THE KERALA FINANCE BILL, 2019

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BILL
to give effect to certain financial proposals of the Government of Kerala for the

Preamble.—WHEREAS, it is expedient to give effect to certain financial

BE it enacted in the Seventieth Year of the Republic of India as follows:—

1. Short title and commencement.—(1) This Act may be called the Kerala
Finance Act, 2019.

 (2) It shall come into force on the 1st day of April, 2019.

4. Amendment of Act 17 of 1959.—In the Kerala Stamp Act, 1959
(17 of 1959),—

(1) in section 2,—

 (a) after clause (f), the following Explanation shall be inserted,
namely:—

 "Explanation:—The terms "signed" and "signature" also include attribution
of electronic record as per section 11 of the Information Technology Act, 2000
(Central Act 21 of 2000).";

 (b) after clause (j), the following Explanation shall be inserted,
namely:—

 "Explanation:—The term "document" also includes any electronic record as
defined in clause (t) of sub-section (1) of section 2 of the Information Technology
Act, 2000 (Central Act 21 of 2000).".

 (2) in section 12A, sub-section (2) shall be omitted.
(3) after section 33, the following section shall be inserted, namely:

"33A. Recovery of deficit stamp duty in certain cases.—(1) When through mistake or otherwise any instrument which is not duly stamped is registered under the Registration Act, 1908 (Central Act XVI of 1908), any registering officer may, call for the original instrument from the party and after giving the party an opportunity of being heard and recording the reasons in writing and furnishing a copy thereof to the party, impound it. On failure to produce such original instrument by the party, a true copy of such instrument taken out from the registration record shall, for all purposes of this section, be deemed to be the original of such instrument.

(2) When such instrument has been impounded, the registering officer shall send such original instrument or true copy, as the case may be, together with the records and reasons in writing and the amount of deficit duty due thereon, to the Collector."

(4) in section 39,—

(a) in sub-section (1), after the words "sent to him under", the words, symbol, brackets, figures and letter "sub-section (2) of section 33A or" shall be inserted;

(b) in sub-section (3), for the figure "38", the figure "37" shall be substituted;

(5) after section 45C, the following section shall be inserted, namely:

"45D. Stamp duty chargeable with rectification deed.—Where a deed, which does not create, transfer, limit or extend any right or liability, purports to rectify any error in the description of property as set out in any previous instrument, falling within the purview of sub-section (1) of section 45A, in such a way that such a rectification would cause increase in the fair value of the property transferred, then the amount of duty chargeable on such deed of rectification shall be the duty chargeable on it under the Schedule for the actual nature of transaction less the duty, if any, already paid in respect of such previous instrument."

(6) in THE SCHEDULE,—

(a) in serial number 5,—
(i) in clause (c) for the entries in column (3) the following entries shall be substituted, namely:

"One per cent of the value or the estimated cost of proposed construction or development or value of consideration of such agreement or fair value of the land, whichever is higher subject to a maximum of rupees 1000."

(ii) after clause (f), the following Explanation shall, be inserted, namely:

"Explanation:—The stamp duty for supplementary agreements shall be levied only upon the amount agreed on such supplementary agreements for the work to be completed or service to be delivered."

(b) for serial number 6 and the entries against it in columns (2) and (3), the following serial number and entries shall respectively, be substituted, namely:

"6. Agreement relating to deposit of title deeds, pawn or pledge, that is to say, any instrument evidencing an agreement relating to,

(1) the deposit of title deeds or instrument constituting or being evidence of the title to any property whatever (other than a marketable security), where such deposit has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt.
(2) the pawn or pledge of movable property where such pawn or pledge has been made by way of security for repayment of money advanced, or to be advanced by way of loan or an existing or future debt.

(3) Release, discharge or cancellation of any instrument specified under clause (1) or clause (2)  

0.1 per cent of the amount secured by such deed, subject to a minimum of rupees two hundred and a maximum of rupees ten thousand.

0.1 per cent of the amount set forth in the instrument subject to a maximum of rupees one thousand.

Explanation:—For the purpose of clause (1) of this serial number, notwithstanding anything contained in any judgment, decree or order of any court or order of any authority, any letter, note, memorandum or writing relating to the deposit of title deeds whether written or made either before or at the time when or after the deposit of title deeds is effected, and whether it is in respect of the security for the first loan or any additional loan or loans taken subsequently, such letter, note, memorandum or writing shall, in the absence of any separate agreement or memorandum of agreement relating to deposit of such title deeds, be deemed to be an instrument, evidencing an agreement relating to the deposit of title deeds.”.

(c) in serial number 10, in clause (c), for the entries in column (3), the following entries shall be substituted, namely:

“0.15 per cent of the authorised capital subject to a minimum of rupees 5000 and a maximum of rupees 25 lakhs.”;

(d) after serial number 35A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—
“35B. Limited Liability Partnership,—

A Agreement relating to constitution of Limited Liability Partnership, or conversion of firm or private company or unlisted public limited company into Limited Liability Partnership,—

(a) where the capital does not exceed rupees ten lakhs

(b) where the capital exceeds rupees ten lakhs

B Agreement relating to reconstruction or amalgamation of Limited Liability Partnership

4 per cent on the consideration or fair value of the immovable property of the transferor limited liability partnership, located within the State of Kerala, whichever is higher.

C Agreement relating to winding up or dissolution of Limited Liability Partnership,—
(a) where on a dissolution of the partnership any immovable property is taken as his share by a partner other than a partner who brought in that property as his share of contribution in the limited liability partnership.

(b) in any other case

(c) in serial number 37,—

(i) in clause (a), after the word "given", the following words, brackets and letter shall be, inserted, namely:

"and not being a mortgage specified in clause (d)";

(ii) in clause (b), after the word "aforesaid", the following words, brackets and letter shall be, inserted, namely:

"and not being a mortgage specified in clause (d)"

(f) In serial number 48, clause (b) shall be relabeled as clause (c) and before clause (c) as so relabeled, the following clause shall be inserted, namely:

"(b) release deeds executed by commercial banks in respect of agriculture loans, educational loans and other loans.

5 per cent on the fair value of property subject to a minimum of rupees 200.

Rupees five hundred.";