

Government of Punjab  
Department of Revenue, Rehabilitation & Disaster Management  
(Stamp and Registration Branch)

To

1. Principal Secretary, Transport, Punjab
2. All the Divisional Commissioners
3. All the Deputy Commissioners
4. Inspector General of Registration, Punjab
5. All Sub-Divisional Magistrate (Vehicle Registration and Licensing Officer), Punjab
6. Chief Manager, Lead Bank, Punjab

Memo No.: 1/9/2022-ST/2- 1388-93 (1388-93)

Chandigarh, Dated: 02/02/2024

Subject: Regarding ambiguities, in Vehicle Loans.

In regard to the subject cited above, various procedural as well as issues pertaining to levy of stamp duty are being faced, by the Loan Crediting Agencies, such like Banks etc.

2. The State Government has observed that different Banks along with other Financial Institutions, while crediting vehicle loans are following procedures and charging stamp duty, as per their official customs, set by their own predecessors. In such a way, it is creating a huge procedural lapse, as well as a loss of crores of rupees, to the state exchequer.

3. For instance, as stamps are issued at various levels in the State, same way, at official counter of Stamp Branch at main Secretariat building, the Banks and other Financial Institutions, buy stamps to be levied on the documents relating to vehicle loans, personal loans, equitable mortgage and hypothecation. It has been observed that all such banks etc., apply their own principle of imposing stamp duty, on these documents. When they were asked, for the same, they replied that they are doing it, as per the traditions/customs, followed by their institution. Along with the document of loan, every document contains a Power of Attorney. Some institutions are imposing Rs. 100/-, some are imposing Rs. 280/- for the loan and Rs. 1000/- for special Power of Attorney, some are imposing Rs. 150/- for the document and Rs. 1000/- for the special Power of Attorney.

4. As per the existing law (Prior to the above amendments), entry 6 of schedule I-A, depicted that on equitable mortgage and loans in regard to moveable assets. The stamp duty to be levied was divided in different segments i.e. 0.30%, 0.25% etc. and Rs.2000/- for General Power of Attorney and Rs. 1000/- for Special Power of Attorney. The financial institutions, as explained in the above Para are charging, different tariffs of stamp duty, as per their own customs, against the provisions of the act, creating confusion amongst themselves, to the public and creating huge losses to the state exchequer.

5. To, clear all such ambiguities, the State of Punjab amended Entry 6 of Schedule 1-A for Punjab, to add words like, "mortgage by deposit of title deed (equitable mortgage)" and "hypothecation" in the title of the entry and to make it more clear. the words "hypothecation without delivery of possession" is added in Entry 6(1) of the Schedule 1-A for Punjab.

6. With this amendment, the confusion that the vehicle loan is not covered under the entry 6 of schedule 1-A, of the Stamp Act and is a different type of loan, than the loans covered in entry 6 of the schedule 1-A of the Stamp Act, shall now get resolved.

7. Now, with this amendment, along with equitable mortgage, all types of loans pertaining to moveable property/assets have been brought, under one category i.e. the stamp duty to be imposed has been notified, to be 0.25% for any of these categories. Notification No.2-Leg./2024 Dated 15.01.2024, in this regard has been issued and is attached with, which is as under:-

*In title of entry no. 6, Agreement relating to deposit of title deeds, pawn or pledge, mortgage by way of deposit of Title Deed (Equitable Mortgage) and "hypothecation", that is to say, any instrument advancing an agreement relating to;*

*In entry 6(1), The deposit of title deeds or instruments constituting or being evidence of the title to any property whatever (other than a marketable security), instrument of hypothecation without delivery of possession, or*

And

Entry 6 of Schedule 1-A, for Punjab	<p><i>Agreement relating to deposit of title deeds, pawn or pledge, mortgage by way of deposit of Title Deed (Equitable Mortgage) and "hypothecation", that is to say, any instrument advancing an agreement relating to</i></p> <p><i>(1) the deposit of title deeds or instruments constituting or being evidence of the title to any property whatever (other than a marketable security), instrument of hypothecation without delivery of possession, or</i></p> <p><i>(2) the pawn or pledge of immovable property, where such deposit, pawn, or pledge 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-</i></p> <p><i>(a) if such loan or debt is repayable on demand or more than three months from the date of instrument evidencing the agreement.</i></p> <p><i>(b) If such loan or debt is repayable not more than three months from the date of such instrument.</i></p>	0.25% of the loan amount credited or an existing or Future debts.
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8. With this amendment, Equitable Mortgage (By Deposit of Title Deed), all types of vehicle loans and loans relating to moveable property, shall come under one single category, for the purpose of imposition of stamp duty, in the State of Punjab i.e. 0.25% of the loan amount credited or an existing or future debts.

