

CIRCULAR

Sub: Rate of stamp duty in terms of Article 19 of the Schedule I-A of Indian Stamp Act, 1899 as applicable to NCT of Delhi, on certificate or other document, evidencing the right or title to any shares, scrip or stock of any incorporated company.

It is hereby informed to all companies having their registered office situated in the National Capital Territory (NCT) of Delhi, in accordance with Article 19 of Schedule 1A of the Indian Stamp Act, 1899, stamp duty is required to be paid on the issuance of shares @ 0.1% of the value of shares as applicable to the NCT of Delhi. The pertinent legal provisions are detailed below:

Constitutional Provisions: Item 91 of the Union List grants the Central Government the authority to prescribe and levy stamp duty on in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts. On the other hand, Item 63 empowers the States to determine and prescribe stamp duty rates of stamp duty in respect of documents other than those specified in the provisions of List I with regard to rates of stamp duty. Consequently, the Indian Constitution confirms the jurisdiction of State Governments to impose and collect stamp duty on certificates or other documents that evidence the right or title to shares, scrip, or stock in any incorporated company.

Schedule IA and Schedule I: Under Schedule IA of the Indian Stamp Act, 1899, with certain amendments specific to the NCT of Delhi, and in accordance with Section 3 of the aforementioned Act, Article 19 prescribes a stamp duty rate of 0.1% of the value of shares. In light of the constitutional provisions discussed above, the stamp duty rate prescribed in Schedule I does not apply to certificates or other documents that evidence the right or title to shares, scrip, or stock in any incorporated company falling within the jurisdiction of NCT of Delhi.



Accordingly, all listed/unlisted Companies having their registered office situated in the National Capital Territory (NCT) of Delhi are directed to apply for adjudication of stamp duty for issuance of shares as per article-19 of Schedule 1A of the Indian Stamp Act, 1899 irrespective of whether such certificates or documents are executed in physical or DEMAT/digital form along with supporting documents with the stipulated time as per the provisions of the Indian Stamp Act, 1899, failure to comply may attract penalties under the relevant provisions. This circular is issued for strict compliance by all concerned entities.

This issues with the prior approval of Competent Authority.




28.7.2025
(RAKESH KUMAR)

Collector of Stamps (HO)

No.F.10(166)/COS(HQ)/Stamp Br./ 2025 | 18 |

Dated:- 29/09/2025

To,

1. General Manager,
National Securities Depository Limited (NSDL),
Trade World, A-wing, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
2. General Manager,
Central Depository Services (India) Limited (CSDL),
1305-A, A- Wing, Marathon Futurex Mafatlal Mills Compound
N M Joshi Marg, Lower Parel Mumbai, Maharashtra-400013.

Sub: Rate of stamp duty in terms of Article 19 of the Schedule I-A of Indian Stamp Act, 1899 as applicable to NCT of Delhi, on certificate or other document, evidencing the right or title to any shares, scrip or stock of any incorporated company.

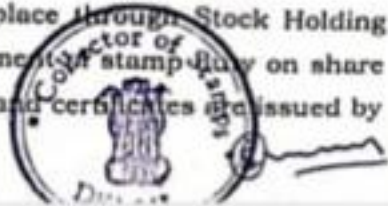
Sir/Madam,

Kindle refer to this office circular dated July 29, 2025 vide reference number F. 10 (166)/COS (HQ)/STAMP.Br./2025/93, clarifying the applicable rate of stamp duty in terms of Article 19 of Schedule I-A of the Indian Stamp Act, 1899, as applicable to the National Capital Territory of Delhi, on certificates or other documents evidencing the right or title to any shares, scrip or stock of incorporated companies. The copy of this circular was served to NSDL and CSDL vide email dated 29.07.2025.

During our recent discussions with CSDL officers, it has been came to Notice that NSDL and CSDL are presently applying a rate of 0.005% in terms of Schedule I of the Indian Stamp Act, 1899 (**Central Act**) on issuance of shares. However, CSDL is failed to submit any letter/order in which Govt. of NCT of Delhi was authorised to NSDL/CSDL to collect the stamp duty @0.005% on behalf of Govt of NCT of Delhi. as clarified in the above-mentioned circular, the rate applicable to companies incorporated or having registered offices within the jurisdiction of the NCT of Delhi is 0.1% of the value of such shares, as prescribed under Article 19 of Schedule I-A of the Indian Stamp Act, 1899 as applicable to NCT of Delhi (**Delhi Act**), irrespective of the fact that such share certificates are issued in physical or DEMAT/digital form.

The payment of stamps duty on issuance of shares is a statutory requirement under the applicable state stamp acts and the obligation to pay the duty. Noncompliance with this requirement can attract penal consequences including payment of penalty and interest as applicable in stamp act, 1899. The delay in remittance of stamp duty results in a direct financial loss to the state exchequer, as the duty constitutes a key source of revenue for the States.

Further, a mechanism has already been put in place through Stock Holding Corporation of India Limited (SHCIL) since 2016 for payment of stamp duty on share certificates at its portal(physical or DEMAT/digital form) and certificates are issued by this office evidencing such payment.



Therefore, you are directed to not to collect the stamp duty under as per Article 19, Schedule I-A of the Indian Stamp Act, 1899, as applicable to NCT of Delhi, in respect of certificates or other documents evidencing title to shares

This instruction may please be treated as binding, and necessary internal directions may be issued to your concerned departments to ensure strict adherence.

This issue with the prior approval of Competent Authority.



Additional District Magistrate/Collector of Stamps (HQ)

29.9.2025
Rakesh Kumar

Copy for information to:-

1. PA to Secretary (Revenue) -cum-Divisional Commissioner, Revenue Department, 5 Sham nath Marg, Civil Lines, Delhi-110054.
2. PA to Deputy Commissioner-V(HQ) , Revenue Department, 5 Sham nath Marg, Civil Lines, Delhi-110054.
3. System Analyst, Revenue Department (HQ), Govt. of NCT of Delhi, with the request to upload this order on the website of Revenue Department, GNCT of Delhi