

THE INDIAN STAMP ACT, 1899

CHAPTER I

PRELIMINARY

1. Short Title, extent and commencement -
2. Definitions -

CHAPTER II

STAMP DUTIES

A-

Of the liability of Instruments to Duty

3. Instruments chargeable with duty
- 3-A. Omitted
- 3-AA. Omitted
4. Several instruments used in single transaction of sale mortgage or settlement
5. Instruments relating to several distinct matters
6. Instruments coming within several descriptions in Schedule I, I-A or I-B
- 6-A. Payment of the Uttar Pradesh Stamp duty on copies, counterparts or duplicates, when that duty has not been paid on the principal or original instrument.
7. Policies of sea-insurance
8. Bonds, debentures or other securities issued on loans under Act XI of 1879
9. Power to reduce, remit or compound duties

B-

Of Stamps and the mode of using them

10. Duties how to be paid
- 10-A. Payment of Duty in cash
11. Use of adhesive stamps
- 11-A. Omitted
12. Cancellation of adhesive stamps
13. Instruments stamped with impressed stamps how to be written
14. Only one instrument to be on same stamp
15. Instrument written contrary to Section 13 or 14 deemed unstamped
16. Denoting duty

C- Of the time of stamping instruments

17. Instruments executed in India
18. Instruments other than bills and notes executed out of India
19. Bills and notes drawn out of India
- 19-A. Payment of duty on certain instruments liable to be increased duty in Uttar Pradesh under clause (bb) of Section 3

D- Of Valuation for Duty

20. Conversion of amount expressed in foreign currencies
21. Stock and marketable securities - how to be valued.
22. Effect of statement of rate of exchange or average price
23. Instruments reserving interest
- 23-A. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements
24. How transfer in consideration of debt, or subject to future payment, etc. to be charged
25. Valuation in case of annuity etc
26. Stamp where value of subject matter is indeterminate
27. Facts affecting duty to be set forth in instrument
28. Direction as to duty in case of certain conveyances

E- Duty by whom payable

29. Duties by whom payable -
30. Obligation to give receipt in certain cases

CHAPTER III

ADJUDICATION AS TO STAMPS

31. Adjudication as to proper stamp
32. Certificate by Collector

CHAPTER IV

INSTRUMENT NOT DULY STAMPED

33. Examination and impounding of instruments
34. Special provision as to unstamped receipts
35. Instruments not duly stamped inadmissible in evidence, etc
36. Admission of instrument where not to be questioned
37. Admission of improperly stamped instruments
38. Instruments impounded how dealt with
39. Omitted by U.P Act No. 22 of 1998 effective 1-9-1998.

40. Collector's power to stamp instruments impounded
41. Instruments unduly stamped by accident
42. Endorsement of instruments in which duty has been paid under Sections 35, 40, 41 or 47-A
43. Prosecution for offence against stamp law
44. Persons paying duty or penalty may recover same in certain cases
45. Power to revenue authority to refund penalty or excess duty in certain cases
46. Non-liability for loss of instruments sent under Section 38
47. Power of payer to stamp bills and promissory notes received by him unstamped
- 47-A. Under-Valuation of the instrument
48. Recovery of duties and penalties
- 48-A Validity of certificate or endorsement in respect of instruments for which higher rate of duty is payable in Uttar Pradesh

CHAPTER 5

ALLOWANCE FOR STAMPS IN CERTAIN CASES

49. Allowance for spoiled stamps
50. Application for relief under section 49 when to be made –
51. Allowance in case of printed forms no longer required by corporations
52. Allowance for misused stamps
53. Allowance for spoiled or misused stamps - How to be made –
54. Allowance for stamps not required for use -
- 54-A Allowances for stamps in denominations of annas
- 54-B Allowances for Refugee Relief Stamps
55. Allowance on renewal of certain debentures

CHAPTER VI

REFERENCE AND REVISION

56. Control of, and statement of case to Chief Controlling Revenue Authority -
57. Statement of case by Chief Controlling Revenue Authority to High Court
58. Power of High Court to call for further particulars as to case stated
59. Procedure in disposing of case stated
60. Statement of case by other Courts to High Court
61. Revision of certain decisions of Courts regarding the sufficiency of stamps

CHAPTER VII

CRIMINAL OFFENCES AND PROCEDURE

62. Penalty for executing, etc., instrument not duly stamped -
63. Penalty for failure to cancel adhesive stamp
64. Penalty for omission to comply with provisions of Section 27
- 64-A: Omitted
- 64-B: Recovery of amount of deficit stamp duty
65. Penalty for refusal to give receipt; and for devices to evade duty on receipt
66. Penalty for not making out policy or making one not duly stamped.
67. Penalty for not drawing full number of bills or marine policies purporting to be in sets
68. Penalty for post-dating bills, and for other devices to defraud the Revenue
69. Penalty for breach of rule relating to sale of stamps and for unauthorized sale
70. Institution and conduct of prosecutions
71. Jurisdiction of Magistrates
72. Place of trial.

CHAPTER VIII

SUPPLEMENTARY PROVISIONS

73. Books etc., to be open to inspection.
- 73-A Collector's power to authorise officer to enter premises and inspect certain documents
74. Power to make rules relating to sale of stamps
75. Power to make rules generally to carry out Act
76. Publication of rules
- 76-A. Delegation of certain powers
77. Savings as to Court-fee
- 77-A Saving as to certain stamps
78. [Deleted by Act No 22 of 1998.] (w.e.f. 1.9.1998)
79. Repealed by Act No. 10 of 1914

THE INDIAN STAMP ACT, 1899

[Act No. 2 of 1899]

(As amended in its application to Uttar Pradesh)

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.

(2) It extends to the whole of India except the State of Jammu and Kashmir:

Provided that it shall not apply to 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, -

- 1) **“Banker”**. - “Banker” includes a bank and any person acting as a banker;
- 2) **“Bill of Exchange”**. - “Bill of exchange” means a bill of exchange as defined by the Negotiable Instruments Act, 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”**. - “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 periods; 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;
- 4) **“Bill of lading”**. –“Bill of lading” includes a “through bill of lading”, but does not include a mate’s receipt;
- 5) **“Bond”**. - “Bond” includes-
- (a) any instrument whereby a person obliges himself to pay money to another, on condition that the obligation shall be void if a specified act is performed, or is not performed, as the case may be;
- (b) any instrument attested by a witness and not payable to order or bearer, whereby a person obliges himself to pay money to another; and
- (c) any instrument so attested, whereby a person obliges himself to deliver grain or other agricultural produce to another;
- 6) **“Chargeable”**. - “Chargeable” means, as applied to an instrument executed or first executed after the commencement of this Act, chargeable under this Act, and, as applied to any other instrument, chargeable under the law in force in India when such instrument was executed or, where several persons executed the instrument at different times, first executed;
- 7) **“Cheque”**. - “Cheque” means a bill of exchange, drawn on a specified banker and not expressed to be payable otherwise than on demand;
- 8) **Omitted.**
- 9) **“Collector”**. - “Collector”-
- (a) means, within the limits of the towns of Calcutta, Madras and Bombay, the Collector of Calcutta, Madras and Bombay, respectively and, without those limits, the Collector of a district; and
- (b) Includes a Deputy Commissioner and any officer whom the State Government may, by notification in the Official Gazette, appoint in this behalf;
- 10) **“Conveyance”**. - “Conveyance” includes a conveyance on sale and every instrument by which property, whether movable or immovable, is transferred *intervivos* and which is not otherwise specifically provided for by Schedule 1, Schedule I-A or Schedule I-B, as the case may be:
- Explanation* – An Instrument whereby a co-owner of a property having defined share therein, transfers such share or part thereof to another co-owner of the property, is for the purposes of this clause an instrument by which property is transferred.
- 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 India;
- 12) **“Executed” and “Execution”**. - “Executed” and “Execution”, used with reference to instruments, mean “signed” and “signature”;
- 12A. [Omitted by the Indian Adaptation Laws Order, 1950]

13) “Impressed stamp”. - “Impressed stamp” includes-

- a) Labels affixed and impressed by the proper officer, and
- b) Stamps embossed or engraved on stamped paper;

13A. “India”. - “India” means the territory of India excluding the State of Jammu and Kashmir;

14) “Instrument”. - “Instrument” includes every document and record created or maintained in or by an electronic storage and retrieval device or media by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

14A. “Instrument of gift” – “Instrument of Gift” includes an instrument whether by way of declaration or otherwise, for making or accepting an oral gift.

15) “Instrument of partition”. - “Instrument of partition” means any instrument, whereby co-owners of any property divide or agree to divide such property in severalty, and also includes -

- (a) a final order for effecting a partition passed by any Revenue Authority or any Civil Court
- (b) an award by an arbitrator directing a partition; and
- (c) when any partition is effected without executing any such instrument, any instrument or instruments, signed by the co-owners and recording, whether by way of declaration of such partition or otherwise, the terms of such partition amongst the co-owners.

16) “Lease”. - “Lease” means a lease of immovable property, and includes also-

- (a) a *patta*;
- (b) a *kabuliyat* or other undertaking in writing, not being a counterpart of a lease, to cultivate, occupy, or pay or deliver rent for, immovable property;
- (c) any instrument by which tolls of any description are let;
- (d) any writing on an application for lease intended to signify that the application is granted;
- (e) any instrument by which mining lease is granted in respect of minor minerals as defined in Clause (e) of Section 3 of the Mines and Minerals (Regulation and Development) Act, 1957.

