

THE INDIAN STAMP ACT, 1899

(2 of 1899)

[27th January, 1899]

An Act to consolidate and amend the law relating to Stamps.

WHEREAS it is expedient to consolidate and amend the law relating to Stamps; It is hereby enacted as follows:—

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Indian Stamp Act, 1899.

¹[(2) It extends to the whole of India ²[* * *]:

Provided that it shall not apply to ³[the territories which, immediately before the 1st November, 1956, were comprised in Part B States] (excluding the State of Jammu and Kashmir) except to the extent to which the provisions of this Act relate to rates of stamp-duty in respect of the documents specified in entry 91 of List I in the Seventh Schedule to the Constitution.]

(3) It shall come into force on the first day of July, 1899.

2. Definitions.—In this Act, unless there is something repugnant in the subject or context,—

⁴[(1) “allotment list” means a list containing details of allotment of the securities intimated by the issuer to the depository under sub-section (2) of section 8 of the Depositories Act, 1996 (22 of 1996);

(1A) “banker” includes a bank and any person acting as a banker;]

(2) “Bill of exchange” means a bill of exchange as defined by the Negotiable Instruments Act, 1881 (26 of 1881), and includes also a *hundi*, and any other document entitling or purporting to entitle any person, whether named therein or not, to payment by any other person of, or to draw upon any other person for, any sum of money;

(3) “Bill of exchange payable on demand” includes—

- (a) an order for the payment of any sum of money by a bill of exchange or promissory note, or for the delivery of any bill of exchange or promissory note in satisfaction of any sum of money, or for the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen;
- (b) an order for the payment of any sum of money weekly, monthly, or at any other stated period; and
- (c) a letter of credit, that is to say, any instrument by which one person authorizes another to give credit to the person in whose favour it is drawn;

1. Subs. by Act 43 of 1955, sec. 3, for sub-section (2) (w.e.f. 1-4-1956).

2. The words “except the State of Jammu and Kashmir” omitted by the Jammu and Kashmir Reorganisation Act, 2019 (34 of 2019), secs. 95, 96 and Fifth Sch., Table-1 (w.e.f. 31-10-2019).

3. Subs. by the A.O. (No. 2) 1956, for “Part B States”.

4. Subs. by Act 7 of 2019, sec. 12(a), for clause (1) [w.e.f. 1-7-2020, vide S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020]. Clause (1), before substitution, stood as under:

“(1) “Banker” includes a bank and any person acting as a banker;”.

(10) "Conveyance" includes a conveyance on sale and every instrument by which property, whether movable or immovable, is transferred *inter vivos* and which is not otherwise specifically provided for by Schedule I;

¹[(10A) "debenture" includes—

- (i) debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;
- (ii) bonds in the nature of debenture issued by any incorporated company or body corporate;
- (iii) certificate of deposit, commercial usance bill, commercial paper and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time;
- (iv) securitised debt instruments; and
- (v) any other debt instruments specified by the Securities and Exchange Board of India from time to time;]

¹[(10B) "depository" includes—

- (a) a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996); and
- (b) any other entity declared by the Central Government, by notification in the Official Gazette, to be a depository for the purposes of this Act;]

✓ (11) "Duly stamped", as applied to an instrument, means that the instrument bears an adhesive or impressed stamp of not less than the proper amount and that such stamp has been affixed or used in accordance with law for time being in force in ²[India];

(12) "Executed" and "execution", used with reference to instruments, mean "signed" and "signature" ³[and includes attribution of electronic record within the meaning of section 11 of the Information Technology Act, 2000 (21 of 2000)];

(12A) ⁴[***]

(13) "Impressed stamp" includes—

- (a) labels affixed and impressed by the proper officer, and
- (b) stamps embossed or engraved on stamped paper;

⁵[(13A) "India" means the territory of India excluding the State of Jammu and Kashmir;]

1. Ins. by Act 7 of 2019, sec. 12(d) [w.e.f. 1-7-2020, *vide* S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020].

2. Subs. by Act 43 of 1955, sec. 2, for "the States" (w.e.f. 1-4-1956).

3. Ins. by Act 7 of 2019, sec. 12(e) [w.e.f. 1-7-2020, *vide* S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020].