9. The Principal Secretary Transport, Punjab, is hereby requested to monitor, the implementation of this amendment, in the transport offices, within the State, as huge amount of vehicle loans are credited, under this category.

10. The Chief Manager, Lead Bank, Punjab, is also requested to circulate and monitor, implementation of the new law.

11. Divisional Commissioners, Deputy Commissioners and Sub Divisional Magistrates, are also requested to ensure that the above instructions and law is being implemented, in letter and spirit.

*Misra*  
Superintendent Grade-1

Endst No. 1/9/2022-ST/2- 1394 ✓

Chandigarh, Dated: 02/02/2024

A copy is forward to Project Manager, PLRS for necessary action.

*Misra*  
Superintendent Grade-1

Endst No. 1/9/2022-ST/2- 1395-99

Chandigarh, Dated: 02/02/2024

A copy is forward to following for information:-

1. Principal Secretary to Chief Minister Punjab
2. Private Secretary to Revenue, Rehabilitation & Disaster Management Minister
3. Private Secretary to Chief Secretary Punjab
4. Private Secretary to Financial Commissioner Revenue
5. Superintendent, Cabinet Affairs Branch.

*Misra*  
Superintendent Grade-1



# Punjab Government Gazette

## EXTRAORDINARY

*Published by Authority*

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CHANDIGARH, MONDAY, JANUARY 15, 2024  
(PAUSA 25, 1945 SAKA)

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### LEGISLATIVE SUPPLEMENT

	Contents	Pages
Part - I	Acts	
	The Indian Stamp (Punjab Amendment) Act, 2023. (Punjab Act No. 2 of 2024)	3-4
Part - II	Ordinances	
	<i>Nil</i>	
Part - III	Delegated Legislation	
	<i>Nil</i>	
Part - IV	Correction Slips, Republications and Replacements	
	<i>Nil</i>	

**PART I**  
**GOVERNMENT OF PUNJAB**  
**DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB**  
**NOTIFICATION**

The 15th January, 2024

**No. 2-Leg./2024.-** The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 1st day of January, 2024, is hereby published for general information:-

**THE INDIAN STAMP (PUNJAB AMENDMENT) ACT, 2023**  
(Punjab Act No. 2 of 2024)

**AN**

**ACT**

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-fourth Year of the Republic of India as follows:-

1. (1) This Act may be called the Indian Stamp (Punjab Amendment) Act, 2023. Short title and commencement.

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

2. In the Indian Stamp Act, 1899, in its application to the State of Punjab, in Schedule I-A,- Amendment of Schedule I-A of the Central Act of 1899.

(i) for the existing entry 6, the following entry shall be substituted, namely:- Act of 1899.

"6. Agreement relating to Deposit of Title-Deeds, pawn or pledge, mortgage by way of deposit of Title Deed (Equitable Mortgage) and hypothecation, that is to say, any instrument evidencing an agreement relating to-

(1) the deposit of title deeds or instruments constituting or being evidence of the title to any property whatever (other than a marketable security).

0.25% of the loan amount credited or an existing or future debts.

instrument of hypothecation  
without delivery of possession,  
or

(2) the pawn or pledge of  
immovable property, where  
such deposit, pawn, or pledge  
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:

(a) if such loan or debt is  
repayable on demand  
or more than three  
months from the date of  
instrument evidencing  
the agreement;

(b) if such loan or debt is  
repayable not more than  
three months from the  
date of such instrument.

(ii) in entry 48, for item (f), the following item shall be substituted,  
namely:-

"(f) When given to a person  
other than family member,  
authorizing the attorney to  
sell any immovable property;  
and

2% of the amount of  
the consideration or  
of Collector's rate in  
respect of the  
property mentioned in  
the instrument,  
whichever is higher.

Note: "Family Member" includes spouse, child, parent, sibling,  
grandparent and grandchild."

**MANDEEP PANNU,**

Principal Secretary to Government of Punjab,  
Department of Legal and Legislative Affairs.