16-A “Marketable Security” - “Marketable security” means a security of such a description as to be capable of being sold in any stock market in India or in the United Kingdom;

17) “Mortgage-deed”. - “Mortgage-deed” includes every instrument whereby, for the purpose of securing money advanced, or to be advanced, by way of loan, or all existing or future debt, or the performance of an engagement, one person transfers, or creates, to, or in favour of, another, a right over or in respect of specified property;

18) “Paper”. - “Paper” includes vellum, parchment or any other material on which an instrument may be written.

19) “Policy of insurance”. - “Policy of insurance” includes-

- (a) any instrument by which one person, in consideration of a premium, engages to indemnify another against loss, damage or liability arising from an unknown or contingent event;

(b) a life-policy, and any policy insuring any person against accident or sickness and any other personal insurance,

19-A “Policy of group insurance” - “Policy of group insurance” means any instrument covering not less than fifty or such smaller number as the Central Government may approve, either generally or with reference to any particular case, by which an insurer, in consideration of a premium paid by an employee or by an employer and his employees jointly engages to cover with or without medical examination and for the sole benefit of persons other than the employer, the lives of all the employees or of any class of them, determined by conditions pertaining to the employment, for amounts of insurance based upon a plan which precludes individual selection,

20) “Policy of sea-insurance”. - or “sea-policy”-

(a) means any insurance made upon any ship or vessel (whether for marine or inland navigation), or upon the machinery, tackle or furniture of any ship or vessel, or upon any goods, merchandise or property of any description whatever on board of any ship or vessel, or upon the freight of, or any other interest which may be lawfully insured in, or relating to, any ship or vessel, and

(b) includes any insurance of goods, merchandise or property for any transit which includes, not only a sea risk within the meaning of clause (a), but also any other risk incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance.

Where any person, in consideration of any sum of money paid or to be paid for additional freight or otherwise, agrees to take upon himself any risk attending goods, merchandise or property of any description whatever while on board of any ship or vessel, or engages to indemnify the owner of any such goods, merchandise or property from any risk, loss or damage, such agreement or engagement shall be deemed to be a contract for sea-insurance;

21) “Power-of-attorney”. - “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”. - “Promissory note” means a promissory note, as defined by the Negotiable Instruments Act, 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;

22-A “Public Officer”. - “Public Officer” means a public officer as defined in clause (17) of section 2 of the Code of Civil Procedure 1908 and includes every officer working in connection with the affairs of any of the following organizations namely –

(a) Any statutory body or authority constituted under any Uttar Pradesh Act.

(b) A “Financing Bank” or “Central Bank” as defined in clause (k) of Section 2 of the Uttar Pradesh Co-Operative Societies Act, 1965;

23) “Receipt”. - “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, or any part of a debt or demand, is acknowledged to have been satisfied or discharged or
- (d) which signifies or imports any such acknowledgement and whether the same is or is not signed with the name of any person;

24) “Settlement”. - “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 providing for some person dependent on him, or
- (c) for any religious or charitable purpose;

and includes all agreement in writing to make such a disposition and, where any such disposition had not been made in writing, any instrument recording, whether by way of declaration or declaration of trust or otherwise, the terms of any such disposition;

25) “Soldier”. - “Soldier” includes any person below the rank of Non Commissioned Officer who is enrolled under the Indian Army Act, 1911.

26) “Stamp” means any work, seal or endorsement by any agency or person duly authorised by the State Government, and includes an adhesive or impressed stamp, for the purpose of duty chargeable under this Act.

26-A. The expression “Common Roll” and “State Roll” shall have the meanings assigned to them in the Advocates Act, 1961.

CHAPTER II

STAMP DUTIES

A- Of the liability of Instruments to Duty

3. Instruments chargeable with duty

Subject to the provisions of this Act and the exemptions contained in Schedule I, the following instruments shall be chargeable with duty of the amount indicated in that Schedule as the proper duty therefor, respectively that is to say-

- (a) every instrument mentioned in that Schedule which, not having been previously executed by any person, is executed in India on or after the first day of July. 1899;
- (b) Every bill of exchange payable otherwise than on demand or promissory note drawn or made out of India on or after that day and accepted or paid or presented for acceptance or payment, or endorsed, transferred or otherwise negotiated, in India; and
- (c) Every instrument (other than a bill of exchange or promissory note) mentioned in that Schedule, which, not having been previously executed by any person, is executed out of India on or after that day relates to any property situate, or to any matter or thing done or to be done, in India and is received in India:

Provided that, except as otherwise expressly provided in this Act, and notwithstanding anything contained in Clauses (a), (b) and (c) of this section, or in Schedule I or I-A, the following instruments shall, subject to the exemptions contained in Schedule I-A or I-B, be chargeable with duty of the amount indicated in Schedule I-A or I-B or as the proper duty therefor, respectively, that is to say –

- (aa) every instrument mentioned in Schedule I-A or I-B, which, not having been previously executed by any person, was executed in Uttar Pradesh:
 - (i) In the case of instruments mentioned in Schedule I-A, on or after the date on which the U.P. Stamp [Amendment] Act, 1948 came into force; and
 - (ii) In the case of instruments mentioned in Schedule I-B, on or after the date on which the U.P. Stamp (Amendment) Act, 1952 comes into force;
- (bb) every instrument mentioned in Schedule I-A or I-B, which, not having been previously executed by any person, was executed out of Uttar Pradesh:
 - (iii) In the case of instruments mentioned in Schedule I-A on or after the date on which the U.P. Stamp (Amendment) Act, 1948, came into force; and
 - (iv) In the case of instruments mentioned in Schedule I-B, on or after the date on which the U.P. Stamp (Amendment) Act, 1952, comes into force and relates to any property situated, or to any matter or thing done or to be done in Uttar Pradesh, and is received in Uttar Pradesh:

Provided that no duty shall be chargeable in respect of-

- (i) any instrument executed by, or on behalf of, or in favour of, the Government in cases where, but for this exemption, the Government would be liable to pay the duty chargeable in respect of such instrument;
- (ii) Any instrument for the sale, transfer or other disposition either absolutely or by way of mortgage or otherwise, of any ship or vessel, or any part, interest, share or property of or in any ship or vessel registered under the Merchant Shipping Act, 1894, or under Act XIX of 1838, or the Indian Registration of Ships Act. 1841 (X of 1841), as amended by subsequent acts.

Explanation – Where the amount of duty prescribed in Schedule I-B contains any fraction of rupee, below twenty five paise, or above twenty five paise but below fifty paise, or above fifty paise but below seventy five paise or above seventy five paise but below one rupee, the proper duty shall be an amount rounded off to the next higher quarter of a rupee, as herein after appearing in the said Schedule.

3-A. Omitted

Repealed by Act No. 13 of 1973 (w.e.f 11/4/1973)

3-AA. Omitted

Omitted by U.P. Act No. 11 of 1978 (w.e.f. 1/1/1978)

4. Several instruments used in single transaction of sale mortgage or settlement

- (1) Where, in the case of any sale, mortgage or settlement, several instruments are employed for completing the transaction, the principal instrument only shall be chargeable with the duty prescribed in Schedule I-B, for the conveyance, mortgage or settlement, and each of the other instruments shall be chargeable with a duty of five rupees instead of the duty (if any) prescribed for it in that Schedule.
- (2) The parties may determine for themselves which of the instrument so employed shall, for the purpose of sub-section (1), be deemed to be the principal instrument:

Provided that the duty chargeable on the instrument so determined, shall be the highest duty, which would be chargeable in respect of any of the said instruments employed.

5. Instruments relating to several distinct matters

Any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

6. Instruments coming within several descriptions in Schedule I, I-A or I-B

Subject to the provisions of the last preceding section, an instrument so framed as to come within two or more of the descriptions in Schedule I, Schedule I-A or Schedule I-B shall, where the duties chargeable thereunder are different, be chargeable only with the highest of such duties:

Provided that nothing in this Act contained shall render chargeable with duty exceeding five rupees and fifty paise, a counterpart or duplicate of any instrument chargeable with duty and in respect of which the proper duty has been paid unless it falls within the provisions of Section 6-A

6-A. Payment of the Uttar Pradesh Stamp duty on copies, counterparts or duplicates, when that duty has not been paid on the principal or original instrument.

(1) Notwithstanding anything contained in Section 4 or Section 6 or any other law unless it is proved that the duty chargeable under this Act, as amended in its application to Uttar Pradesh has been paid: -

- (a) On the principal or original instrument, as the case may be: or
- (b) In accordance with the provisions of this section:

The duty chargeable on any one of the several instruments employed for completing a transaction of sale, mortgage or settlement, other than the principal instrument, or on a counterpart, duplicate or copy of any instrument shall, if the principal or original instrument would, when received in Uttar Pradesh, have been chargeable under this Act, as amended in its application in Uttar Pradesh, with a higher rate of duty, be the duty with which the principal or original instrument would have been chargeable under Section 19-A.

(1-A) Where any instrument is registered in any part of India other than Uttar Pradesh and the instrument relates wholly or partly to any property situated in Uttar Pradesh, the copy of such instrument shall, when received in Uttar Pradesh, be liable to be charged with the difference of Stamp duty as on the original under Section 19-A to the extent of and in proportion to the consideration or value of the property situated in Uttar Pradesh, be liable to be charged with the difference of Stamp duty as on the original under Section 19-A to the extent of and in proportion to the consideration or value of the property situated in Uttar Pradesh, and the party liable to pay the stamp duty on the original instrument shall, upon receipt of notice from the registering officer pay the difference in duty within the time allowed.