4. Clause (12A) omitted by the A.O. 1950. Earlier clause (12A) was inserted by the A.O. 1937.

5. Ins. by Act 43 of 1955, sec. 4 (w.e.f. 1-4-1956).

- (21) "Power-of-attorney" includes any instrument (not chargeable with a fee under the law relating to court-fees for the time being in force) empowering a specified person to act for and in the name of the person executing it;
- (22) "Promissory note" means a promissory note as defined by the Negotiable Instruments Act, 1881 (26 of 1881);

It also includes a note promising the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen;

- ✓ (23) "Receipt" includes any note, memorandum or writing—
- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or
 - (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or
 - (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or
 - (d) which signifies or imports any such acknowledgment,
- and whether the same is or is not signed with the name of any person; ¹[***]

²[(23A) "securities" includes—

- (i) securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
 - (ii) a "derivative" as defined in clause (a) of section 45U of the Reserve Bank of India Act, 1934 (2 of 1934);
 - (iii) a certificate of deposit, commercial usance bill, commercial paper, repo on corporate bonds and such other debt instrument of original or initial maturity upto one year as the Reserve Bank of India may specify from time to time; and
 - (iv) any other instrument declared by the Central Government, by notification in the Official Gazette, to be securities for the purposes of this Act;]
- (24) "Settlement" means any non-testamentary disposition, in writing, of movable or immovable property made—
- (a) in consideration of marriage,
 - (b) for the purpose of distributing property of the settler among his family or those for whom he desires to provide, or for the purpose of providing for some person dependent on him, or
 - (c) for any religious or charitable purpose;
- and includes an agreement in writing to make such a disposition ³[and, where, any such disposition has not been made in writing, any instrument recording, whether by way of declaration of trust or otherwise, the terms of any such disposition]; ⁴[***]

1. The word "and" omitted by Act 18 of 1928, sec. 2 and Sch. I.

2. Ins. by Act 7 of 2019, sec. 12(i) [w.e.f. 1-7-2020, vide S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020].

3. Ins. by Act 15 of 1904, sec. 2.

4. The word "and" omitted by the A.O. 1950. Earlier it was inserted by Act 18 of 1928, sec. 2 and sch. I.

- ¹[(h) in the case of sale of security through stock exchange, by the buyer of such security;]
- ¹[(i) in the case of sale of security otherwise than through a stock exchange, by the seller of such security;]
- ¹[(j) in the case of transfer of security through a depository, by the transferor of such security;]
- ¹[(k) in the case of transfer of security otherwise than through a stock exchange or depository, by the transferor of such security;]
- ¹[(l) in the case of issue of security, whether through a stock exchange or a depository or otherwise, by the issuer of such security; and]
- ¹[(m) in the case of any other instrument not specified herein, by the person making, drawing or executing such instrument.]

COMMENTS

Duty of Vendee

It is incumbent upon the vendee to propose a draft of sale deed and express his readiness and willingness to pay the amount of stamp-duty with which it is chargeable and call upon the vendor to execute the sale deed failing which it could be concluded that the vendee was not ready and willing to perform his part of the contract; *Baruna v. Rajakishore*, AIR 1983 Ori 107.

Obligation to pay stamp duty: On whom

Section 29(c) clearly lays down that in the case of a conveyance in absence of any agreement to the contrary, the expenses for providing proper stamps shall be borne by the grantee. The language used in the section is very clear and this provision makes it obligatory upon the vendee to pay the stamp duty. This section casts no obligation upon the vendor to pay the stamp duty; *Kunwarpal Sharma v. State of Uttar Pradesh*, AIR 2003 All 7.

30. Obligation to give receipt in certain cases.—Any person receiving any money; exceeding twenty rupees in amount, or any bill of exchange, cheque or promissory note for an amount exceeding twenty rupees, or receiving in satisfaction or part satisfaction of a debt any movable property exceeding twenty rupees in value, shall, on demand by the person paying or delivering such money, bill, cheque, note or property, give a duly stamped receipt for the same.

²[Any person receiving or taking credit for any premium or consideration for any renewal of any contract of fire-insurance, shall, within one month after receiving or taking credit for such premium or consideration, give a duly stamped receipt for the same.]

CHAPTER III

ADJUDICATION AS TO STAMPS

31. Adjudication as to proper stamp.—(1) When any instrument, whether executed or not and whether previously stamped or not, is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to the duty (if any) with which it is chargeable, and pays a fee of such amount (not exceeding five rupees and not less than ³[fifty naye paise]) as the Collector may in each case direct, the Collector shall determine the duty (if any) with which, in his judgment the instrument is chargeable.

