

**THE KARNATAKA IRRIGATION (LEVY OF BETTERMENT CONTRIBUTION
AND WATER RATE) ACT, 1957.****ARRANGEMENT OF SECTIONS**

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STATEMENT OF OBJECTS AND REASONS**I**

Act 28 of 1957.— The principle of levying betterment contribution and water rates in respect of lands benefited from the irrigation work is now accepted universally. There is no uniformity in the provisions made in this regard in the irrigation laws in force in the areas which have been integrated into the new State of Mysore. The question of introducing a single irrigation law to the extent possible, applicable to the whole State is under consideration. In the meantime it is considered necessary to consolidate the laws relating to the levy of betterment contribution and water rate and amend them so as to suit the conditions obtaining all over new Mysore State. Hence this Bill.

(Obtained from L.A. Notification No. 5847 dated 20-6-1957)

II

Amending Act 23 of 1961.— Betterment contribution and water rate in respect of lands under irrigation works in the State will have to be levied under the provisions of the Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957,

which was passed into law in October 1957. Section 4 of the Act deals with the question of levy of contribution and provides that contribution shall in no case exceed five hundred rupees per acre. It is found that in a number of cases the beneficiaries would be willing to pay even a higher contribution in order to secure the benefits of an irrigation work. There would also be instances where the increase in the land value would be more than Rs. 1,000 per acre and the ceiling now fixed on the contribution amount would come in the way of Government recovering even half of the betterment value in such cases. Moreover, estimates for irrigation works are sanctioned with reference to the expected financial return in more instances and it may happen that in a number of cases the minimum return could be secured if the proviso to section 4 is amended so as not to restrict the contribution amount to Rs. 500 per acre.

Section 10 of the Act deals with the levy of water rate. According to the proviso to the said section, no water rate is leviable in certain classes of cases. In order that water rate may also be levied on lands which are now assessed as wet in cases in which such levy is justifiable in view of the assured nature of water supply and of the increase in the cost of maintenance of irrigation works, it is considered necessary to delete the proviso.

A new section is proposed to be inserted in order to provide for the assent of the President to the framing of rules in cases relating to works of an Inter-State character.

The other amendments proposed are verbal in nature.

(Published in Karnataka Gazette, PART IV—2A, dated 9th April 1959, at page. 147.)

III

Amending Act 8 of 1964.—The Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 provides for the levy and collection of betterment contribution from lands benefited by the construction, restoration, expansion or alteration by Government of any irrigation work and also for the levy of water rate. It has been found that the work involved in determining the contribution in accordance with the procedure laid down in the Act and the rules made thereunder is considerable and complicated and that this has been responsible for slow progress of the work connected with the levy of betterment contribution. It is considered that the rates of the betterment contribution may be specified in the Act itself and that the procedure laid down in the Act may be simplified by suitably amending the Act. It is proposed to classify irrigation works as major irrigation work medium irrigation work and minor irrigation work and betterment contribution as basic contribution and special benefit contribution. The rates of such betterment levy are also specified.

It is also considered necessary to regularise certain collections of irrigation cess made in Bellary District under the Madras Irrigation Cess Act, 1865.

Hence the Bill.

IV

Amending Act 18 of 1965.—At present water rate is leviable under the Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 with reference to water supplied, made available or used with reference to different crops grown or which may be grown.

It is considered necessary to amend section 10 (1) providing for the levy of water rate which may be different in respect of water supplied, made available or used from different irrigation works with or without reference to crop or crops grown or which may be grown on the land.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 16th October 1965, as No. 202, at page. 3.)

V

Amending Act 13 of 1966.—The Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 as amended by Act No. 8 of 1964 provides for the levy and collection of betterment contribution at certain specified rates in respect of lands benefited by different irrigation works. It is considered that the levy should be related to increase in the value of the lands benefited, and hence it is proposed to amend sections 3 and 4.—

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 24th February 1966, as No. 31, at page 6.)

VI

Amending Act 16 of 1968. —The maximum amount of betterment contribution payable in respect of any land under the Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 has been fixed at three hundred rupees per acre. It is considered necessary to enhance the maximum limit to five hundred rupees.

Hence the Bill.

(Published in the Karnataka Gazette, PART IV—2A, dated 22nd August 1968, at page. 37.)

VII

Amending Act 29 of 1974.—According to the Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 the rate of betterment contribution was half the increase in value subject to a maximum of Rs. 500 per acre. Having regard to the actual increase in the value of irrigated lands it was considered necessary to raise the said maximum from Rs. 500 to Rs. 1,500 per acre.

As the Legislative Assembly was not in session, an Ordinance amending the Act for the purpose was promulgated on 22nd June, 1974. Incidental provision regarding

service of notices was also made.

The Bill seeks to replace the said Ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A, dated 14th August 1974, as No. 2591, at page. 4.)

VIII

Amending Act 16 of 1995.—In order to achieve better results in water management, it is considered necessary to handover the responsibility of water management and collection of water charges to Water User's Co-operative Societies, by amending section 10 of Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 19th April 1995, as No. 470, at page. 4.)

IX

Amending Act 21 of 1995.— It is considered necessary to amend the Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 suitably to entrust the Krishna Bhagya Jala Nigama with the work of supply of water for any irrigation works and to empower the said Nigama with the responsibility of fixing and collecting water rates.

Hence the Bill.

(Obtained from the relevant Bill i.e., LA Bill No. 17 of 1995.)

X

Amending Act 24 of 2000.— To achieve better results in water management, it is considered necessary to involve and empower farmers through Water Users Co-operative Societies and their Federations in irrigation water management. Accordingly, it is considered necessary to amend the Karnataka Irrigation Act, 1965,-

(i) to provide for entrustment of control, maintenance and monitoring of irrigation works to Water User Societies;

(ii) to enable, Water Users Societies to provide the means of crossing canals and to construct culverts etc., to prevent obstructions to drainage;

(iii) to empower the Water User Society to construct drainage works wherever necessary;

(iv) to empower the Water User Society to repair the field channel in the event of failure by the user to repair the field channel and recover the costs from the user;

(v) to provide for consulting the Water Users Project Level Federation for regulating water supply from irrigation work;

(vi) to empower water user society to levy water charges when water is temporarily

made available as well as when water is used unauthorisedly;

(vii) to empower Water User Society to stop supply of water in the event of violation of cropping pattern and non-payment of water charges and to levy penal water charges in cases of crop violations;

(viii) to exempt levy of maintenance cess in respect of lands situated within the jurisdiction of Water User Societies;

(ix) to provide for compounding of offences;

(x) to provide for compensation of Water Users Apex Level Federation;

(xi) to outline the functions of Water User Society, Water Users Distributary Level Federation, Water Users Project Level federation and Water Users Apex Level Federation.