(2) Notwithstanding anything contained in any law, no instrument, counterpart, duplicate or copy chargeable with duty under this section shall be received in evidence as properly stamped unless the duty chargeable under this section has been paid thereon:

Provided that a Court before which any such instrument, counterpart, duplicate or copy is produced, may, in its discretion, permit the duty chargeable under this section to be paid thereon, and may receive it in evidence.

7. Policies of sea-insurance

- (1) Deleted
- (2) Deleted
- (3) Deleted
- (4) When any sea-insurance is made for or upon a voyage and also for time, or to extend to or cover any time beyond thirty days after the ship shall have arrived at her destination and been there moored at anchor, the policy shall be charged with duty as a policy for or upon a voyage, and also with duty as a policy for time.

8. Bonds, debentures or other securities issued on loans under Act XI of 1879

- (1) Notwithstanding anything in this Act, any local authority raising a loan under the provisions of the Local Authorities Loan Act 1879 (Act XI of 1879), or of any other law for the time being in force, by the issue of bonds, debentures or other securities, shall in respect of such loan, be chargeable with a duty of one per centum on the total amount of the bonds, debentures or other securities issued by it, and such bonds, debentures or other securities need not be stamped and shall not be chargeable with any further duty on renewal, consolidation, sub-division or otherwise.
- (2) The provisions of subsection (1) exempting certain bonds, debentures or other securities from being stamped and from being chargeable with certain further duty shall apply to the bonds, debentures or other securities of all outstanding loans of the kind mentioned therein, and all such bonds, debentures or other securities shall be valid, whether the same are stamped or not:

Provided that nothing herein contained shall exempt the local authority, which has issued such bonds, debentures or other securities from the duty chargeable in respect thereof prior to the twenty-sixth day of March 1978, when such duty has not already been paid or remitted by order issued by the Central Government.

- (3) In the case of wilful neglect to pay the duty required by this section, the local authority shall be liable to forfeit to the Government a sum equal to ten per centum upon the amount of duty payable, and a like penalty for every month after the first month during which the neglect continues.

9. Power to reduce, remit or compound duties

- (1) The Government may, by rule or order published in the Official Gazette,-
 - a. Reduce or remit, whether prospectively or retrospectively, in the whole or any part of the territories under its administration, the duties with which any instruments or any

particular class or instruments, or any of the instruments belonging to such class, or any instruments when executed by or in favour of any particular class of persons, by or in favour of any members of such class, are chargeable, and

- b. Provide for the composition or consolidation of duties in the case of issues by any incorporated company, or other body corporate, or of transfers (where there is a single transferee, whether incorporated or not) of debentures, bonds or other marketable securities.

(2) **In this section, the expression “the Government” means, -**

- a. In relation to stamp-duty in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts, and in relation to any other stamp-duty chargeable under this Act and falling within entry 96 of List I in the Seventh Schedule to the Constitution, - the Central Government;
- b. Save as aforesaid, the State Government.

B- Of Stamps and the mode of using them

10. Duties how to be paid

(1) Except as otherwise expressly provided in this Act, all duties with which any instruments are chargeable shall be paid, and such payment shall be indicated on such instruments by means of stamps-

- (a) According to the provisions herein contained; or
- (b) When no such provision is applicable thereto, as the State Government may by rules direct.

(2) The rules made under subsection (1) may, among other matters, regulate, -

- (a) In the case of each kind of instrument the description of stamps, which may be used;
- (b) In the case of instruments stamped with impressed stamps-the number of stamps, which may be used;
- (c) In the case of bills of exchange or promissory notes the size of the paper on which they are written.

10-A. Payment of Duty in cash

(1) Notwithstanding anything contained in Section 10 –

- a. Where the collector is satisfied that there is temporary shortage of stamps in the district or that stamps of required denominations are not available, he may permit duty to be paid in cash and authorise the officer in charge of the treasury, on production of a challan evidencing payment of duty in the Government treasury or

sub-treasury, to certify by endorsement on the instrument, or instruments the amount of duty so paid in cash.

- b. Where the state government considers it expedient so to do, it may, in any district, permit duty to be paid in cash and authorise any officer. to receive payment of duty in cash and to certify by endorsement by means of Franking Machine on the instrument or instruments the amount of duty so paid in cash.

- (2) An endorsement made on any instrument under sub-section (1) shall give the same effect as if the duty on an amount equal to the amount stated in the endorsement has been paid in respect thereof and such payment has been indicated on such instrument by means of stamps in accordance with the requirements of Section 10.

11. Use of adhesive stamps

The following instrument may be stamped with adhesive stamps, namely: -

- (a) Instruments chargeable with a duty not exceeding twenty paise, except parts of bills of exchange payable otherwise than on demand and drawn in sets;
- (b) bills of exchange and promissory notes drawn or made out of India;
- (c) certificate of enrolment under section 22 of the Advocates Act, 1961, issued by the State Bar Council of Uttar Pradesh and certificate of enrolment issued to Revenue Agents or Mukhtars;
- (d) Notarial acts; and
- (e) Transfers by endorsement of shares in any incorporated company or other body corporate.

11-A. Omitted

Omitted by U.P. Act No. 11 of 1978 (w.e.f 1.1.1978)

12. Cancellation of adhesive stamps

- (1) (a) Whoever affixes any adhesive stamp to any instrument chargeable with duty which has been executed by any person shall, when affixing such stamp, cancel the same so that it cannot be used again; and

(b) Whoever executes any instrument on any paper bearing an adhesive stamp shall, at the time of execution, unless such stamp has been already cancelled in manner aforesaid, cancel the same so that it cannot be used; again.
- (2) Any instrument bearing an adhesive stamp which has not been cancelled so that it cannot be used again, shall, so far as such stamp is concerned, be deemed to be unstamped.
- (3) The person required by subsection (1) to cancel all adhesive stamp may cancel it by writing on or across the stamp his name or initials or the name or initials of his firm with the true date of his so writing, or in any other effectual manner.

13. Instruments stamped with impressed stamps how to be written

Every instrument written upon paper stamped with an impressed stamp shall be written in such manner that the stamp may appear on the face of the instrument and cannot be used for or applied to any other instrument.

14. Only one instrument to be on same stamp

No second instrument chargeable with duty shall be written upon a piece of stamped paper upon which an instrument chargeable with duty has already been written:

Provided that nothing in this section shall prevent any endorsement which is duly stamped or is not chargeable with duty being made upon any instrument for the purpose of transferring any right created or evidenced thereby, or of acknowledging the receipt of any money or goods the payment or delivery of which is secured thereby.

15. Instrument written contrary to Section 13 or 14 deemed unstamped

Every instrument written in contravention of Section 13 or Section 14 shall be deemed to be unstamped.

16. Denoting duty

Where the duty with which an instrument is chargeable, or its exemption from duty, depends in any manner upon the duty actually paid in respect of another instruments, the payment of such last-mentioned duty shall, if application is made in writing to the Collector for that purpose, and on production of both the instruments, be denoted upon such first mentioned instrument by endorsement under the hand of the Collector or in such manner (if any) as the State Government may by rule prescribe.

C- Of the time of stamping instruments

17. Instruments executed in India

All instruments chargeable with duty and executed by any person in India shall be stamped before or at the time of execution.

18. Instruments other than bills and notes executed out of India

- (1) Every instrument chargeable with duty executed only out of India and not being a bill of exchange or promissory note, may be stamped within three months after it has been first received in India.
- (2) Where an such instrument cannot, with reference to the description of stamp prescribed therefor, be duly stamped by a private person, it may be taken within the said period of three months to the Collector, who shall stamp the same, in such manner as the State Government

may by rule prescribe, with a stamp of such value as the person so taking such instrument may require and pay for.

19. Bills and notes drawn out of India

The first holder in India of any bill of exchange payable otherwise than on demand, or promissory note drawn or made out of India shall, before he presents the same for acceptance or payment, or endorses, transfers or otherwise negotiates the same in India, affix thereto the proper stamp and cancel the same:

Provided that-

- (a) If, at the time any such bill of exchange or promissory note comes into the hands of any holder thereof in India, the proper adhesive stamp is affixed thereto and cancelled in manner prescribed by Section 12 and such holder has no reason to believe that such stamp was affixed or cancelled otherwise than by the person and at the time required by this Act, such stamp shall, so far as relates to such holder, be deemed to have been duly affixed and cancelled;
- (b) Nothing contained in this proviso shall relieve any person from any penalty incurred by him for omitting to affix or cancel a stamp.

19-A. Payment of duty on certain instruments liable to be increased duty in Uttar Pradesh under clause (bb) of Section 3

Where any instrument has become chargeable in any part of the States, other than the Uttar Pradesh, with duty under this Act, or under any other law for the time being in force, in any part of the States, and thereafter becomes chargeable with a higher rate of duty in the Uttar Pradesh under clause (bb) of the first proviso to section 3, then –

- (i) notwithstanding anything contained in the first proviso to section 3, the amount of duty chargeable on such instrument shall be the amount chargeable on it under Schedule I-A or Schedule I-B, less the amount of duty, if any, already paid on it in the States and;
- (ii) in addition to the stamps, if any, already affixed thereto, such instrument shall be stamped with the stamps necessary for the payment of the amount of duty chargeable on it under clause (i) in the same manner and at the same time and by the same persons as though such instrument were received in the States, for the first time, when it became chargeable with the higher duty.

D- Of Valuation for Duty

20. Conversion of amount expressed in foreign currencies

- (1) Where an instrument is chargeable with *ad valorem* duty in respect of any money expressed in any currency other than that of India such duty shall be calculated on the value of such money in the currency of India according to the current rate of exchange on the day of the date of the instrument.

