < 10 lacs	0.1% loan or debt amount subject to a minimum of INR 500	
	ii. loan > 10 lacs	0.2% loan or debt amount subject to a maximum of INR 10,00,000	
6 (2)	Agreement for pawn/ pledge of movable property , as security		in both cases increased to 0.5% upper cap of INR 10,00,000 is removed in (ii)
	i. Where loan < 10 lacs	0.1 % loan or debt	
	ii. Where loan > 10 lacs	0.2 % loan or debt amount subject to a maximum of INR 10,00,000	
51	To surrender lease where lease deed is stamped < INR 22.50	INR 100	INR 200
54	Trust A declaration concerning trust property where i. Trust is for public, religious and charitable purpose. ii. Trust is for management and custody of properties but only distribution of profit and	INR 1000	INR 2000

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	no transfer of the property.		
General Contracting			
Article	Description	Existing duty	Revised duty
5 (j)	For miscellaneous agreements or its records or memorandum of agreements	INR 200	INR 500
22	Counterpart or duplicate of an instrument where duty on the original (paid) exceed INR 500	INR 500	INR 1000
4	Affidavit including affirmation or declaration by person allowed by law but not including swearing	INR 20	INR 100
41	Power of Attorney		
	i. For procuring the registration of or authorizing person(s) in relation to a single transaction	INR 100	INR 500
	ii. For authorising 5 or < 5 persons generally/ more than one transaction	INR 100	INR 500
	iii. For authorising > 5 persons generally/ more than one transaction	INR 200	INR 1000
	iv. POAs not covered in any other clause	INR 200	INR 500
Memorandum of Association (“MOA”) & Articles of Association (“AOA”)			
Article	Description	Existing duty	Revised duty
10	AOA of companies other than S.8 companies, and companies with share capital	INR 1000 for every INR 10,00,000 or part thereof upper cap INR 50,00,000	INR 5000 for every INR 10,00,000 or part thereof upper cap INR 1,00,00,000
33	MOA of a company, if accompanied by AOA.	INR 1000	INR 5000
Transactions			
20(4)(i)	Conveyance relating to a an NCLT order for M&A, demerger	3% or market value of transferred property in Karnataka or 1% of value of shares allotted, whichever is higher. Cap of 25 crores.	in all cases increased to 5%
31	Letter of allotment for shares or for loan raised by Company	INR 1	INR 10
Partnership			

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40B	Reconstitution of partnership firm,		
	i. where immovable property contributed as share by a partner(s) remains with the firm at the time of their exit	3% on the market value of the immovable property remaining with the firm.	increased to 5%
	ii. in any other case	INR 1000	INR 2000
40C	On dissolution of partnership firm		
	i. where the property which belonged to partner(s) is given to another partner(s)	3% on the market value of the property given to partner(s) plus the duty chargeable on dissolution if property had not been distributed.	3% substituted with 5%
	ii. in any other case	INR 1000	INR 2000
Limited Liability Partnership (“LLP”)			
40-A	LLP Deed or Conversion of LLP		
	i. where the capital does not exceed INR 10,00,000	INR 1000	INR 5000
	ii. where capital exceeds INR 10,00,000	INR 1000 plus INR 500 for every INR 5,00,000 or part thereof, exceeding capital amount of INR 10,00,000. Upper cap INR 10,00,000	INR 5000 plus INR 1000 for every INR 5,00,000 or part thereof, exceeding capital amount of INR 10,00,000. upper cap INR 25,00,000
40A (B)	Agreement relating to reconstruction or amalgamation of LLP	3% on the consideration or market value of transferred property in Karnataka, whichever is higher	Increased to 5%

In case of any queries/clarifications, please feel free to reach out to Mr. Arunabh Choudhary at arunabh@lawknit.co or Ms. Tanvi Muraleedharan at tanvi.muraleedharan@lawknit.co

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