Further it is also considered necessary to amend the Karnataka Irrigation (Levy of Betterment, Contribution and Water Rates) Act, 1957 to restrict the application of the Act only to the Water Users Co-operative Societies and not to the societies registered under the Karnataka Societies Registration Act, 1960.

Certain consequential amendments are also made.

As the matter was urgent and the Karnataka Legislature Council was not in session, Karnataka Irrigation and Certain Other Laws (Amendment) Ordinance, 2000 was promulgated.

This Bill seeks to replace the said Ordinance.

Hence the Bill

(Obtained from L.A. Bill No. 29 of 2000)

XI

Amending Act 8 of 2002.—

It is considered necessary to provide for Water Users Societies to become members of the Water Users Project Level Federation by suitably amending the Karnataka Irrigation Act, 1965.

It is also considered necessary to amend the Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 to entrust the work of supplying the water from any irrigation work and levying and collecting the water rates thereby to the Karnataka Neeravari Nigam Limited .

Since the matter was urgent and the Karnataka Legislative Council was not in session, the Karnataka Irrigation and Certain Other Law (Amendment) Ordinance, 2001 (Karnataka Ordinance 6 of 2001) was promulgated to achieve the object.

Hence the Bill.

(L.A. Bill No. 2 of 2002)

Amending Act 9 of 2002.—

It is considered necessary to amend the Karnataka Irrigation Act, 1965, to provide for,-

- (i) a separate definition of "Water Users Association" and to make a provision for continuing the existing Water Users Societies registered prior to the commencement of this Amendment Act in respect of the minor Irrigation tanks irrigating less than 2000 hectares till a Water Users Association is registered under the Karnataka Societies Registration Act, 1960.
- (ii) Conferring certain powers under Sections 4, 10, 14 and 27 on the Water Users Association.
- (iii) Exempting Water Users Association from the levy of maintenance cess.
- (iv) Defining the functions of the Water Users Association.

It is also considered necessary to amend the Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 enable levy of water rate on Water Users Association who in turn may collect water charges from the water users.

Since the matter was urgent and the Karnataka Legislative Council was not in session, the Karnataka Irrigation and Certain Other Law (Amendment) Ordinance, 2002 (Karnataka Ordinance 1 of 2002) was promulgated to achieve the object.

Hence the Bill.

(L.A. Bill No. 7 of 2002)

XIII

Amending Act 29 of 2010.-

1. It is considered necessary to amend the Karnataka Irrigation Act, 1965 to provide for supply of water in bulk on volumetric basis by the Cauvery Neeravari Nigam Limited to the Water Users Co-operative Societies.
2. It is considered necessary to amend the Karnataka Irrigation (Levy of Betterment Contribution and Water Rates) Act, 1957, to enable the Cauvery Neeravari Nigam Ltd., to levy and collect water rates for the water supplied or made available from an irrigation network in any area or areas by the Nigam.

Hence the Bill.

[L.A. Bill No. 15 of 2010, File No.DPAL 23 Shasana 2008]

[Entry 17 and 18 of List II of the Seventh Schedule to the Constitution of India.]

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¹[KARNATAKA]¹ ACT No. 28 OF 1957

(First published in the ¹[Karnataka Gazette]¹ on the Thirty-first day of October, 1957.)

THE ¹[KARNATAKA]¹ IRRIGATION (LEVY OF BETTERMENT CONTRIBUTION AND WATER RATE) ACT, 1957.

(Received the assent of the Governor on the Twenty-fourth day of October, 1957.)

(As amended by Karnataka Act 23 of 1961, 8 of 1964, 18 of 1965, 13 of 1966, 16 of 1968, 29 of 1974, 16 of 1995, 21 of 1995, 24 of 2000, 8 of 2002, 9 of 2002 and 29 of 2010)

An Act to consolidate and amend the laws providing for the levy of betterment contribution and water rate in the ¹[State of Karnataka]¹.

WHEREAS it is expedient to consolidate and amend the laws relating to the levy of betterment contribution and water rate in the ¹[State of Karnataka]¹;

BE it enacted by the ¹[Karnataka State]¹ Legislature in the Eighth year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

1. Short title and extent.- (1) This Act may be called the ¹[Karnataka]¹ Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

(2) It extends to the whole of the ¹[State of Karnataka]¹.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

(3) It shall come into force on such ¹[date]¹ as the Government may by a notification appoint.

1. This Act has come into force w.e.f. 1.9.1960 by Notification. Text of the Notification is at the end of the Act.

2. Definitions.- (1) In this Act, unless the context otherwise requires,—

¹[(a) 'Deputy Commissioner' means the Deputy Commissioner of a District or such other officer not below the rank of an Assistant Commissioner as the Government may appoint to discharge the functions of the Deputy Commissioner under this Act;]¹

1. Substituted by Act 23 of 1961 w.e.f. 16.11.1961.

¹[(b) 'Betterment Levy Officer' means such officer as the Government may appoint to be the Betterment Levy Officer in respect of any area or irrigation work;

(ba) 'contribution' means the tax payable as ²[betterment contribution]² under sections 3 and 4;]¹

1. Substituted by Act 8 of 1964 w.e.f. 31.10.1957.

2. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

(c) 'drainage work' includes,—

(i) channels, whether natural or artificial, for the discharge of waste or surplus water and all works connected with and auxiliary to such channels;

(ii) the escape channels from an irrigation work;

(iii) dams, weirs, embankments, sluices and groynes;

(iv) all works for the protection of lands from floods or from erosion, which are owned or controlled by the Government, but does not include works for the removal of sewage;

(d) 'Government' means the State Government;

(e) 'irrigation work' includes,—

(i) all canals, channels, tanks, wells, reservoirs, anicuts, bandharas, ponds, spring ponds, kuntas, talapariges and madugus used for the supply or storage of water, and all works, embankments and structures, installations, including the installation of a pumping set, supply and escape channels connected therewith or auxiliary thereto which are owned or controlled by the Government.