- (2) The Central Government may, from time to time, by notification in the Official Gazette, prescribe a rate of exchange for the conversion of British or any foreign currency into the currency of India for the purposes of calculating stamp-duty, and such rate shall be deemed to be the current rate for the purposes of subsection (1).

21. Stock and marketable securities - how to be valued.

Where an instrument is chargeable with *ad valorem* duty in respect of any stock or of any marketable or other security, such duty shall be calculated on the value of such stock or security according to the average price or the value thereof on the day of the date of the instrument.

22. Effect of statement of rate of exchange or average price

Where an instrument contains a statement of current rate of exchange, or average price, as the case may require, and is stamped in accordance with such statement, it shall, so far as regards the subject-matter of such statement, be presumed, until the contrary is proved, to be duly stamped.

23. Instruments reserving interest

Where interest is expressly made payable by the terms of an instrument, such instrument shall not be chargeable with duty higher than that with which it would have been chargeable had no mention of interest been made therein.

23-A. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements

- (1) Where an instrument (not being a promissory note or bill of exchange)-

- (a) is given upon the occasion of the deposit of any marketable security by way of security for money advanced or to be advanced by way of loan, or for an existing or future debt, or
- (b) makes redeemable or qualifies a duly stamped transfer, intended as a security, of any marketable security,

it shall be chargeable with duty as if it were an agreement or memorandum of an agreement chargeable with duty under Article No. 5(c) of Schedule I - B.

- (2) A release or discharge of any such instrument shall only be chargeable with the like duty.

24. How transfer in consideration of debt, or subject to future payment, etc. to be charged

Where any property is transferred to any person in consideration, wholly or in part, of any debt due to him, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or encumbrance upon the property or not, such debt, money or stock is to be deemed the whole or part, as the case may be, of the consideration in respect whereof the transfer is chargeable with *ad valorem* duty:

Provided that nothing in this section shall apply to any such certificate of sale as is mentioned in Article No. 18, Schedule I -B.

Explanation. -In the case of a sale of property subject to a mortgage or other encumbrance, any unpaid mortgage money or money charged, together with the interest (if any) due on the same, shall be deemed to be part of the consideration for the sale:

Provided that, where property, subject to a mortgage, is transferred to the mortgagee he shall be entitled to deduct from the duty payable on the transfer the amount of any duty already paid in respect of the mortgage.

Illustrations

- (1) A owes B Rs. 1,000. A sells a property to B, the consideration being Rs. 500 and the release of the previous debt of Rs. 1,000. Stamp duty is payable on Rs. 1,500.
- (2) A sells property to B for Rs. 500 which is subject to a mortgage to C for Rs. 1,000 and unpaid interest Rs. 200. Stamp-duty is payable on Rs. 1,700.
- (3) A mortgages a house of the value of Rs. 10,000 to B for Rs. 5,000. B afterwards buys the house from A. Stamp-duty is payable on Rs. 10,000 less the amount of stamp-duty already paid for the mortgage

25. Valuation in case of annuity etc

Where an instrument is executed to secure the, payment of an annuity or other sum payable periodically, or where the consideration for a conveyance is an annuity or other sum payable periodically, the amount secured by such instrument or the consideration for such conveyance, as the case may be, shall, for the purposes of this Act be deemed to be. -

- (a) where the sum is payable for a definite period so that the total amount to be paid can be previously ascertained – such total amount;
- (b) where the sum is payable in perpetuity or for an indefinite time not terminable with any life in being at the date of such instrument or conveyance - the total amount which, according to the terms of such instrument or conveyance, will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and
- (c) where the sum is payable for an indefinite time terminable with any life in being at the date of such instrument or conveyance - the maximum amount which will or may be payable as aforesaid during the period of twelve years calculated from the date on which the first payment becomes due.

26. Stamp where value of subject matter is indeterminate

Where the amount or value of the subject- matter of any instrument chargeable with *ad valorem* duty cannot, or (in the case of an instrument executed before the commencement of this Act) could not have been, ascertained at the date of its execution, or first execution nothing shall be claimable under such instrument more than the highest amount or value for which if stated in an instrument of the same description, the stamp actually used would, at the date of such execution, have been sufficient:

Provided that in the case of the lease of a mine in which royalty or a share of the produce is received as the rent or part of the rent, it shall be sufficient to have estimated such royalty or the value of such share, for the purpose of stamp duty:

- (a) when the lease has been granted by or on behalf of the Government, at such amount or value as the Collector may, having regard to all the circumstances of the case, have estimated as likely to be payable by way of royalty or share to the Government under the lease, or
 - (b) when the lease has been granted by any other person, at twenty thousand rupees a year;
- and the whole amount of such royalty or share, whatever it may be, shall be claimable under such lease:

Provided also that, where, proceedings have been taken in respect of an instrument under Section 31 or 41, the amount certified by the Collector shall be deemed to be the stamp actually used at the date of execution.

27. Facts affecting duty to be set forth in instrument

- (1) The consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein.
- (2) In the case of instrument relating to immovable property chargeable with an ad valorem duty on the value of the property and not on the value set forth, the instrument shall fully and truly set forth the annual land revenue in the case of revenue paying land, the annual rental or gross assets, if any, in the case of other immovable property, the local rates, municipal or other taxes, if any, to which such property may be subject, and any other particulars, which may be prescribed by rules made under this Act.

28. Direction as to duty in case of certain conveyances

- (1) When any property has been contracted to be sold for one consideration for the whole, and is conveyed to the purchaser in separate parts by different instruments, the consideration shall be apportioned in such manner as the parties think fit, provided that a distinct consideration for each separate part is set forth in the conveyance relating thereto, and such conveyance shall be chargeable with ad valorem duty in respect of such distinct consideration.
- (2) Where property contracted to be purchased for one consideration for the whole, by two or more persons jointly, or by any person for himself and others, or wholly for others, is conveyed in parts by separate instruments to the persons by or for whom the same was purchased, for distinct parts of the consideration, the conveyance of each separate part shall be chargeable with *ad valorem* duty in respect of the distinct part of the consideration therein specified
- (3) Where a person, having contracted for the purchase of any property but not having, obtained a conveyance thereof, contracts to sell the same to any other person and the property is in

consequence conveyed immediately to the sub-purchaser, the conveyance shall be chargeable with *ad valorem* duty in respect of the consideration for the sale by the original purchaser to the sub-purchaser.

- (4) Where a person, having contracted for the purchase of any property but not having obtained a conveyance thereof, contracts to sell the whole, or any part thereof, to any other person or persons and the property is in consequence conveyed by the original seller to different persons in parts, the conveyance of each part sold to a sub-purchaser shall be chargeable with *ad valorem* duty in respect only of the consideration paid by such sub-purchaser, without regard to the amount or value of the original consideration, and the conveyance of the residue (if any) of such property to the original purchaser shall be chargeable with *ad valorem* duty in respect only of the excess of the original consideration over the aggregate of the considerations paid by the sub-purchasers:

Provided that the duty on such last-mentioned conveyance shall in no case be less than one rupee.

- (5) Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him, which is chargeable with *ad valorem* duty in respect of the consideration paid by him and is duly stamped accordingly, any conveyance to be afterwards made to him of the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the consideration obtained by such original seller, or, where such duty would exceed five rupees, with a duty of five rupees.

E- Duty by whom payable

29. Duties by whom payable -

In the absence of an agreement to the contrary, the expense of providing the proper stamp shall be borne –

- (a) In the case of any instrument described in any of the following Articles of Schedule I, I-A, I-B as the case may be, namely: -

No. 2.	(Administration bond),
No. 6.	(Agreement relating to Deposit of title deeds, pawn or pledge),
No. 13.	(Bill of Exchange),
No. 15.	(Bonds),
No. 16.	(Bottomry Bond),
No. 26.	(Customs Bond),
No. 27.	(Debenture),
No. 32.	(Further Charge),
No. 34.	(Indemnity-bond),
No. 40.	(Mortgage-deed),
No. 43.	(Note or Memorandum) Inserted by U.P. Act No. 38 of 2001 (w.e.f 20.5.02)

- No. 49. (Promissory-note),
No. 55. (Release),
No. 56. (Respondentia Bond),
No. 57. (Security Bond or Mortgage-deed).
No. 58. (Settlement).
No. 62(a). (Transfer of shares in an incorporated company or other body corporate),
No. 62. (b). (Transfer of debentures, being marketable securities, whether the debenture is liable to duty or not, except debentures provided for by Section 8),
No. 62. (c). (Transfer of any interest secured by a bond, mortgage-deed or policy of insurance),

by the person drawing, making or executing such instrument;

(b) in the case of a policy of insurance other than fire-insurance-by the person effecting the insurance;

(bb) in the case of a policy of fire-insurance by the person issuing policy;

(c) in the case of a conveyance (including a reconveyance of mortgaged property) - by the grantee in the case of a lease or agreement to lease-by the lessee or intended lessee;

(d) in the case of a counterpart of a lease-by the lessor;

(e) in the case of an instrument of exchange by the parties in equal shares;

(f) in the case of a certificate of sale-by the purchaser of the property to which such certificate relates; and

(ff) in the case of an instrument of Gift, by the donee; Inserted by U.P. Act No. 22 of 2001 (w.e.f 20/5/2002)

(g) In the case of an instrument of partition – by the parties thereto in proportion to their respective shares in the whole property partitioned, or, when the partition is made in execution of an order passed by a Revenue Authority or Civil Court or arbitrator, in such proportion as such authority, Court or arbitrator directs.

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.

