

PUNJAB VIDHAN SABHA

BILL NO. 8-PLA-2025

THE INDIAN STAMP (PUNJAB AMENDMENT) BILL, 2025

A

BILL

further to amend the Indian Stamp Act, 1899, in its application to the State of Punjab.

BE it enacted by the Legislature of the State of Punjab in the Seventy-sixth Year of the Republic of India as follows: -

Short title and
Commencement

1. (1) This Act may be called the Indian Stamp (Punjab Amendment) Bill, 2025.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Amendment of
Schedule 1-A of
Central Act 2 of
1899

2. In the Indian Stamp Act, 1899, in its application to the State of Punjab, in Schedule 1-A, in entry 6, at the end, for the words and sign "from the date of such instrument.", the words and sign "from the date of such instrument:" shall be substituted and, thereafter, the following proviso shall be added, namely:-

"Provided that if Stamp-duty has been paid by a debtor under this entry for the purpose of a loan and thereafter the debtor switches over that loan to some other Bank or Financial Institution, he shall not be liable to pay Stamp-duty under this entry for switching over the loan in case the immovable or movable assets and the instrument which was mortgaged, hypothecated etc. under this entry, earlier, remains the same and loan amount is same or lesser than the earlier amount. However, if the loan amount is higher than the earlier amount, then the Stamp-duty shall be liable to be paid only on the additional amount."

STATEMENT OF OBJECTS AND REASONS

The Indian Stamp Act, 1899 was enacted to provide for the levy and collection of stamp duty by the State Government. The Act contains provisions to ensure the effective implementation and administration of stamp duty collection in the State.

In order to make Punjab a more industry-friendly State and facilitate processes pertaining to the levy and collection of stamp duty under Entry 6 of Schedule 1-A, it is considered expedient to streamline the relevant provisions. The proposed amendment is aimed at enhancing the ease of doing business in the State and ensuring more efficient enforcement of stamp duty regulations.

The amendment seeks to reduce the financial burden on businesses by eliminating the possibility of double payment of stamp duty in cases involving transfer of loans between banks or financial institutions. This facilitation will encourage smoother refinancing processes and improve access to credit for enterprises and industries operating within the State.

To give effect to the above objectives, it is proposed to amend the Indian Stamp Act, 1899.

HARDIP SINGH MUNDIAN
Revenue, Rehabilitation &
Disaster Management,
Minister, Punjab.

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FINANCIAL MEMORANDUM

The Bill seeks to amend Schedule 1-A of the Indian Stamp Act, 1899 to enhance the ease of doing business in the State and ensure more effective implementation of stamp duty regulations. The proposed amendment aims to reduce the financial burden on businesses by eliminating the need for double payment of stamp duty on the transfer of loans between banks or financial institutions. This will facilitate easier refinancing and improve access to credit, thereby supporting business growth and industrial development. These changes are intended to strengthen Punjab's position as a business-friendly State and encourage investment and economic expansion.

As the Bill does not propose any provision that would result in recurring or non-recurring expenditure from the Consolidated Fund of the State, its enactment will have no financial implications for the State Government.

The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

CHANDIGARH:
THE 27TH MARCH, 2025

RAM LOK KHATANA,
SECRETARY.

N.B. – The above Bill published in the Punjab Government Gazette (Extraordinary), dated the 27TH March, 2025 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).