

The Indian Stamp (Punjab Amendment) Act, 2003

PUNJAB

India

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Act 15 of 2004

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The Indian Stamp (Punjab Amendment) Act, 2003 Punjab Act No. 15 of 2004 Statement of Objects and Reasons - Punjab Act No. 15 of 2004. - The Stamp Duty is payable at the time of registration of an instrument in the office of Registering Officer. There are many events when the payment of due stamp duty is not made by the party liable for it at the time of registration of instrument. The deficiency in the payment of stamp duty occurs when consideration/value of the property might not be truly set forth in the instrument or be even less than the market value fixed by the Collector. However, in terms of Section 47-A of the Indian Stamp Act, 1899 and rules framed thereunder the deficiency might also be detected through suo moto notice taken by the Collector or on a reference from the Registering Officer concerned or the Inspector General of Registration or on a report of the Comptroller and Auditor General of India or by any other Authority authorized by the State Government. The deficiency of stamp duty may also be due to intentional omission or lapse on the part of vendor/vendee. The exercise in terms of statutory provisions to determine the actual deficiency and the procedure for recovery thereof takes long time. It has, therefore, been felt that the party liable to pay the stamp duty be also made liable to pay interest on the deficient amount of stamp duty ordered to be recovered by the Collector in exercise of statutory powers. Further, if the competent authority is also satisfied that the stamp duty at the time of presentation of document for registration was deficient due to intentional omission then penal interest should also be imposed from the date of registration of the document till the deposit of such enhanced amount as the party had used the money also the time which otherwise was chargeable at the time of registration. Therefore, it is proposed to amend the relevant Sections of the Act to provide the payment of interest and penal interest @ Rs. 12% and 3% respectively on the deficient amount of stamp duty from the date of registration of document till the date of deposit of the enhanced amount. The penal interest is, however, proposed to be charged where the lapse be found to be intentional. This measure would serve as deterrent as also would be in public interest. Hence this Bill. Published by Punjab Government Gazette (Extraordinary), dated September 24, 2003, Page 4127. No. 24-Legislative/2004. - The following Act of the Legislature of the State of Punjab received the assent of the President of India on the 23rd June, 2004, and is hereby published for general information :-An Act further to amend the Indian Stamp Act, 1899, in its application to the State of Punjab. Be it enacted by the Legislature of the State of Punjab in the Fifty- fourth Year of the

Republic of India as follows :-

1. Short title and commencement.

(1) This Act may be called the Indian Stamp (Punjab Amendment) Act, 2003. (2) It shall come into force at once.

2. Amendment of Section 47-A of Central Act 2 of 1899.

- In the Indian Stamp Act, 1899 (hereinafter referred to as the principal Act), in its application to the State of Punjab, in Section 47-A, - (i) for sub-section (2), the following sub-section shall be substituted, namely :- "(2) On receipt of reference under sub-section (1), the Collector shall, after giving the parties reasonable opportunity of being heard and after holding an enquiry in such manner as may be prescribed by rules under this Act, determine the value or consideration and the duty as aforesaid, and the deficient amount of duty, if any, alongwith interest at the rate of twelve per cent per annum on such deficient amount, shall be payable by the person liable to pay the duty from the date of registration of the instrument relating to such property to the date of payment of deficient amount of the duty; Provided that a person shall also be liable to pay penal interest at the rate of three per cent per annum, if there was an intentional omission or lapse on his part in not setting forth the correct market value of such property."; and (ii) In sub-section (3), for the words "if any, would be payable by the person liable to pay the duty.", the following shall be substituted, namely :- "if any, alongwith interest at the rate of twelve per cent per annum on such deficient amount, would be payable by the person liable to pay the duty from the date of registration of the instrument relating to such property to the date of payment of deficient amount of the duty : Provided that a person shall also be liable to pay penal interest at the rate of three per cent per annum, if there was an intentional omission or lapse on his part in not setting forth the correct market value of such property."

3. Amendment of Section 48 of Central Act 2 of 1899.

- In the principal Act, in Section 48, for the words "All duties, penalties and other sums", the words "All duties, penalties, interest, penal interest and other sums" shall be substituted.