

ATTENTION

Companies and Corporate

Payment of stamp duty is a statutory obligation on issue and allotment of shares or other and allotment of share or other

Non-payment of stamp statutory obligation on and prosecution

All Companies and Body Corporate are hereby informed that they are required to pay stamp duty on issuance, allotment and transfer of shares, debentures and/or other marketable securities, in physical or electronic mode, under the provisions of Indian Stamp Act, 1899. Payment of Stamp Duty is a statutory obligation under section 17 of the Indian Stamp Act, 1899 which mandates that all instrument (chargeable with duty) executed by any person in India shall be stamped on or before or at the time of execution. Duty on such instrument is payable by affixing stamps of requisite value on the instrument.

Under section 31 of the Indian Stamp Act, 1899, the executor may also apply to the collector of stamp (HQ) for adjudication of stamp duty payable on the instrument (under issue) to ascertain correct amount of payable stamp duty. The procedure & applicable rate for payment of stamp duty for various instruments are available at <http://revenue.delhi.gov.in>

All companies having their registered office in the National Capital Territory of Delhi and are either in the process of issuance of share/debentures certificates or having already issued share certificate but have not paid duty on instrument may contact collector of stamp (HQ) at telephone no. 23965184 for any assistance.

Consequences of Non-payment of Stamp Duty on issue of Share/Debenture Certificate

- An instrument insufficiently stamped is not admissible as evidence in any court of law.
- Non-payment of Stamp Duty can attract penalties up to 10 times of the deficient amount of Stamp Duty.
- The Collector of Stamps or any person authorized on his behalf, is competent to impound the instrument, if it appears to him that such instrument is not duly stamped.
- In case of Non-payment/Evading stamp duty, prosecution may also be initiated against the defaulting persons/companies.

Revenue Department

Govt. of NCT of Delhi