



BANKING AND FINANCE

# Summary of the Key Amendments – Gujarat Stamp (Amendment) Act, 2025

**AUTHOR** Uditi Singh  
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The Gujarat Stamp (Amendment) Act, 2025 (“**Amendment Act**”), has been notified by the Government of Gujarat on April 02, 2025.

The Act amends the Gujarat Stamp Act, 1958 (“**Principal Act**”). The enacted reforms aim to curb evasion of stamp duty, loss of revenue, alleviate ambiguity in terms of application and interpretation and reduce in citizen centric stamp duties. The Act also bestows additional responsibility/ onus on authorities/ lenders to ascertain and ensure payment of appropriate stamp duty on instruments, thereby paving way for enhanced accountability and cautious lending practices.

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## Key takeaways of the Act:

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### 1. Widening the scope of documents construed as ‘Conveyance’ u/s 2(g) of the Principal Act:

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1. The Amendment Act has categorically widened the ambit of definition of ‘Conveyance’ u/s 2(g) of the Principal Act by including the following additional instruments:

- orders by Hon’ble High Courts u/s Section 394 of the Companies Act, 1956 – order sanctioning the compromise or arrangement;
- orders by Hon’ble National Company Law Tribunals u/s Section 230-234 of the Companies Act, 2013 – order sanctioning the compromise or arrangement with creditors or members;
- orders by the Reserve Bank of India u/s Section 44A of the Banking Regulation Act, 1949 – order sanctioning amalgamation of banking companies;
- order Board for Industrial and Financial Reconstruction u/s Section 18 and 19 of the Sick Industrial Companies (Special Provisions) Act, 1985 – order sanctioning schemes;
- orders by Hon’ble National Company Law Tribunals u/s Section 31 of the Insolvency and Bankruptcy Code, 2016 – order approving resolution plan;
- orders by Ministry of Finance or under any prevailing law by any authority in its scope, in respect of amalgamation, arrangement, merger, demerger or reconstruction of companies, banks, institutes etc.; and
- agreement for take over the management or control of a company by transferring or purchasing the shares of the company (shareholder agreements including share transfer agreements and share purchase agreements)

The Amendment seeks to essentially bring orders sanctioning corporate restructuring under the ambit of ‘Conveyance’ which purports transfer of rights and liabilities, for the purposes of stamp duty, thereby enhancing revenue generated on account of transactions involving change of ownership/ management. Various corresponding provisions of the Principal Act have been amended to reflect the above inclusion.

### 2. Stamping copies as original documents:

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1. The following explanation to the definition of ‘Instrument’ u/s 2(l) of the Principal Act is inserted vide the Amendment Act to treat ‘copies’ and ‘extracts’ of original documents also as original document in the absence of the same:

**“Explanation II – Notwithstanding any other Act or law in force, for the purpose of the levy of stamp duty in absence of original instrument, copy or extract or Photocopy or certified copy shall be treated as original instrument.”**

The said amendment stems from withholding of or non-production of unstamped/ inadequately/ improperly stamped original documents/ extracts of original documents by parties. By insertion of the aforementioned explanation, revenue authorities can now levy stamp duty as applicable to the original documents on the copies of the same, thereby reducing evasion of stamp duty by production of copies or partial extracts of original documents.

Corresponding provisions have been amended to reflect the above insertion.

### **3. Documents attracting surcharge u/s Section 3A of the Principal Act:**

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Section 3A of the Principal Act provides for levy of additional duty/ surcharge at the rate of 40% (forty per cent) on certain documents. While the rate of surcharge levies remains constant, the following documents have been added to the list of documents attracting such surcharge:

- agreement or memorandum or agreement relating to deposit of title deeds; and
- power of attorney authorising to sell or transfer immovable property without consideration or without showing any consideration.

The above insertions aim at reducing ambiguity with respect to levy of surcharge and shall help bring in additional revenue.

### **4. Introduction of Section 10A and Section 30A to the Principal Act:**

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The newly introduced Section 10A empowers the Government of Gujarat to direct by way of notification, any statutory bodies, institution or local self-government, semi government organization, banking or non-banking financial institution or the body owned, controlled or substantially financed by the state government or any class of them, to appoint a *designated officer* who shall primarily be responsible for ensuring payment of appropriate stamp duty including defacing the stamp duty challans/ endorsing instruments etc., in respect of notified instruments (registerable or not) to which such entities are a party or by which a right/ interest is created in favour of/ for the benefit of such entity.

Further, Section 30A expressly states that in case of documents creating rights in favour of financial institutions such as banks, NBFCs, HFCs or alike, the liability to pay proper stamp duty shall be on such financial institution concerned without affecting their right.

The introduction of Section 10A and 30A tremendously shift the onus of ensuring payment of proper stamp duty from borrowers to lenders, in lending transactions thereby paving way for enhanced accountability and cautious lending practices. These provisions are identical to the provisions of Section 10D and 30A of the Maharashtra Stamp Act, 1958.

With a view to ensure further transparency, the Amendment Act has also introduced Section 67A and 67B to the Principal Act, which requires furnishing information to revenue authorities upon request/ directions by concerned entities and penalty for failure to furnish the same. It is pertinent to note that identical provisions reflect parallelly in the Maharashtra Stamp Act, 1958.