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 as may be fixed by the State Government by notification in the official Gazette), 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:

Provided that-

- (a) No evidence furnished in pursuance of this section shall be used against any person in any civil proceedings, except in an enquiry as to the duty with which the instrument to which it relates is chargeable; and
- (b) Every person by whom any such evidence is furnished, shall, on payment of the full duty with which the instrument to which it relates, is chargeable, be relieved from any penalty which he may have incurred under this Act by reason of the omission to state truly in such instrument any of the facts or circumstances aforesaid.

32. Certificate by Collector

- (1) When an instrument brought to the Collector under Section 31 is, in his opinion, one of a description chargeable with duty, and-
 - (a) the Collector determines that it is already fully stamped, or
 - (b) the duty determined by the Collector under Section 31, or such a sum as, with the duty already paid in respect of the instrument, is equal to the duty so determined, has been paid the Collector shall certify by endorsement on such instrument that the full duty (stating the amount) with which it is chargeable has been paid.
- (2) When such instrument is, in his opinion, not chargeable with duty, the Collector shall certify in manner aforesaid that such instrument is not to so chargeable.
- (3) Any instrument upon which an endorsement has been made under this section, shall be deemed to be duly stamped or not chargeable with duty, as the case may be: and, if

chargeable with duty, shall be receivable in evidence or otherwise, and may be acted upon and registered as if it had been originally duly stamped:

Provided that nothing in this section shall authorise the Collector to endorse-

- (a) any instrument, other than an instrument chargeable with a duty under Clause (bb) of the first proviso to Section 3, executed or first executed in India and brought to him after the expiration of one month from the date of its execution or first execution, as the case may be;
- (b) any instrument executed or first executed out of India and brought to him after the expiration of three months after it has been first received in India;
- (c) any instrument chargeable with the duty not exceeding twenty paise, or any bill of exchange or promissory note, when brought to him, after the drawing or execution thereof, on paper not duly stamped. or,
- (d) any instrument chargeable with duty under Clause(bb) of the first proviso to Section 3, and brought to him, after the expiration of three months from the date on which it is first received in Uttar Pradesh.

CHAPTER IV

INSTRUMENT NOT DULY STAMPED

33. Examination and impounding of instruments

- (1) Every person having by law or consent of parties authority to receive evidence, and every person incharge of a public office, except an officer of police, before whom any instrument chargeable, in his opinion, with duty, is produced or comes in the performance of his duties, shall, if it appears to him that such instrument is not duly stamped, impound the same.
- (2) For that purpose every such person shall examine every instrument so chargeable and so produced or coming before him, in order to ascertain whether it is stamped with a stamp of the value and description required by the law in force in India when such instrument was executed or first executed:

Provided that-

- a) Nothing herein contained shall be deemed to require any Magistrate or Judge of a Criminal Court to examine or impound, if he does not think fit so to do, any instrument coming before him in the course of any proceeding other than a proceeding under Sections 125 to 128 and Sections 145 to 148 of the Code of Criminal Procedure, 1973;
- b) In the case of a Judge of a High Court, the duty of examining and impounding any instrument under this section may be delegated to such officer as the Court appoints in this behalf.

- (3) For the purposes of this section the State Government may, in cases of doubt, determine what offices shall be deemed to be public offices and who shall be deemed to be persons in charge of public offices.
- (4) Where deficiency in stamp duty paid is noticed from the copy of any instrument, the Collector may *suo motu*, or on a reference from any court, or from the Commissioner of Stamps, or an Additional Commissioner of Stamps, or a Deputy Commissioner of Stamp or an Assistant Commissioner of Stamps, or any officer authorised by the Board of Revenue in that behalf, call for the original instrument doe the purpose of satisfying himself as to the adequacy of the duty paid thereon, and the instrument so produced before the Collector shall be deemed to have been produced, or come before him, in the performance of his functions.
- (5) In case the instrument is not produced within the period specified by the Collector, he may require payment of deficit stamp duty, if any, together with penalty under Section 40 on the copy of the instrument:

Provided that no action under sub-section (4) or sub-section (5) may be taken after a period of four years from the date of execution of the instrument:

Provided further that with a prior permission of the State Government an action under sub-section (4) or sub-section (5) may be taken after a period of four years but before a period of eight years from the date of execution of the instrument.

34. Special provision as to unstamped receipts

Where any receipt chargeable with a duty not exceeding ten paise is tendered to, or produced before any officer unstamped in the course of the audit of any public account, such officer may, in his discretion instead of impounding the instrument, require a duly stamped receipt to be substituted therefor.

35. Instruments not duly stamped inadmissible in evidence, etc

No instrument chargeable with duty shall be admitted in evidence for any purpose by any person, having by law, or consent of parties authority to receive evidence, or shall be acted upon, registered or authenticated by any such person or by any public officer, unless such instrument is duly stamped:

Provided that-

- (a) any such instrument, not being a receipt, or a bill of exchange, or promissory note shall, subject to all just exceptions, be admitted in evidence on payment of the duty with which the same is chargeable or, in the case of an instrument insufficiently stamped, of the amount required to make up such duty, together with a penalty of [a sum equal to ten times the amount of the proper duty or deficient portion thereof.]
- (b) where any person from whom a stamped receipt could have been demanded, has given an unstamped receipt and such receipt, if stamped, would be admissible in evidence against him, then such receipt shall be admitted in evidence against him, then such receipt shall be

admitted in evidence against him on payment of a penalty of one rupee by the person tendering it.

- (c) where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any one of the letters bears the proper stamp, the contract or agreement shall be deemed to be duly stamped; -
- (d) nothing herein contained shall prevent the admission of any instrument in evidence in any proceeding in a Criminal Court, other than a proceeding under Sections 125 to 128 and Sections 145 to 148 of the Code of Criminal Procedure, 1973;
- (e) nothing herein contained shall prevent the admission of any instrument in any Court when such instrument has been executed by, or on behalf of the Government or where it bears the certificate of the Collector as provided by Section 32 or any other provision of this Act.

36. Admission of instrument where not to be questioned

Where an instrument has been admitted in evidence, such admission shall not, except as provided in Section 61, be called in question at any stage of the same suit or proceeding on the ground that the instrument has not been duly stamped.

37. Admission of improperly stamped instruments

The State Government may make rules providing that, where an instrument bears a stamp of sufficient amount but of improper description, it may, on payment of the duty with which the same is chargeable be certified to be duly stamped, and any instrument so certified shall then be deemed to have been duly stamped as from the date of its execution.

38. Instruments impounded how dealt with

- (1) When the person impounding an instrument under Section 33 has by law or consent of parties authority to receive evidence and admits such instrument in evidence upon payment of a penalty as provided by Section 35 or of duty as provided by Section 37, he shall send to the Collector an authenticated copy of such instrument, together with a certificate in writing, stating the amount of duty and penalty levied in respect thereof, and shall send such amount to the Collector, or to such person as he may appoint in this behalf.
- (2) In every other case, the person so impounding an instrument shall send it in original to the Collector.

39. Omitted by U.P Act No. 22 of 1998 effective 1-9-1998.

40. Collector's power to stamp instruments impounded

- (1) When the Collector impounds any instrument under Section 33, or receives any instrument sent to him under Section 38; sub-section (2), not being a receipt or a bill of exchange or promissory note, he shall adopt the following procedure: -

- (a) If he is of opinion that such instrument is duly stamped, or is not chargeable with duty, he shall certify by endorsement thereon that it is duly stamped, or that it is not so chargeable, as the case may be;
- (b) If he is of opinion that such instrument is chargeable with duty and is not duly stamped, he shall require the payment of the proper duty or the amount required to make up the deficiency, together with a penalty of an amount not exceeding ten times the amount of the proper duty or of the deficient portion thereof] :

Provided that, when such instrument has been impounded only because it has been written in contravention of Section 13 or Section 14; the Collector may, if he thinks fit, remit the whole penalty prescribed by this section:

Provided further that no penalty shall be levied unless the party concerned has been given a reasonable opportunity of being heard.]

(1-A) The collector shall also require, along with the amount of deficit stamp duty or penalty required to be paid under clause (b) of sub-section (1), the payment of a simple interest at the rate of one and half percent per mensem on the amount of deficit stamp duty calculated from the date of execution of the instrument till the date of actual payment.

Provided that the amount of interest under this sub-section shall be recalculated if the amount of deficit stamp duty is varied on appeal of revision or by any order of a competent court or authority.

(1-B) The amount of interest payable under sec-section (1-A) shall be added to the amount due and be also deemed for all purposes to be part of the amount required to be paid.

(1-C) Where realisation of the deficit stamp duty remained stayed by any order of any Court or authority and such order of stay is subsequently vacated, the interest referred to in sub-section (1-A) shall be payable also for any period during which such order of stay remained in operation.

(1-D) Any amount paid or deposited by, or recovered from or refundable to any person under the provisions of this Act, shall first be adjusted towards the deficit stamp duty or penalty outstanding against him and the excess, if any, shall then be adjusted towards the interest, if any due from him.

- (2) Every certificate under clause (a) of sub-section (1) shall, for the purposes of this Act, be conclusive evidence of the matters stated therein.
- (3) Where an instrument has been sent to the Collector under Section 38, subsection (2), the Collector shall, when he has dealt with it as provided by the section return it to the impounding officer.

41. Instruments unduly stamped by accident

If any instrument chargeable with duty and not duly stamped, not being an instrument chargeable with duty not exceeding twenty paise only or a bill of exchange or promissory note, is produced by any person of his own motion before the Collector within one year from the date of its execution or first execution, and such person brings to the notice of the Collector the fact that such instrument is not duly stamped and offers to pay the Collector the amount of the proper duty, or the amount required to make up the same, and the Collector is satisfied that the omission to duly stamp such instrument has been occasioned by accident, mistake or urgent necessity, he may, instead of proceeding under Sections 33 and 40, receive such amount and proceed as next hereinafter prescribed.