(ii) all such lakes and other natural collections of water or parts thereof as are situated on lands which are the property of the Government;

(iii) all natural waterways, rivers and streams or parts thereof;

(f) 'landholder' or 'holder' signifies the person in whom a right to hold land is vested, whether solely on his own account, or wholly or partly in trust for another person or for a class of persons or for the public; and includes a mortgagee vested with a right to possession:

Provided that in respect of any land in the possession of a walawargadar, a kayamgenidar, a permanent tenant or a mulgeni tenant in the South Kanara District, such walawargadar, kayamgenidar, permanent tenant or mulgeni tenant, as the case may be, shall be deemed to be the landholder in respect of such land;

¹[(fa), (fb), (fc) x x x]¹

1. Omitted by Act 13 of 1966 w.e.f. 1.9.1960.

(g) 'notification' means a notification published in the Official Gazette;

(h) 'prescribed' means prescribed by rules made under this Act;

¹[(ha) 'prescribed officer' means the officer specified in rules made under this Act and different officers may be specified for different areas, irrigation works or purposes;]¹

1. Inserted by Act 8 of 1964 w.e.f. 31.10.1957.

(l) 'work' means an irrigation or drainage work whether completed or not.

¹[(2) x x x]¹

1. Omitted by Act 23 of 1961 w.e.f. 16.11.1961.

3. Levy of betterment contribution.- ¹[(1) There shall be levied a tax called betterment contribution, ²[in accordance with the provisions of this Act from the landholder or the holder of any land which is benefitted]²¹ by the construction, restoration, expansion or alteration of any work by the Government, whether after the commencement of this Act or at any time before such commencement, but not earlier than,—

- (l) the first January 1944 in the Mysore Area;
- (ii) the first January 1947 in the ³[Mangalore and Kollegal Area]³;
- (iii) the first August 1947 in the ³[Gulbarga Area]³; and
- (iv) the first January 1950 in the ³[Belgaum Area]³ and the Coorg District.

1. Renumbered and Substituted by Act 8 of 1964 w.e.f. 31.10.1957.

2. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

3. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

Explanation I.—A land shall be deemed to be benefitted notwithstanding that the benefit is not enjoyed, provided such non-enjoyment is due solely to action or inaction on the part of that person or persons interested in such land.

Explanation II.—A land shall not be deemed to be benefitted merely by reason of the execution of ordinary repairs, and maintenance of an existing work wholly or partly at the expense of Government.

¹Explanation III.—In this sub-section, the expression "Government" shall be deemed to include the authority established under section 66 of the Andhra State Act, 1953 (Central Act 30 of 1953).]¹

1. Inserted by Act 8 of 1964 w.e.f. 31.10.1957.

¹[(2) For the purposes of levy of betterment contribution, the prescribed officer shall, by notification, specify,—

(l) the dates of commencement and completion of the construction, restoration, expansion or alteration of any irrigation work;

²[(ii), (iii) x x x]²

and different dates of commencement and completion of any irrigation work may be specified in respect of different lands benefitted by the same irrigation work depending upon the dates on which water is made available to such lands.

(3) The Government may either suo motu or on application by any landholder

affected by a notification issued under sub-section (2), if satisfied that there is any error in any such notification, direct such modification of the notification as it deems fit and the notification shall be modified accordingly by the prescribed officer.]¹

1. Inserted by Act 8 of 1964 w.e.f 31.10.1957.

2. Omitted by Act 13 of 1966 w.e.f. 1.9.1960.

[4. Amount of betterment contribution.- (1) The amount of betterment contribution payable in respect of any land referred to in section 3 shall be an amount equal to one-half of the difference between the market value of such land before the date of commencement of the construction, restoration, expansion or alteration of the irrigation work and the market value after the date of completion of such construction, restoration, expansion or alteration:

Provided that the amount of betterment contribution payable in respect of any land shall not be more than ²[one thousand and five hundred rupees]² per acre:

Provided further that no betterment contribution shall be leviable in respect of any land,—

(i) which is unarable (Kharab); or

(ii) benefited by the construction, restoration, expansion or alteration of a tank, well, reservoir, anicut, bandhara, pond, spring pond, kunta, talaparige or madugu, which is not capable of irrigating more than one hundred acres of land:

Provided also that for purposes of this sub-section, the increase in the market value of the land consequent upon any improvement of the land made by the landholder shall be excluded.

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

2. Substituted by Act 29 of 1974 w.e.f. 1.9.1960.

(2) As soon as may be, after the publication of a notification under sub-section (2) of section 3 in respect of any irrigation work, the Betterment Levy Officer shall prepare a statement showing the lands under the irrigable command of the irrigation work in respect of which the betterment contribution in accordance with the provisions of sub-section (1) is payable, and the nature and extent of irrigability of the different lands.

(3) The statement so prepared along with a public notice shall be published in the village chavadi and the taluk office and in such other manner as may be prescribed. Such notice shall require the landholders of lands under the irrigable command of the irrigation work to appear before the Betterment Levy Officer either personally or by agent at a time and place therein mentioned (such time not being earlier than one month from the date of publication of the notice), and to state,—

(a) their objections,—

(i) to the inclusion of the lands in the statement as lands under the irrigable

command of the irrigation work;

(ii) to the inclusion of the lands in the statement as lands of any specified nature and extent of irrigability; and

(b) in respect of payment of betterment contributions, the basis on which they claim that the amount of betterment contribution has to be computed, such statement shall be made in writing and signed by the party or his agent.

¹[(4) The Betterment Levy Officer shall also serve notice to the same effect on the landholder of such land in the manner provided in section 30 of the ²[Karnataka]² Land Revenue Act, 1964 (Karnataka Act 12 of 1964) for service of notices.]¹

1. Substituted by Act 29 of 1974 w.e.f. 1.9.1960.

2. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

(5) On the date fixed under sub-section (3) or on such other date to which an inquiry may be adjourned, the Betterment Levy Officer shall, after holding a formal inquiry in the manner provided by the ¹[Karnataka]¹ Land Revenue Act, 1964, and after giving an opportunity of being heard to every person who has made a statement under sub-section (3), make an order specifying,—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973

(a) the increase in value of the lands by the completion of the construction, restoration, expansion or alteration of the irrigation work;

(b) the amount of betterment contribution payable in respect of the said lands; and

(c) the date from which such betterment contribution shall be payable.

(6) The Government or any person aggrieved by an order made under sub-section (5) may, within sixty days from the date of the order, appeal to the Court of the Civil Judge having jurisdiction over the area in which the land is situated and the Court of the Civil Judge may pass such orders on the appeal as it may deem fit.