### **5. Adjudication process:**

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The Amendment Act has brought in key amendments to the adjudication process of stamp duties to bring in operational convenience and administrative ease. Various penal provisions of the Principal Act have been amended to reflect the same (including enhancement of penalties), to bring in strict compliance and curb evasion of duties.

The Amendment Act seeks to afford right of representation to the issuer company, before the Collector for determination of market value of shares.

Further, amendments to Section 31 of the Principal Act, provide for timely adjudication process and fixed reasonable adjudication fee.

### **6. Refund of stamp duty:**

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Pursuant to the Amendment Act refund applications are required to be filed within six months of stamp purchase, with minimum deductions set at Rs.300/- (rupees three hundred only).

### **7. Revised stamp duty rates:**

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- **Introduction of Article 5(gc)**

The Amendment Act has introduced Article 5(gc) prescribing stamp duty for projects under Built, Operate and Transfer (BOT) system or concession agreements or project built under other mode of public private partnership (PPP) which are not covered under any other existing article, whether with or without toll or free collection rights at the rate of 0.10% (zero point one zero per cent) of the amount agreed in such contract subject to a lower ceiling of Rs. 5,000/- (rupees five thousand only) and a higher ceiling of Rs. 25,00,000/- (rupees twenty-five lakhs only).

Further, through insertion of clause (f-a) in Section 30 (*Duties by whom payable*) of the Principal Act, it is clarified that stamp duty in case of instruments pertaining to BOT projects shall be payable by the person receiving the contract (concessionaire).

- **Article 6 — Agreement or memorandum of agreement relating to deposit of title deeds, pawn, pledge or hypothecation; Article 14 — Bond; and Article 27(b)(ii) — Further charge through mortgage without possession**

The revised rates for the aforementioned articles are as under:

	Subject to maximum of seventy-five lakhs rupees in case of consortium bank
(i) where the amount of loan or debt does not exceed Rs. 1,00,00,000/-	Subject to maximum of Five thousand rupees, twenty-five paise for every hundred rupees or part thereof.
(ii) where the amount of loan or debt exceeds Rs. 1,00,00,000/- but does not exceed Rs. 10,00,00,000/-	twenty-five paise for every hundred rupees or part thereof.
(iii) where the amount of loan or debt exceeds Rs. 10,00,00,000/-	Subject to maximum of fifteen lakhs rupees, fifty paise for every hundred rupees or part thereof.”;

The aforesaid amendment has introduced slabs for loans upto Rs. 1.00 Crore with a capping of applicable stamp duty at Rs. 5,000/- (rupees five thousand only) providing great relief for low ticket size borrowers.

With introduction of upper ceiling limit of stamp duty for consortium finance, the amendment eliminates ambiguity around stamping of documents pertaining to consortium finance in the State of Gujarat falling from the ratio laid down by the Hon'ble Apex Court in the matter of Supreme Court in [Chief Controlling Revenue Authority v. Coastal Gujarat Power Ltd.](#) and provides relief to high ticket size borrowers availing finance from consortium of lenders. Similar provisions are applicable in other states. Hence, this is a long awaited, welcomed move from the the revenue authorities.

Keeping in view the aforementioned legal precedent, the Amendment Act has also while giving effect to Section 2(g) and enhancing stamp duty payable, under Article 20(d) – Conveyance, introduced the following clarificatory language:

“*subject to maximum fifty crore rupees and minimum ten thousand rupees for each transferor or transferee*”

This insertion settles discussions around ‘distinct matters’ and clarifies stamping of individual transactions.

- **Article 12 – Articles of Association of a company**

Capping of stamp duty on articles of association has been enhanced from Rs. 5,00,000/- to Rs. 15,00,000/- through the Amendment Act.

While this is a positive reform for revenue generation of the industry centric State of Gujarat, the same has enhanced the cost of formation of new companies.

- **Article 30(a) – Where by such lease the rent is fixed and no premium is paid or delivered**

Nominal fixed stamp duty for rental/ lease agreements of less than one year (residential and commercial) is introduced by the Amendment Act.

Other rates under Article 30(a) stand amended to reflect proportionate enhancements.

- **Deletion of Article 30A – LEAVE AND LICENCE AGREEMENT relating to immovable property other than the residential property**

Since the Amendment Act deletes Article 30A without any substitution/ clarification, ambiguity in respect of stamping of leave and license agreements pertaining to commercial/ other properties shall arise.

- **Article 36(c)**

Prior to the enactment of the Amendment Act, mortgage deeds for collateral or auxiliary or additional or substituted security, or by way of further assurance for mortgage where the principal or primary security is duly stamped, was levied an uncapped stamp

duty of 0.5% of loan amount. However, with this amendment, the stamp duty is now capped at flat Rs. 5,000/- irrespective of the loan amount.

An explanation of 'the principal or primary security' aligned to Maharashtra Stamp Act, 1958 may be expected in Gujarat Stamp Act in due course, since recognition of interconnectedness between the Gujarat and Maharashtra Stamp Acts concerning interpretation of stamp duty provisions have been observed earlier.

- **Article 49(a)**

The said Article now expressly includes son and daughter of pre-deceased daughter.

While the Amendment Act seeks to positively reform the Principal Act and eliminate ambiguity, view of various stakeholders impacted remains to be considered.