(2) For this purpose the Collector may require to be furnished with an abstract of the instrument, and also with such affidavit or other evidence as he may deem necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable are fully and truly set forth therein, and may refuse to proceed upon any such application until such abstract and evidence have been furnished accordingly:

1. Ins. by Act 7 of 2019, sec. 17(iv) [w.e.f. 1-7-2020, vide S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020]
2. Added by Act 5 of 1906, sec. 5.
3. Subs. by Act 19 of 1958, sec. 3, for "eight annas" (w.e.f. 1-10-1958).

- (c) voting or attempting to vote under any proxy not duly stamped, shall for every such offence be punishable with fine which may extend to five hundred rupees:

Provided that, when any penalty has been paid in respect of any instrument under section 35, section 40 or section 61, the amount of such penalty shall be allowed in reduction of the fine (if any) subsequently imposed under this section in respect of the same instrument upon the person who paid such penalty.

(2) If a share warrant is issued without being duly stamped, the company issuing the same, and also every person who, at the time when it is issued, is the managing director or secretary or other principal officer of the company, shall be punishable with fine which may extend to five hundred rupees.

¹[62A. Penalty for failure to comply with provisions of section 9A.—(1) Any person who,—

- (a) being required under sub-section (1) of section 9A to collect duty, fails to collect the same; or
 - (b) being required under sub-section (4) of section 9A to transfer the duty to the State Government within fifteen days of the expiry of the time specified therein, fails to transfer within such time,
- shall be punishable with fine which shall not be less than one lakh rupees, but which may extend up to one per cent. of the collection or transfer so defaulted.

(2) Any person who,—

- (a) being required under sub-section (5) of section 9A to submit details of transactions to the Government, fails to submit the same; or
 - (b) submits a document or makes a declaration which is false or which such person knows or believes to be false,
- shall be punishable with fine of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.]

63. Penalty for failure to cancel adhesive stamp.—Any person required by section 12 to cancel an adhesive stamp, and failing to cancel such stamp in manner prescribed by that section, shall be punishable with fine which may extend to one hundred rupees.

64. Penalty for omission to comply with provisions of section 27.—Any person who, with intent to defraud the Government,—

- (a) executes any instrument in which all the facts and circumstances required by section 27 to be set forth in such instrument are not fully and truly set forth; or
 - (b) being employed or concerned in or about the preparation of any instruments, neglects or omits fully and truly to set forth therein all such facts and circumstances; or
 - (c) does any other act calculated to deprive the Government of any duty or penalty under this Act,
- shall be punishable with fine which may extend to five thousand rupees.

✓ 65. Penalty for refusal to give receipt, and for devices to evade duty on receipts.—Any person who,—

- (a) being required under section 30 to give a receipt, refuses or neglects to give the same; or

1. Ins. by Act 7 of 2019, sec. 18 [w.e.f. 1-7-2020, vide S.O. 4419(E), dated 10th December, 2019 as amended by S.O. 115(E), dated 8th January, 2020 and by S.O. 1226(E), dated 30th March, 2020].

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- (b) with intent to defraud the Government of any duty, upon a payment of money or delivery of property exceeding twenty rupees in amount or value, gives a receipt for an amount or value not exceeding twenty rupees, or separates or divides the money or property paid or delivered,

shall be punishable with fine which may extend to one hundred rupees.

66. Penalty for not making out policy or making one not duly stamped.—

Any person who,—

- (a) receives, or takes credit for, any premium or consideration for any contract of insurance and does not, within one month after receiving, or taking credit for, such premium or consideration, make out and execute a duly stamped policy of such insurance; or
- (b) makes, executes or delivers out any policy which is not duly stamped, or pays or allows in account, or agrees to pay or allow in account, any money upon, or in respect of, any such policy,

shall be punishable with fine which may extend to two hundred rupees.

67. Penalty for not drawing full number of bills or marine policies purporting to be in sets.—Any person drawing or executing a bill or exchange ¹[payable otherwise than on demand] or a policy of marine insurance purporting to be drawn or executed in a set of two or more, and not at the same time drawing or executing on paper duly stamped the whole number of bills or policies of which such bill or policy purports the set to consist, shall be punishable with fine which may extend to one thousand rupees.

68. Penalty for post-dating bills, and for other devices to defraud the revenue.—Any person who,—

- (a) with intent to defraud the Government of duty, draws, makes or issues any bill of exchange or promissory note bearing a date subsequent to that on which such bill or note is actually drawn or made; or
- (b) knowing that such bill or note has been so post-dated, endorses, transfers, presents for acceptance or payment, or accepts, pays or receives payment of, such bill or note, or in any manner negotiates the same; or
- (c) with the like intent, practices or is concerned in any act, contrivance or device not specially provided for by this Act or any other law for the time being in force,

shall be punishable with fine which may extend to one thousand rupees.