42. Endorsement of instruments in which duty has been paid under Sections 35, 40, 41 or 47-A

- (1) When the duty and penalty (if any), leviable in respect of any instrument have been paid under Section 35, Section 40, Section 41 or Section 47-A the person admitting such instrument in evidence or the Collector, as the case may be, shall certify by endorsement thereon that the proper duty or, as the case may be, the proper duty and penalty (stating the amount of each) have been levied in respect thereof, and the name and residence of the person paying them.
- (2) Every instrument so endorsed shall thereupon be admissible in evidence, and may be registered and acted upon and authenticated as if it had been duly stamped, and shall be delivered on his application in this behalf to the person from whose possession it came into the hands of the officer impounding it, or as such person may direct:

Provided that-

- (a) No instrument which has been admitted in evidence upon payment of duty and a penalty under Section 35, shall be so delivered before the expiration of one month from the date of such impounding, or if the Collector has certified that its further detention is necessary and has not cancelled such certificate;
- (b) Nothing in this section shall affect of Code of Civil Procedure (XIV of 1882) Section 144 clause 3.

43. Prosecution for offence against stamp law

The taking of proceedings or the payment of a penalty under this Chapter in respect of any instrument shall not bar the prosecution of any person who appears to have committed an offence against the stamp-law in respect of such instrument:

Provided that no such prosecution shall be instituted in the case of any instrument in respect of which such a penalty has been paid, unless it appears to the Collector that the offence was committed with an intention of evading payment of the proper duty.

44. Persons paying duty or penalty may recover same in certain cases

- (1) When any duty or penalty has been paid under Section 35, Section 37, Section 40 or Section 41, by any person in respect of an instrument, and, by agreement or under the provisions of Section 29 or any other enactment in force at the time such instrument was executed, some other person was bound to bear the expense of providing the proper stamp for such instrument, the first-mentioned person shall be entitled to recover from such other person the amount of the duty or penalty so paid.
- (2) For the purpose of such recovery any certificate granted in respect of such instrument under this Act shall be conclusive evidence of the matters therein certified.
- (3) Such amount may, if the Court thinks fit, be included in any order as to costs in any suit or proceeding to which such persons are parties and in which such instrument has been tendered in evidence. If the Court does not include the amount in such order no further proceedings for the recovery of the amount shall be maintainable.

45. Power to revenue authority to refund penalty or excess duty in certain cases

- (1) Where any penalty is paid under Section 35 or Section 40, the Chief Controlling Revenue Authority may, upon application in writing made within one year from the date of the payment, refund such penalty wholly or in part.
- (2) Where, in the opinion of the Chief Controlling Revenue authority, stamp duty in excess of that which is legally chargeable has been charged and paid under Section 35 or Section 40, such authority may, upon application in writing made within three months of the order charging the same, refund the excess.

46. Non-liability for loss of instruments sent under Section 38

- (1) If any instrument sent to the Collector under Section 38, subsection (2) is lost, destroyed or damaged during transmission, the person sending the same shall not be liable for such loss destruction or damage.
- (2) When any instrument is about to be so sent, the person from whose possession it came into the hands of the person impounding the same, may require a copy thereof to be made at the expense of such first-mentioned person and authenticated by the person impounding such instrument.

47. Power of payer to stamp bills and promissory notes received by him unstamped

When any bill of exchange or promissory note chargeable with the duty not exceeding ten paise is presented for payment unstamped, the person to whom it is so presented, may affix thereto the necessary adhesive stamp, and, upon cancelling the same in manner hereinbefore provided, may pay the sum payable upon such bill or note, one may charge the duty against the person who ought to have

paid the same, or deduct it from the sum payable as aforesaid, and such bill or note shall, so far as respects the duty, be deemed good and valid:

Provided that nothing herein contained shall relieve any person from any penalty or proceeding to which he may be liable in relation to such bill or note.

47-A. Under-Valuation of the instrument

- (1) (a) If the market value of any property which is subject of any instrument, on which duty is chargeable on the market value of the property as set forth in such instrument is less than even the minimum value determined in accordance with the rules made under this Act, the registering officer appointed under the Registration Act, 1908, shall, notwithstanding anything contained in the said Act, immediately after presentation of such instrument, and before accepting it for registration and taking any action under Section 52, of the said Act, require the person liable to pay stamp duty under Section 29, to pay the deficit stamp duty as computed on the basis of the minimum value determined in accordance with the said rules and return the instrument for presenting again in its accordance with Section 23 of the Registration Act, 1908.
 - (b) When the deficit stamp duty required to be paid under clause (a), is paid in respect of any instrument and the instrument is presented again for registration, the registering officer shall certify by endorsement thereon, that the deficit stamp duty has been paid in respect thereof and the name and the residence of the person paying them and register the same.
 - (c) Notwithstanding anything contained in any other provisions of this Act, the deficit stamp duty may be paid under clause (a) in the form of impressed stamps containing such declaration as may be prescribed.
 - (d) If any person does not make the payment of deficit stamp duty after receiving the order referred to in clause (a) and presents the instrument again for registration, the registering officer shall, before registering the instrument refer the same to the Collector for determination of market value of the property and the proper duty payable thereon.
- (2) On receipt of reference under sub-section (1), the Collector shall, after giving the parties a reasonable opportunity of being heard, and after holding an inquiry in such manner as may be prescribed by rules made under this Act, determine the market value of the property which is the subject of such instrument, and the proper duty payable thereon.
- (3) The Collector may, *suo motu*, or on a reference from any Court or from the Commissioner of Stamps or an Additional Commissioner of Stamps or a Deputy Commissioner of Stamps or an Assistant Commissioner of Stamps or any officer authorised by the State Government on that behalf, within four years from the date of registration of that instrument on which duty is chargeable on the market value of the property not already referred to him under Sub-Section

(1), call and examine the instrument for the purpose of satisfying himself as to the correctness of the market value of the property, which is the subject of such instrument and the duty payable thereon, and if after such examination he has reason to believe that the market value of such property has not been truly set forth in such instrument, he may determine the market value of such property and the duty payable thereon:

Provided that with the prior permission of the State Government an action under this sub-section may be taken after a period of four years but before a period of eight years from the date of registration of the instrument on which duty is chargeable on the market value of the property.

Explanation – The payment of the deficit stamp duty by any person under any order of the registering officer under sub-section(1) shall not prevent the Collector from initiating proceedings on any instrument under sub-section(3).

(4) If on enquiry under sub-section(2) and examination under sub-section(3), the Collector finds the market value of the property –

- i. truly set forth and instrument duly stamped, he shall certify the endorsement that it is duly stamped and return it to the person who made the reference:
- ii. not truly set forth and instrument not duly stamped, he shall require the payment of proper duty or the amount required to make up the deficiency in the same, together with a penalty of the amount not exceeding four times the amount of the proper duty or the deficient portion thereof.

(4-A) The Collector shall also require along with the deficit stamp duty or penalty required to be paid under clause(ii) of Sub-Section(4), the payment of a simple interest at the rate of one and half percent per mensem on the amount of deficit stamp duty calculated from the date of execution of the instrument till the date of actual payment.

Provided that the amount of interest under this sub-section shall be recalculated if the amount of deficit stamp duty is varied on appeal or revision or any order of a competent court or authority.

(4-B) The amount of interest payable under sub-section (4-A) shall be added to the amount due and be also deemed for all purposes to be part of the amount required to be paid.

(4-C) Where realisation of the deficit stamp duty remained stayed by any order of any court of authority and such order of stay is subsequently vacated, the interest referred to in sub-section (4-A) shall be payable also for any period during which such order of stay remained in operation.

(4-D) Any amount paid or deposited by or recovered from, or refundable to, a person under the provision of this Act, shall first be adjusted towards the deficit stamp duty or penalty outstanding against him and the excess if any, shall then be adjusted towards the interest, if any due from him.

(5) The instrument produced before the collector under sub-Section(2) or under sub-Section(3) shall be deemed to have come before him in the performance of his functions.

(6) In case the instrument is not produced within the period specified by the Collector, he may require payment of deficit stamp duty, if any, together with penalty on the copy of the instrument in accordance with the procedure laid down in sub-section(2) and (4).

48.Recovery of duties and penalties

All duties, penalties, and other sums required to be paid under this Act may be recovered by the Collector by distress and sale of the movable property of the person from whom the same are due, or by any other process for the time being in force for the recovery of arrears of land-revenue.

48-A Validity of certificate or endorsement in respect of instruments for which higher rate of duty is payable in Uttar Pradesh

Notwithstanding anything contained in this Act, no certificate of endorsement under this Act in respect of an instrument chargeable in Uttar Pradesh with a higher rate of duty in accordance with the Act, as amended in its application to Uttar Pradesh, shall be received in evidence, or be in any way valid in respect of payment of duty on such instrument, unless the duty chargeable at the rates provided in this Act, as amended in its application to Uttar Pradesh has been paid on such instrument.