(7) Any order passed by the Court of the Civil Judge on an appeal preferred to it under sub-section (6) and subject to the orders aforesaid of the Court of the Civil Judge, the order of the Betterment Levy Officer under sub-section (5) shall be final, and shall not be liable to be questioned in any court of law.]¹

5. When contribution becomes payable.- (1) ¹[The ²[contribution]²]¹ shall become payable under this Act on a written notice of demand therefor issued by ¹[the Betterment Levy Officer]¹ being served on land holder ³[in the same manner as the notice under sub-section (4) of section 4 is required to be served.]³

⁴[Provided that no notice of demand shall be served on a landholder until an order made under sub-section (5) of section 4 becomes final;]⁴

1. Substituted by Act 8 of 1964 w.e.f. 31.10.1957.

2. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.
3. Inserted by Act 29 of 1974 w.e.f. 22.6.1974.
4. Inserted by Act 13 of 1966 w.e.f. 1.9.1960.

(2) For the avoidance of doubt, it is hereby declared that it shall not be necessary to serve notice on any person other than the landholder, who has an interest in the land or on a successor-in-interest of the landholder or in respect of any instalment of the ¹[contribution.]¹

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

¹[(3) x x x]¹

1. Omitted by Act 13 of 1966 w.e.f. 1.9.1960.

6. Mode of payment of contribution.- (1) The landholder of any land, in respect of which any ¹[contribution]¹ is payable, shall pay it in the manner prescribed either by surrendering to the Government a portion of his land the value whereof is equal to the amount of ¹[contribution]¹, or in cash, or partly by surrendering land and partly in cash.

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

(2) Where the landholder chooses to pay the whole or part of the ¹[contribution]¹ by surrendering land, the surrender shall be subject to the following conditions:—

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

(a) the value of the land offered for surrender shall, for the purpose of payment of ¹[contribution]¹, be determined by the ²[Deputy Commissioner]² in the prescribed manner;

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.
2. Substituted by Act 23 of 1961 w.e.f. 16.11.1961.

(b) the owner of the land shall prove to the satisfaction of the ¹[Deputy Commissioner]¹ that such land is free from all encumbrances; the ¹[Deputy Commissioner]¹ shall notify the proposed surrender and invite objections in such manner and within such period as may be prescribed; if any objection is received and the ¹[Deputy Commissioner]¹ is satisfied that the land is not free from encumbrance, he shall refuse to accept the surrender and shall recover the contribution in cash; if no objection is received and the ¹[Deputy Commissioner]¹ is satisfied that the land is free from encumbrance, he shall by order in writing accept the surrender and after such acceptance, the land shall vest in the Government free from all encumbrances and the Government may dispose of it in such manner as it deems fit:

Provided that the ¹[Deputy Commissioner]¹ may on the ground of inaccessibility or inconvenient location of the land or such other grounds as may be prescribed refuse to accept the surrender.

1. Substituted by Act 23 of 1961 w.e.f. 16.11.1961.

(3) The Government may by general or special order direct that in respect of any work, or class of cases the ¹[contribution]¹ shall be payable only in cash and not by surrendering land.

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

(4) Where the ¹[contribution]¹ is payable in cash, it shall be payable in such number of annual instalments not exceeding twenty and at such times as may be prescribed:

Provided that if, on or before the date on which the first instalment is payable, or at any subsequent date within a period of two years from that date, the owner pays the entire ¹[contribution]¹ or the balance of ¹[contribution]¹, as the case may be, he shall be entitled to a rebate of ten percent of such ¹[contribution]¹ or balance of ¹[contribution]¹, as the case may be:

Provided further that if the amount of ¹[contribution]¹ falls into arrears, interest shall be payable at the prescribed rate on the amount of such arrears.

1. Substituted by Act 13 of 1966 w.e.f. 1.9.1960.

7. Contribution recoverable as arrears of land revenue.- Contribution payable under this Act in respect of any land shall be deemed to be a revenue demand due upon the said land; and the land, its products and the building (owned by the landholder) standing upon the land, shall be deemed to be the security for the contribution. When any instalment of the contribution payable in any year is not paid on the due date, the amount of the instalment shall be deemed to be an arrear of land revenue and the provisions of the law in force regulating the recovery of land revenue, shall apply to the recovery of the said arrear together with the interest due thereon, as it applies to the recovery of the land revenue due on that land.

8. Payment of contribution by person having interest in land.- Any person having interest in a land may, notwithstanding that he is not the landholder of such land, pay the contribution payable by the holder in respect of such land and shall, if such person pays the entire contribution within a period of two years from the date on which the landholder becomes liable to pay the contribution, be entitled to a rebate of ten percent.

9. Right of reimbursement in respect of contribution.- Where the landholder (not being in the South Kanara District a walawargadar, a kayamgenidar, a permanent tenant or a mulgeni tenant) liable to pay contribution under this Act is not the owner of the land or is a co-owner of the land, nothing in this Act shall be deemed to affect his right to reimbursement from the owner or to recover proportionate part from the co-owner, as the case may be.

10. Levy of water rate.- (1) Whenever,—

¹[(a) x x x]¹

1. Omitted by Act 18 of 1965 w.e.f. 11.11.1965.

(b) ¹[water is supplied, made available or used for purposes of irrigation or any other purpose]¹ from any work belonging to, or constructed by, or on behalf of the Government; and

1. Substituted by Act 8 of 1964 w.e.f. 27.2.1964.

(c) water from any such work, by direct flow or percolation or by indirect flow, percolation or drainage from or through adjoining land irrigates any land under cultivation or flows into a reservoir and thereafter, by direct flow or percolation or by indirect flow, percolation or drainage from or through adjoining land irrigates any land under cultivation and, in the opinion of the ¹[Deputy Commissioner]¹ such irrigation is beneficial to and sufficient for the requirements of crop on such land,

1. Substituted by Act 23 of 1961 w.e.f. 16.11.1961.

¹[(d) water supplied or made available to the Government by the authority established under section 66 of the Andhra State Act, 1953, is supplied, made available or used for purposes of irrigation or any other purpose.]¹

the Government shall be entitled to levy a separate charge for such water hereinafter referred to as water rate and ²[the Government may prescribe the rates at which such water rates shall be levied, which may be,—

(i) different in respect of water supplied made available or used for different purposes;

³[(ii) different in respect of water supplied, made available or used from different irrigation works, and when water is supplied, made available or used for irrigation of any land, with or without reference to the crop or crops grown or which may be grown on such land;]³

(iii) in lieu of water rate, if any, payable under any other law;

and the manner in which and the authority by which the amount of water rate levied shall be determined.]²

1. Inserted by Act 8 of 1964 w.e.f. 27.2.1964.

2. Substituted by Act 8 of 1964 w.e.f. 27.1.1964.

3. Substituted by Act 18 of 1965 w.e.f. 11.11.1965.

¹[Proviso x x x]¹

1. Omitted by Act 23 of 1961 w.e.f. 16.11.1961.

¹[Provided that if in any area or areas water is supplied or made available from any irrigation work by or on behalf of the Krishna Bhagya Jala Nigam Limited ²[or Karnataka Neeravari Nigam Limited]² ³[or Cauvery Neeravari Nigam Limited or any other body or Corporation established by the State Government for this purpose]³

(hereinafter called as Nigam) the water rates shall be levied and collected by the said Nigam in such area or areas.]¹

1. Inserted by Act 21 of 1995 w.e.f. 1.7.1997 by notification text of the notification is at the end of the Act.
2. Inserted by Act 8 of 2002 w.e.f. 13.11.2001.
3. Inserted by Act 29 of 2010 w.e.f.27.07.2010.