69. Penalty for breach of rule relating to sale of stamps and for unauthorized sale.—(a) Any person appointed to sell stamps who disobeys any rule made under section 74, and

(b) any person not so appointed who sells or offers for sale any stamp (other than a ²[ten naye paise or five naye paise] adhesive stamp),

shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

1. Ins. by Act 5 of 1927, sec. 5.

2. Subs. by Act 19 of 1958, sec. 10, for "one anna or half an anna" (w.e.f 1-10-1958).

SCHEDULE I
STAMP-DUTY ON INSTRUMENTS
(See section 3)

Description of Instrument (1)	Proper Stamp-duty (2)
1. ACKNOWLEDGEMENT of a debt exceeding twenty rupees in amount or value, written or signed by, or on behalf of, a debtor in order to supply evidence of such debt in any book (other than a bankers' pass-book) or on a separate piece of paper when such book or paper is left in the creditors' possession: provided that such acknowledgement does not contain any promise to pay the debt or any stipulation to pay interest or to deliver any goods or other property.	One anna*.
2. ADMINISTRATION-BOND: including a bond given under section 256 of the Indian Succession Act, 1865 (10 of 1865), section 6 of the Government Savings Banks Act, 1873 (5 of 1873), section 78 of the Probate and Administration Act, 1881 (5 of 1881), or section 9 or section 10 of the Succession Certificate Act, 1889 (7 of 1889)—	
(a) where the amount does not exceed Rs. 1,000.	The same duty as a Bond (No. 15) for such amount.
(b) in any other case.....	Five rupees
3. ADOPTION-DEED , that is to say, any instrument (other than a will) recording an adoption or conferring or purporting to confer an authority to adopt. ADVOCATE, See ENTRY AS AN ADVOCATE (No. 30)	Ten rupees.
4. AFFIDAVIT including an affirmation or declaration in the case of persons by law allowed to affirm or declare instead of swearing.	One rupee.

Exemptions

Affidavit or declaration in writing when made—
1[(a) as a condition of enrolment under the

* Refer the Indian Stamp Act, 1899, sec. 77A (Saving as to certain stamps). See also the Coinage Act, 2011 (11 of 2011), Sec. 7 (Decimal System of Coinage) [Earlier known as the Indian Coinage Act, 1906 (13 of 1906)].

1. Subs. by Act 18 of 1928, sec. 2 and Sch. 1, for clause (a).

(2)

(1)

See also NOTE OF PROTEST BY THE
MASTER OF A SHIP (No. 44).

52. **PROXY** empowering any person to vote ¹[Fifteen paise.]
at any one election of the members of
a district or local board or of a body
of municipal commissioners, or at
any one meeting of (a) members of an
incorporated company or other body
corporate whose stock or funds is or
are divided into shares and transferable,
(b) a local authority, or (c) proprietors,
members or contributors to the funds of
any institution.
- ✓ 53. **RECEIPT** [as defined by section 2(23)] for ²[One rupee.]
any money or other property the amount
or value of which exceeds ³[five thousand
rupees].

Exemptions

Receipt—

- (a) endorsed on or contained in any
instrument duly stamped. ⁴[or any
instrument exempted] under the proviso
to section 3 (instruments executed on
behalf of the Government) ⁵[or any
cheque or bill of exchange payable on
demand] acknowledging the receipt of
the consideration money. Interest or
annuity or other periodical payment
thereby secured;
- (b) for any payment of money without
consideration;
- (c) for any payment of rent by a cultivator
on account of land assessed to
Government revenue, or ⁶[in the States
of Madras, Bombay and Andhra] ⁷[as

1. Subs. by S.O. 130 (E), dated 28th January, 2004, for "Thirty paise" (w.e.f. 1-3-2004).

2. Subs. by Act 32 of 1994, sec. 99, for "Twenty paise" (w.e.f. 13-5-1994).

3. Subs. by Act 23 of 2004, sec. 117, for "five hundred rupees" (w.e.f. 10-9-2004).

4. Subs. by Act 18 of 1928, sec. 2, and Sch. I, for "or exempted".

5. Ins. by Act 18 of 1928, sec. 2 and Sch. I.

6. Subs. by the Andhra (Adaptation of Laws on Union subjects) Order, 1954, for "in the
Presidencies of Fort St. George and Bombay" (w.e.f. 1-10-1953).

7. Ins. by the A.O. (No. 2) Order, 1956.