CHAPTER 5

ALLOWANCE FOR STAMPS IN CERTAIN CASES

49. Allowance for spoiled stamps

Subject to such rules as may be made by the State Government as to the evidence to be required, or the enquiry to be made, the Collector may, on application made within the period prescribed in Section 50, and if he is satisfied as to the facts, make allowance for impressed stamps spoiled in the cases herein after mentioned, namely: -

- a) the stamp on any paper inadvertently and undersignedly spoiled, obliterated or by error in writing or any other means rendered unfit for the purpose intended before any instrument written thereon is executed by any person;
- b) the stamp on any document, which is written out wholly or in part, but which is not signed or executed by any party thereto;
- c) In the case of bills of exchange payable otherwise than on demand or promissory notes-

- (1) The stamp on any such bill of exchange signed by or on behalf of the drawer which has not been accepted or made use of in any manner, whatever, or delivered out of his hands for any purpose other than by way of tender for acceptance:

Provided that the paper on which any such stamp is impressed, does not bear any signature intended as or for the acceptance of any bill of exchange to be afterwards written thereon;

- (2) the stamp on any promissory note signed by or on behalf of the maker which has not been made use of in any manner whatever or delivered out of his hands;
- (3) the stamp used or intended to be used for any such bill of exchange or promissory note signed by, or on behalf of the drawer thereof; but which from any omission or error has been spoiled or rendered useless, although the same, being a bill of exchange may have been presented for acceptance or accepted or endorsed, or, being a promissory note, may have been delivered to the payee:

Provided that another completed and duly stamped bill of exchange or promissory note is produced identical in every particular, except in the correction of such omission or error as aforesaid, with the spoiled bill or note;

d) the stamp used for an instrument executed by any party thereto which-

- (1) has been afterwards found to be absolutely void in law from the beginning;
- (2) has been afterwards found unfit, by reason of any error or mistake therein, for the purpose originally intended;
- (3) by reason of the death of any person by whom it is necessary that it should be executed, without having executed the same, or of the refusal of any such person to execute the same cannot be completed so as to effect the intended transaction in the form proposed;
- (4) for want of the execution thereof by some material party, and his inability or refusal to sign the same, is in fact incomplete and insufficient for the purpose for which it was intended;
- (5) by reason of the refusal of any person to act under the same, or to advance any money intended to be thereby secured, or by the refusal or non-acceptance of any office thereby granted, totally fails of the intended purpose;
- (6) becomes useless in consequence of the transaction intended to be thereby effected has been effected by some other instrument between the same parties and bearing a stamp of not less value;
- (7) is deficient in value and the transaction intended to be thereby effected has been effected by some other instrument between the same parties and bearing a stamp of not less value;
- (8) is inadvertently and undersignedly spoiled, and in lieu whereof, another instrument made between the same parties and for the same purpose is executed and duly stamped:

Provided that, in the case of an executed instrument, no legal proceeding has been commenced in which the instrument could or would have been given or offered in evidence and that the instrument is given up to be cancelled.

Explanation. -The certificate of the Collector under Section 32 that the full duty with which an instrument is chargeable has been paid is an impressed stamp within the meaning of this section.

50. Application for relief under section 49 when to be made –

The application for relief under Section 49 shall be made within the following periods, that is to say. -

- (1) In the cases mentioned in clause (5) (d),- within two months of the date of the instrument;
- (2) In the case of a stamped paper on which no instrument has been executed by any of the parties thereto, - within six months after the stamp has been spoiled;
- (3) In the case of a stamped paper in which an instrument has been executed by any of the parties thereto, - within six months after the date of the instrument, or, if it is not dated, within - six months after the execution thereof by the person by whom it was first or alone executed;

Provided that, -

- a) When the spoiled instrument has been for sufficient reasons sent out of India, the application may be made within six months after it has been received back in India,
- b) When, from unavoidable circumstances, any instrument for which another instrument has been substituted, cannot be given up to be cancelled within the aforesaid period, the application may be made within six-months after the date of execution of the substituted instrument.

51. Allowance in case of printed forms no longer required by corporations

The Chief Controlling Revenue Authority, or the Collector, if empowered by the Chief Controlling Revenue authority, in this behalf may, without limit of time, make allowance for stamped papers used for printed forms of instruments, by any banker or by any incorporated company or other body corporate, if for any sufficient reason such forms have ceased to be required by the said banker, company or body corporate: provided that such authority is satisfied that the duty in respect of such stamped paper has been duly paid.

52. Allowance for misused stamps

- (a) When any person has inadvertently used for an instrument chargeable with duty, a stamp of a description other than that prescribed for such instrument by the rules made under this Act, or a stamp of greater value than was necessary, or has inadvertently used any stamp for an instrument not chargeable with any duty; or

(b) When any stamp used for all instrument has been inadvertently rendered useless under Section 15, owing to such instrument having been written in contravention of the provisions of Section 13.

the Collector may, on application made within six months after the date of the instrument, or, if it is not dated, within six months after the execution thereof by the person by whom it was first or alone executed, and upon the instrument, if chargeable with duty, being re-stamped with the proper duty, cancel and allow as spoiled the stamp so misused or rendered useless.

53. Allowance for spoiled or misused stamps - How to be made -

In any case in which allowance is made for spoiled or misused stamps, the Collector may give in lieu thereof-

- (a) Other stamps of the same description and value; or
- (b) If required and he thinks fit, stamps of any other description to the same amount in value; or
- (c) At his discretion, the same value in money, deducting ¹[ten naye paise] for each rupee or fraction of a rupee.

54. Allowance for stamps not required for use -

When any person is possessed of a stamp or stamps which have not been spoiled or rendered unfit or useless for the purpose intended, but for which he has no immediate use, the Collector shall repay to such person the value of such stamp or stamps in money, deducting ten paise for each rupee or portion of a rupee, upon such person delivering up the same to be cancelled, and proving to the Collector's satisfaction-

- (a) That such stamp or stamps were purchased by such person with a bona fide intention to use them; and
- (b) That he has paid the full price thereof, and
- (c) That they were so purchased within the period of six months next preceding the date on which they were so delivered:

Provided that, where the person is a licensed vendor of stamps, the Collector may, if he thinks fit, make the repayment of the sum actually paid by the vendor without any such deduction as aforesaid.

54-A Allowances for stamps in denominations of annas

Notwithstanding anything contained in Section 54, when any person is possessed of a stamp or stamps in any denominations, other than in denominations of annas four or multiples thereof and such stamp or stamps has or have not been spoiled, the Collector shall repay to such person the value of such stamp or stamps in money calculated in accordance with the provisions of sub-section (2) of Section 14 of the India Coinage Act, 1906, upon such person delivering up, within six months from the commencement of the Indian Stamp (Amendment) Act, 1958, such stamp or stamps to the Collector.

54-B Allowances for Refugee Relief Stamps

Notwithstanding anything contained in Section 51, when any person is possessed of stamps bearing the inscription "Refugee Relief" (being stamps issued in pursuance of Section 3A before its omission) and such stamps have not been spoiled, the Collector shall, upon such person delivering up, within six months from the commencement of the Refugee Relief Taxes (Abolition) Act, 1973, such stamps to the Collector, refund to such person the value of such stamps in money or give in lieu thereof other stamps of the same value:

Provided that the State Government may, with a view to facilitating expeditious disposal of claims for such refunds, specify, in such manner as it deems fit, any other procedure which may also be followed for claiming such refunds.

55.Allowance on renewal of certain debentures

When any duly stamped debenture is renewed by the issue of a new debenture on the same terms, the Collector shall, upon application made within one month, repay to the person issuing such debenture, the value of the stamp on the original or on the new debenture, whichever shall be less:

Provided that the original debenture is produced before the Collector and cancelled by him in such manner as the State Government may direct.

Explanations. - A debenture shall be deemed to be renewed in the same terms within the meaning of this section notwithstanding the following charges: -

- (a) The issue of two or more debentures in place of one original debenture, the total amount secured being the same;
- (b) The issue of one debenture in place of two or more original debentures, the total amount secured being the same;
- (c) In the substitution of the name of the holder at the time of renewal for the name of the original holder; and
- (d) the alteration of the rate of interest or the dates of payment thereof.

CHAPTER VI

REFERENCE AND REVISION

56.Control of, and statement of case to Chief Controlling Revenue Authority -

- (1) The powers exercisable by a Collector under Chapter IV and Chapter V and under clause (a) of the first proviso to Section 26 shall in all cases be subject to the control of the Chief Controlling Revenue Authority.

(1-A) Notwithstanding anything contained in any other provisions of this Act, any person including the Government aggrieved by an order of the collector under Chapter IV, Chapter V or under clause (a) of the first proviso to section 26 may, within sixty days from the date of receipt of such order, prefer an appeal against such order to the Chief Controlling Revenue Authority, who shall, after giving the parties a reasonable opportunity of being heard consider the case and pass such order thereon as he thinks just and proper and the order so passed shall be final.

Provided that no application for stay of recovery of any disputed amount of stamp duty including interest thereon or penalty shall be entertained unless the applicant has furnished satisfactory proof of the payment of not less than one third of such disputed amount.

Provided further that where the Chief Controlling Revenue Authority passes an order for the stay of recovery of any stamp duty, interest thereon or penalty, or for the stay of the operation of any order appealed against, and such order results in the stay of recovery of any stamp duty, interest thereon, or penalty, such stay order shall not remain in force for more than thirty days unless the appellant furnishes adequate security to the satisfaction of the Collector concerned for the payment of the outstanding amount.

- (2) If any Collector, acting under Section 31, Section 40 or Section 41, feels doubt as to the amount of duty with which any instrument is chargeable, he may draw up a Statement of the case, and refer it, with his own opinion thereon, for the decision of the Chief Controlling Revenue Authority.
- (3) Such authority shall consider the case and a copy of its decision to the Collector who shall proceed to assess and charge the duty (if any) in conformity with such decision.