¹[(1A) Notwithstanding anything contained in sub-section (1), the²[Government or Nigam, as the case may be may supply]² or make available water for the purpose of irrigation, to water users societies registered under the Karnataka Co-operative Societies Act 1959 (Karnataka Act 11 of 1959) ⁴[or Water Users Associations registered under the Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960)]⁴ ³[x x x]³ and the ²[Government or the Nigam, as the case may be, shall levy]² and collect from such societies ⁴[or such Association]⁴ the water rates, on volumetric basis. The Government may prescribe the rate at which such water rates shall be levied and the manner in which and the authority by which the amount of water rate levied shall be determined. Such societies ⁴[or such Association]⁴ may supply water to farmers and collect water charges from the individual farmers.

1. Subsection (1A) and (1B) inserted Act 16 of 1995 w.e.f. 16.5.1995.
2. Substituted by Act 21 of 1995 w.e.f. 1.7.1997.
3. Omitted by Act 24 of 2000 w.e.f. 14.6.2000.
4. Inserted by Act 9 of 2002 w.e.f. 25.2.2002.

(1B) Notwithstanding anything contained in the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) ¹[or Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960)]¹ ²[x x x]² Government may issue direction from time to time for the purpose of implementing the provisions of sub-section (1A), to ensure equitable distribution of water and efficient collection of ³[water charges]³ which shall be binding on the water users societies.]¹ ¹[or as the case may be Water Users Association]¹

1. Inserted by Act 9 of 2002 w.e.f. 25.2.2002.
2. Omitted by Act 24 of 2000 w.e.f. 14.6.2000.
3. Substituted by Act 24 of 2000 w.e.f. 14.6.2000.

¹[(2) x x x]¹

1. Omitted by Act 8 of 1964 w.e.f. 27.2.1964.

(3) The amount of water rate ¹[or the water charges, as the case may be]¹ shall be recoverable in the same manner as arrears of land revenue due on the land.

1. Inserted by Act 24 of 2000 w.e.f. 14.6.2000.

1[10-A. Application of this Act to the Tungabhadra Project.- The provisions of

this Act relating to the levy of water rate shall be applicable in respect of any water stored, consumed, distributed or sold by the authority established under section 66 of the Andhra State Act, 1953 (Central Act 30 of 1953):

Provided that no rule or order for the fixation of the water rate and other incidents in respect of such water rate shall be made except with the previous consent of the President of India.]¹

1. Inserted by Act 23 of 1961 w.e.f. 16.11.1961.

11. Power to make rules.- (1) The Government may subject to the condition of previous publication, by notification make rules to carry out the purposes of this Act ¹[and such rules may be general for all irrigation works or may be special for one or more irrigation works, as may be specified in such rules.]¹

1. Inserted by Act 23 of 1961 w.e.f. 16.11.1961.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide,—

(a) for the delegation of powers of the Government to such authority or authorities as may be notified;

(b) for the provision of such appeals and revision as may be found necessary in respect of the orders passed by any authority to whom powers may be so delegated; and

(c) for all matters expressly required or allowed by this Act to be prescribed.

¹[(3) A rule made under this Act may be made with retrospective effect and when such a rule is made the reasons for making the rule shall be specified in a statement laid before both Houses of the State Legislature. Subject to any modification made under sub-section (4), every rule made under this Act shall have effect as if enacted in this Act.

(4) Every rule made under this Act shall be laid as soon as may be after it is made before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]¹

1. Substituted by Act 8 of 1964 w.e.f. 27.2.1964.

12. Repeal and savings.- Chapter VI of the Mysore Irrigation Act, 1932 (Mysore Act I of 1932); section 53 of the Mysore Land Revenue Code, 1888 (Mysore Act IV of

1888); section 55 of the Bombay Land Revenue Code, 1879 (Bombay Act V of 1879); section 53 of the Hyderabad Land Revenue Act, 1317 F. (Hyderabad Act VIII of 1317 Fasli); sections 44, 48, 48A, 49, 50, 51, 52, 53, 54, 55, 56, 56A, 56B, 56C, 56D, 56E and 56F of the Bombay Irrigation Act, 1879 (Bombay Act VII of 1879); the Madras Irrigation (Levy of Betterment Contribution) Act, 1955 (Madras Act III of 1955); the Madras Irrigation Cess Act, 1865 (Madras Act VII of 1865); the Hyderabad Irrigation (Betterment Contribution and Inclusion Fees) Act, 1952 (Hyderabad Act V of 1952); and the Coorg Irrigation Cess Act, 1943 (Coorg Act IV of 1943) are hereby repealed:

Provided that such repeal shall not affect,—

(i) the previous operation of the said provisions or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the said enactments; or

(iii) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability or forfeiture as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued or enforced, and any such forfeiture may be imposed as if this Act had not been passed:

Provided further that the provisions of this Act relating to levy of betterment contribution shall not be applicable to lands in respect of which contribution or betterment charges have already been levied under any repealed enactment and such contribution or betterment charges shall continue to be collected as if this Act had not been passed:

Provided also that the water rate, water cess or irrigation cess levied in respect of any land under any repealed enactment shall continue to be levied until water rates are levied in accordance with the provisions of this Act.

* * * *

सत्यमेव जयते

NOTIFICATION

I

Bangalore, dated 20th August 1960 (Shravana 29, Saka Era 1882).

[No. PWD 47 GIG 59]

In exercise of the powers conferred by sub-section (3) of Section 1 of the Mysore Irrigation (Levy of Betterment Contribution and Water Rate) Act, 1957 Mysore Act No. 28 of 1957), the

Government of Mysore hereby appoints the first day of September, 1960, as the date on which the said Act shall come into force.

By Order and in the name of the Governor of Mysore,

(C. J. VENKATESADAS)

Deputy Secretary to Government,
Public Works Department (Irrigation).

II

Bangalore dated 18th August 1997.

[No. PWD 47 GIG 59]

In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Irrigation (Levy of Betterment Contribution and Water Rate) (Second Amendment) Act, 1995, [Act 21 of 1995] the Government of Karnataka hereby appoints First Day of July 1997 as the date on which the said amendment Act shall come into force.

By Order and in the name of the Governor of Karnataka,

(J. C. CHIDAMBARAMURTHY)

Under Secretary to Government (Technical),
Irrigation Department.

(S.O. 1241, Page 851, Part IV-2C (ii) of Gazette dated 18.9.1997.)

सत्यमेव जयते
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THE KARNATAKA STAMP ACT, 1957

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34. Instruments not duly stamped inadmissible in evidence, etc.
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 - 71. Repeal and savings.
 - 72. Application of Indian Stamp Act 1899.
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* * * *

STATEMENT OF OBJECTS AND REASONS

I

Act 34 of 1957.- Different rates on stamp duty are in force in the various areas of the State. As it is very desirable to have the same rates of stamp duty in all the areas in all areas of new State, Government have decided to undertake legislation to achieve this object. Hence this Bill.

The Bill makes provision for the levy of stamp duty on instruments at the rates in force the Madras Area.

(Obtained from Notification L. A. No. 5848 dated 20-6-1957)

II

Amending Act 8 of 1958.- The Government of India have decided that with effect from 1st April 1958, the rates of Stamp Duty should be expressed in decimal coinage. The new rates of non-postal stamps decided upon by the Government of India are in multiples of 5 Naye Paise. It has become necessary, therefore, to amend the Mysore Stamp Act, 1957, to adapt the rates of Stamp Duty decided upon by the Government of

India. The Bill is intended to give effect to the new rates of non-postal stamps in decimal coinage, proposed to be brought into force from 1st April 1958.

(Published in the Gazette (Extraordinary) Part IV-2A dated 4-3-1958 as No. 51)

III

Amending Act 29 of 1962.- The State Government are committed to raise a sum of Rs. 42 crores by additional taxation. In order to meet the commitments of the schemes in the Second Five Year Plan and implementation of schemes in the Third Five Year Plan, the resources of the State have to be augmented. It is therefore proposed to increase the rates of stamp duty by fifty per cent in instruments in respect of which the State legislature is competent to levy stamp duty.

With the passing of the Advocates Act, 1961, the roll of Advocates is now maintained by the State Bar Council and not by the High Court, As there is no instrument for entry on roll, it is proposed to levy stamp duty on the certificate of enrolment issued by the Bar Council. The Law Ministers Conference held at Srinagar in 1960, has recommended that the total fee payable by a Advocate on enrolment should not, inclusive of the fee payable to the Bar Council under the Advocate Act, exceed Rs. 500. Since a fee of Rs. 250 is payable to the Bar Council, it is proposed to fix the Stamp duty on the certificate of enrolment at Rs. 250.

Opportunity has been taken to make certain other provision found necessary. The more important of these amendments are indicated below.

The definition of instrument of partition is proposed to be amplified to cover documents in which the terms of partition effected are recorded.

Sub-section (1) of section 53 of the Act does not empower the Chief Controlling Revenue Authority to exercise control over the Deputy Commissioner in cases other than those falling under Chapter IV and V and proviso (a) to section 27. In the interests of revenue, it is necessary to exercise control over the Deputy Commissioner in other cases also. Sub-section (1) of section 53 is therefore proposed to be amended.

In respect of allowances for stamps, definite periods of limitation and the circumstances in which allowance is permissible have been laid down in Chapter V of the Act. In order to avoid hardship under the Indian Stamp Act, 1899, orders for refund of amounts paid for stamp duty were being made by Government in appropriate cases without any bar of limitation on the basis of certain Resolutions of the Government of India. It is considered desirable to take necessary power to issue such orders. The new section 52A has therefore been proposed. In order to enable the Chief Controlling Revenue Authority to grant relief under section 44 beyond the period of limitation in appropriate case, that section is also proposed to be amended.

In a recent decision of the Supreme Court (Board of Revenue Vs. Vidyawati A.I.R. 1962 S.C. 1217) it has been held that while acting under section 56(2) of the Indian

Stamp Act, 1899, (which corresponds to section 53(2) of the Mysore Stamps Act, 1957), the Board of Revenue should give the party concerned a reasonable opportunity to be heard in accordance with the principles of natural justice. As the principles of natural justice have to be followed by the Deputy Commissioner and the Chief Controlling Revenue Authority, it is proposed to insert a suitable provision in the Act. It is also considered necessary to make specific provision for rectification of mistakes by the different authorities. The new section 67A has accordingly been proposed.

(Published in the Mysore Gazette (Extraordinary) Part IV-2A dated 27-8-1962 as No. 170 at page 25-26.)

IV

Amending Act 17 of 1966.- In order to ensure the collection of proper stamp duty in the case of awards, gifts and settlements it is considered necessary to charge duty on such instruments on the value of properties instead of on the value as set forth in the instruments. It is also considered necessary to amplify the different classes of instruments falling under Articles 5 and 37 and fix different rates of duty on such instruments. It is also proposed to amend sections 3 and 28, and insert new sections 63A and 67B.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 26.03.1966 as No.58 at page 8).

V

Amending Act 17 of 1971.- In order to raise additional resources to be utilised exclusively for the relief of Bangla Desh refugees, the Government of Mysore has proposed to levy additional stamp duty at the flat rate of ten paise on every instrument chargeable with duty under the Mysore Stamp Act, 1957. The present measure is being enacted to give effect to the said proposal.

2. The Committee constituted under the proviso to sub-section (2) of section 3 of the Mysore State Legislature (Delegation of Powers) Act, 1971 (23 of 1971), has been consulted before enactment of this measure as a President's Act.

(Obtained from President Act 17 of 1971.)

VI

Amending Act 12 of 1972.- Under article 16 of the Schedule appended to the Mysore Stamp Act, 1957, the stamp duty payable on a share certificate is 30 naye paise. Section 11 of the Mysore Stamp Act, 1957, does not permit the use of adhesive stamps for payment of the stamp duty exceeding 15 naye paise. Thousands of share certificates have to be therefore submitted by the Companies to the Superintendent of

Stamps and to the Government Press for getting the duty paid embossed on each certificate. As this procedure is found inconvenient, Government intends to amend the Act to enable the use of adhesive stamps upto 30 paise.—Vide Notification No. 7799, LA dated 19.11.1970.