57. Statement of case by Chief Controlling Revenue Authority to High Court

- (1) The Chief Controlling Revenue Authority may state any case referred to it under Section 56, subsection (2), or otherwise coming to its notice, and refer such case, with its own opinion thereon,-
 - (a) If it arises in a State, - to the High Court for that State;
 - (b) If it arises in the Union territory of Delhi - to the High Court of Delhi;
 - (c) If it arises in the Union territory of Arunachal Pradesh or Mizoram - to the Guwahati High Court (the High Court of Assam, Nagaland, Meghalaya, Manipur and Tripura),
 - (d) If it arises in the Union territory of the Andaman and Nicobar Islands - to the High Court at Calcutta; and
 - (e) If it arises in the Union territory of the Lakshadweep, - to the High Court of Kerala;
 - (ee) If it arises in the Union territory of Chandigarh, - to the High Court of Punjab and

Haryana

- (f) If it arises in the Union territory of Dadra and Nagar Haveli, - to the High Court of Bombay
- (2) Every such case shall be decided by not less than three Judges of the High Court to which it is referred, and in case of difference the opinion of the majority shall prevail.

58. Power of High Court to call for further particulars as to case stated

If the High Court is not satisfied that the statements contained in the case are sufficient to enable it to determine the questions raised thereby, the Court may refer the case back to the Revenue Authority by which it was stated, to make such additions thereto or alterations therein as the Court may direct in that behalf.

59. Procedure in disposing of case stated

- (1) The High Court, upon the hearing of any such case shall decide the questions raised thereby, and shall deliver its judgment thereon containing the ground on which such decision is founded.
- (2) The Court shall send to the Revenue Authority by which the case was stated, a copy of such judgment under the seal of the Court and the signature of the Registrar; and the Revenue Authority shall, on receiving such copy, dispose of the case conformably to such judgment.

60. Statement of case by other Courts to High Court

- (1) If any Court, other than a Court mentioned in Section 57, feels doubt as to the amount of duty to be paid in respect of any instrument under proviso (a) to Section 35, the Judge may draw up a statement of the case and refer it, with his own opinion thereon, for the decision of the High Court to which, if he were the Chief Controlling Revenue Authority, he would, under Section 57, refer the same.
- (2) Such Court shall deal with the case as if it had been referred under Section 57, and send a copy of its judgment under the seal of the Court and the signature of the Registrar to the Chief Controlling Revenue Authority and another like copy to the Judge making the reference, who shall, on receiving such copy, dispose of the case conformably to such judgment.
- (3) References made under sub-section (1), when made by a Court subordinate to a District Court, shall be made through the District Court, and, when made by any subordinate Revenue Court, shall be made through the Court immediately Superior.

61. Revision of certain decisions of Courts regarding the sufficiency of stamps

- (1) When any Court in the exercise of its civil or revenue jurisdiction or any Criminal Court in any proceeding under Section 125 to 128 and Section 145 to 148 of the Code of Criminal Procedure, 1973, makes any order admitting any instrument in evidence as duly stamped or as not requiring a stamp, or upon payment of duty and a penalty under Section 35, the Court to which appeals lie from, or references are made by, such first-mentioned Court may, of its own motion or on the application of the Collector, take such order into consideration.
- (2) If such Court, after such consideration, is of opinion that such instrument should not have been admitted in evidence without the payment of duty and penalty under Section 35, or without the payment of a higher duty and penalty than those paid, it may record a declaration to that effect, and determine the amount of duty with which such instrument is chargeable, and may require any person in whose possession or power such instrument then is, to produce the same, and may impound the same when produced.
- (3) When any declaration has been recorded under subsection (2), the Court recording the same shall send a copy thereof to the Collector, and, where the instrument to which it relates has been impounded or is otherwise in the possession of such Court, shall also send him such instrument.
- (4) The Collector may thereupon, notwithstanding anything contained in the order admitting such instrument in evidence, or in any certificate granted under Section 42 or in Section 43, prosecute any person for any offence against the Stamp-law, which the collector considers him to have committed in respect of such instrument:

Provided that-

- (a) no such prosecution shall be instituted where the amount (including duty and penalty) which, according to the determination of such Court, was payable in respect of the instrument under Section 35, is paid to the Collector, unless he thinks that the offence was committed with all intention of evading payment of the proper duty;
- (b) except for the purposes of such prosecution, no declaration made under this section shall affect the validity of any order admitting any instrument in evidence, or of any certificate granted under Section 42.

CHAPTER VII

CRIMINAL OFFENCES AND PROCEDURE

62. Penalty for executing, etc., instrument not duly stamped -

(1) Any person. -

- (a) Drawing, making, issuing, endorsing or transferring, or signing otherwise than as a witness, or presenting for acceptance or payment, accepting, paying or receiving payment of or in any manner negotiating, any bill of exchange payable otherwise than on demand or promissory note without the same being duly stamped; or
- (b) Executing or signing otherwise than as a witness any other instrument chargeable with duty without the same being, duly stamped; or
- (c) Voting or attempting to vote under any proxy not duly stamped,

shall for every such offence be punishable with imprisonment for a term which shall not be less than one month but which may extend to six months and with fine which may extend to five thousand 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.

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 imprisonment for a term which may extend to three months or with fine, which may extend to ten thousand rupees, or both.

64-A: Omitted

64-B: Recovery of amount of deficit stamp duty

- (1) Where any person liable to pay duty under this Act, is convicted of an offence under Section 62, or Section 64, in respect of any instrument [Not being an instrument specified in Entry 91 of List I in the Seventh Schedule to the constitution), the Magistrate shall, in addition to any punishment which may be imposed for such offence, direct recovery of the amount of duty and penalty, if any, due under this Act from such person in respect of that that instrument, and such amount shall also be recoverable as if it were a fine imposed by the Magistrate.
- (2) Upon such recovery, the Collector shall thereupon certify, by endorsement on the instrument, that proper duty or penalty, as the case may be, has been levied in respect thereof.

65. Penalty for refusal to give receipt; and for devices to evade duty on receipt

Any person who, -

- (a) Being required under section 30 to give a receipt, refuses or neglects to give the same; or
- (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 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 ten paise or five 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.

70. Institution and conduct of prosecutions

- (1) No prosecution in respect of any offence punishable under this Act or any Act hereby repealed shall be instituted without the sanction of the Collector or such other officer as the State Government generally, or the Collector specially, authorizes in that behalf.
- (2) The Chief Controlling Revenue Authority, or any officer generally or specially authorized by it in this behalf, may stay any such prosecution or compound any such offence.
- (3) The amount of any such compensation shall be recoverable in the manner provided by Section 48.

71. Jurisdiction of Magistrates

No Magistrate other than a Presidency Magistrate or a Magistrate, whose powers are not less than those of a Magistrate of the second class, shall try any offence under this Act.

72. Place of trial.

Every such offence committed in respect of any instrument may be tried in any district or presidency-town in which such instrument is found, as well as in any district or presidency-town in which such offence might be tried, under the Code of Criminal Procedure for the time being in force.

CHAPTER VIII

SUPPLEMENTARY PROVISIONS

73. Books etc., to be open to inspection.

Every public officer having in his custody any registers, books, records, paper, documents or proceedings, the inspection whereof may tend to secure any duty, or prove to lead to the discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit any officer whose duty is to see that proper duty is paid, or any other person authorized in writing, by the Collector to inspect for such purpose the registers, books' papers, documents and proceedings and to take such notes and extracts as he may deem necessary, without fee or charge.

73-A Collector's power to authorise officer to enter premises and inspect certain documents

- (1) Where the collector has reason to believe that any instrument chargeable with to duty has not been charged at all, or has been incorrectly charged with duty leviable under this Act, he, or any other officer authorised by him in writing in this behalf, may enter upon any premises where the Collector has reason to believe that registers, books, records, papers, maps,

documents or proceedings relating to or in connection with any such instrument are kept and to inspect them, and to take such notes, copies and extracts as the Collector or such officers deems necessary.

- (2) Every person having in his custody, or maintaining such registers, books, records, papers, maps, documents or proceedings shall, at all reasonable times, permit such officer to inspect them and to take such notes, copies and extracts as he may deem necessary.

74. Power to make rules relating to sale of stamps

The State Government may make rules for regulating-

- (a) the supply and sale of stamps and stamped papers,
- (b) the persons by whom alone such sale is to be conducted, and
- (c) the duties and remuneration of and the fees chargeable from such persons:

Provided that such rules shall not restrict the sale of ten paise or five paise adhesive stamps.

75. Power to make rules generally to carry out Act

The State -Government may make rules to carry out generally the purposes of this Act, and may by such rules, prescribe the fines, which shall in no case exceed five hundred rupees, to be incurred on breach thereof.

76. Publication of rules

- (1) All rules made under this Act shall be published in the Official Gazette.
- (2) All rules published as required by this section shall, upon such publication, have effect as if enacted by this Act.

76-A. Delegation of certain powers

The State Government may by notification in the Official Gazette, delegate-

- a) all or any of the powers conferred on it by Sections 2 (9), 33 (3) (b), 70 (1), 74 and 78 to the Chief Controlling Revenue Authority, and
- b) all or any of the powers conferred on the Chief Controlling Revenue Authority by Sections 45(1) (2), 56(1) and 70(2) to such subordinate Revenue Authority as may be specified in the notification.

77.Savings as to Court-fee

Except the provision as to copies contained in Section 6-A, nothing in this Act contained shall be deemed to affect the duties chargeable under any enactment for the time being in force relating to court-fees.

77-A Saving as to certain stamps

All stamps in denominations of annas four or multiples thereof shall be deemed to be stamps of the value of twenty-five paise or, as the case may be, multiples thereof and shall, accordingly, be valid for all the purpose of this Act.

78. [Deleted by Act No 22 of 1998.] (w.e.f. 1.9.1998)

79.Repealed by Act No. 10 of 1914