(Published in Karnataka Gazette, PART IV—2-A, dated 26.11.1970 at page 70.)

VII

Amending Act 4 of 1973.- President's Act 14 of 1971, 16 of 1971, 17 of 1971 and 18 of 1971 had been enacted to raise additional resources for the relief of Bangla Desh Refugees. They expire on 24th March 1973.

It is proposed that while the additional levies for the relief of Bangla Desh Refugees may cease, the levies may be retained till 31st March 1974 to raise additional resources to meet the cost of 'People's Housing Programme' to be undertaken by the State Government.

Hence this Bill.

(Obtained from L.A. Bill No.16 of 1973)

VIII

Amending Act 17 of 1974.- It is proposed to raise the rates of Stamp Duty on conveyance and mortgage deeds, in order to augment the revenue of the State.

Hence the Bill.

Published in the Karnataka Gazette (Extraordinary) dated 30th March 1974, PART IV—2A, as No. 632, at page. 4.)

IX

Amending Act 12 of 1975.- It has been observed that there is wide-spread under-valuation of properties by persons who buy and sell properties in urban areas. A pilot study of 1052 cases carried out in Bangalore City showed that in nearly 70 per cent of the cases the valuation mentioned in the sale deed was less than half the market value computed objectively by the survey authorities. This means evasion of stamp duty as well as avoidance of registration charges. There is consequent loss of revenue to the State under both counts. The object of the Bill is to enable the Government to recover the right amount of stamp duty wherever under valuation of property is noticed at the time of registration of the properties. Some consequential amendments are also being made. For example, the present schedule of stamp duty rates is based upon the amount of consideration mentioned in the document. This basis is being changed to the market value. Likewise some other consequential changes have also been proposed in the Bill.

To begin with the new measure will be given effect to in the Cities having a population of more than one lakh and the Government is taking the power to extend it

to other urban areas in due course.

(Published in Karnataka Gazette (Extraordinary), dated 10th April 1975, PART IV—2-A, as No. 1049, at page. 7.)

X

Amending Act 37 of 1976.- In order to augment the revenues of the State, it is proposed to amend the Karnataka Stamp Act, 1957, by increasing the rate of Stamp Duty on conveyances and other instruments chargeable with the same duty as a conveyance.

Hence this Bill.

(Published in Karnataka Gazette (Extraordinary) dated 27th March 1976, PART IV—2-A, as No. 1729, at page. 6.)

XI

Amending Act 9 of 1979.- Houses and sites are normally allotted by the Bangalore Development Authority and other similar authorities on lease-cum-sale basis and the sale deed is executed after a lapse of a period of 10 years by which time the market value of the property gets increased considerably. The policy of the Government is to allot as many houses and sites as possible to landless and other weaker sections of the people.

The levy of stamp duty on market value in respect of conveyance executed by the said authorities works out great hardship to the allottees many of whom are persons belonging to weaker sections.

It is felt that stamp duty on such instruments should be levied on the amount or the value of consideration for such instruments as specified therein. To remove the hardship that is caused by the existing provisions to the weaker sections of the people it was considered necessary to take urgent and immediate action. Hence an Ordinance was issued amending the entries relating to item 20 of the Schedule to the Karnataka Stamp Act, 1957. This Bill seeks to replace the said Ordinance.

(Obtained from LC Bill No. 1 of 1979.)

XII

Amending Act 21 of 1979.- In order to augment the revenues of the State it is proposed to second taxation and other laws. Opportunity is taken to make some other amendments also.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 27-3-1979 as No. 259).

XIII

Amending Act 15 of 1980.- The Audit parties of the Accountant General's Office

during the course of audit of several Sub-Registry Offices in the State during last one or two years have pointed out instances of non-levy/short levy/irregular remission of Stamp duty due to mis-classification of documents and mis-interpretation of the provisions of law regarding levy of stamp duty. In most of the cases, the observations of the Audit were found to be valid and the Inspector General of Registration and Commissioner for Stamps had to initiate steps for recovery of the deficit stamp duty from the concerned parties. However, for want of suitable provisions in the Karnataka Stamp Act, 1957 enabling recovery of such deficit stamp duty from the concerned parties as arrears of land revenue, it has not been possible for the Department to recover it in most of the cases.

As the Legislature Assembly was not in session, an ordinance was promulgated on 3rd December 1979 introducing new Section 46-A providing for recovery of deficit stamp duty as arrears of land revenue and, in certain type of cases, with retrospective effect namely from 1st April 1972. Consequential amendment to Section 11(a) was also made due to enhancement of stamp duty with effect from 27th March 1979 as per Karnataka Taxation and Certain Other Laws (Amendment) Act, 1979.

The Bill seeks to replace the said ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 29th February 1980, as No. 154, at page. 5.)

XIV

Amending Act 16 of 1981.- The allottees of sites or houses have to execute lease-cum-sale agreement with bodies like the Bangalore Development Authority, the Karnataka Housing Board, City Improvement Trust Boards and Housing Co-operative Societies etc. After the expiry of the lease period conveyances are executed in favour of the allottees. The lease-cum-sale Agreement would attract levy of stamp duty under Article 30(c) of the Schedule to the Karnataka Stamp Act, 1957 at the same rate as a conveyance on the advance paid in addition to the duty payable on the lease. Again when the conveyance is subsequently executed, duty is payable on the full value of the considerations. Thus duty becomes payable on these transactions as for a conveyance, twice. Representations have been received from the public requesting the Government to grant relief. In view of this and in order to recover the full duty at the initial stage itself when the lease-cum-sale agreement is executed, the amendments proposed are sought to be made.

Hence this Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 3rd February 1981, as No. 85, at page. 4.)

XV

Amending Act 16 of 1983.—Section 46A of the Karnataka Stamp Act, 1957

provides for recovery of stamp duty not levied or short levied. Under the said section, the Chief Controlling Revenue Authority or an officer authorised by the State Government could initiate action within three years from the date of commencement of the Karnataka Stamp (Amendment) Act, 1980 by which the said section was introduced. In cases where the reason for non-payment was fraud, etc., a longer period of six years was permissible.

Action for recovery of deficit duty under the said section has to be taken in about 40000 to 50000 cases and further extension of the period has become necessary.

In these circumstances, it is considered necessary to fix the relevant period as 5 years and 10 years instead of 3 years and 6 years respectively.

An Ordinance was issued and this Bill seeks to replace the said Ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 25th March 1983, as No. 186, at page. 3.)

XVI

Amending Act 9 of 1987.- To give effect to the proposals made in the Budget Speech, it is proposed to amend the Karnataka Stamp Act, 1957.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A, dated 27th March 1987, as No. 243, at page. 4.)

XVII

Amending Act 24 of 1987.- Section 7 of the Karnataka Stamp Act, 1957 does not provide for charging a copy of an instrument received in the State of Karnataka, where an instrument is registered in any part of India other than Karnataka in respect of the property situated in Karnataka. The different rates of stamp duty applicable in other States in respect of sale, gift, mortgage and such transactions have enabled the concerned parties to evade stamp duty in Karnataka by having their documents registered in Presidency towns of Bombay, Calcutta, Madras as well as Delhi District, vide the provisions of Section 30 (2) of the Indian Registration Act. This has resulted in huge loss of revenue to the Government of Karnataka.

It is also considered necessary to enhance the rate of stamp duty chargeable in respect of Partnership under article 40 of the Schedule to the Karnataka Stamp Act, as it has been found that with a view to avoid higher stamp duty payable on conveyances, the registering parties are resorting to the evasion of stamp duty by entering into partnerships, with one partner contributing immovable property and the other contributing cash, and thereafter dissolving the partnership and transferring the immovable property to the partner who contributed cash in lieu of such cash, and vice-versa.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 11th February 1987, as No. 123, at page. 4.)

XVIII

Amending Act 10 of 1988.- As at present the duty in respect of any instrument of conveyance effected by the Bangalore Development Authority, the City Improvement Trust Board, Mysore, the Karnataka Housing Board, the Improvement Boards constituted under the Karnataka Improvements Boards Act, 1976 shall be payable at the rates specified in the Schedule on the amount or value of consideration for such conveyance as setforth in the instrument.

It is proposed to extend such concession to the House Building Co-operative Societies, registered under the Karnataka Co-operative Societies Act, 1959.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 8th February 1988 as No. 82, at page. 3.)

XIX

Amending Act 10 of 1990.- To give effect to the proposals made in the Budget speech, it is considered necessary to amend the Karnataka Stamp Act, 1957.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 30th March 1990, as No. 154, at page. 9.)

XX

Amending Act 11 of 1991.—To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 22nd March 1991 as No. 131, at page 47)

XXI

Amending Act 19 of 1994.- To give effect to the proposals made in the Budget Speech it is considered necessary to amend the Karnataka Stamp Act 1957.

Hence the Bill.

(Obtained from LA Bill No. 14 of 1994.)

XXII

Amending Act 8 of 1995.- To give effect to the proposals made in the Budget Speech it is considered necessary to amend the Karnataka Stamp Act, 1957 and also to make some consequential amendments are proposed.

Hence the Bill.

(Obtained from LA Bill No. 2 of 1995.)

XXIII

Amending Act 20 of 1996.- Sub-clause (3)(a) of Article 20 of the Schedule to the Karnataka Stamps Act, 1957 provides that second and subsequent sale of Motor Vehicles of above 75 C.C. except Autorikshaws are chargeable with duty. In order to implement the said provision properly it is necessary to cast a duty on the registering authority not to enter such vehicles in the registration certificate unless specified stamp duty is paid by amending the said Act suitably.

Hence the Bill.

(Obtained from LA Bill 15 of 1995 (File No. LAW 34 LGN 95))

XXIV

Amending Act 9 of 1997.- It is considered necessary to amend the Karnataka Stamp Act, 1957 and to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 13 of 1997.)

XXV

Amending Act 22 of 1997.- As at present the duty in respect of transaction of lease-cum-sale in connection with allotment of building sites with or without building thereon by certain authorities like the Bangalore Development Authority, Karnataka Housing Board etc., is payable on the market value equal to the security deposit and the average annual rent reserved in such agreement and in respect of instrument of conveyance effected by the above authorities, the duty is payable on the amount or value of consideration of such conveyance as set forth in the instrument.

It is proposed to extend the above concession in respect of allotment of industrial sheds and plots by the Karnataka Industrial Areas Development Board, the Karnataka Small Scale Industrial Development Corporation, the Karnataka State Industrial Investment and Development Corporation KEONICS and allotment of land or site to the market functionaries by the Agricultural Produce Marketing Committees.

Hence the Bill.

(Obtained from LA Bill No. 11 of 1997.)

XXVI

Amending Act 5 of 1998.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and some consequential amendments are also proposed.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 26th March 1998)

1998, as No. 347, at page. 7.)

XXVII

Amending Act 6 of 1999.- To give effect to the proposal made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and some consequential amendments are also proposed.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 30th March 1999, as No. 288)

XXVIII

Amending Act 24 of 1999.- It is considered necessary to amend the Karnataka Stamp Act, 1957 for more effective implementation of the provisions of this Act.

It is proposed, for this purposes,-

1. To define the term Assistant Commissioner to Stamps Association, Clearance List and Immoveable property.
2. To levy duty on the copy of an original instrument where no proper duty has been paid on the original instrument by adding an explanation under section 3.
3. To provide for enhancement of Stamp duty in certain cases since there has been no revision of the rate for a long time.
4. To provide for payment of stamp duty in cash in certain cases.
5. To provide for keeping the instrument brought for registration where the Registering Officer has reason to believe that the market value of the property has not been truly setforth in the instrument and for referring the case of the Deputy Commissioner for determination of the market value if the party, does not pay the duty on the basis of such valuation and also to provide that the Deputy Commissioner shall dispose of the cases as far as possible, within 90 days from the date of reference. This is done by proposing amendment to section 45A.
6. To enhance the quantum of punishment in certain cases, by amending relevant penal section of the Act.
7. To provide for punishment for making false declaration in clearance list and failure to produce documents.
8. To insert a new section 53A to provide for the Chief Controlling Revenue Authority to make a revision of the order passed by the Deputy Commissioner or Authorised Officer within the period of five years from the date of orders passed by them.
9. To Substitute section 67B to streamline the provisions regarding power to enter premises and inspect certain documents.

Certain other consequential and necessary amendments are also made.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A, dated 31st March 1999, as No. 299)

XXIX

Amending Act 7 of 2000.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and the Karnataka Societies Registration Act, 1960.

(Obtained from L.A. Bill No. 8 of 2000.)

XXX

Amending Act 6 of 2001.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and the Karnataka Co-operative Societies Act, 1957.

Hence the Bill.

(Vide LABill No. 6 of 2001 File No. SAMVYASHAE 10 SHASANA2001)

XXXI

Amending Act 6 of 2002.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and the Karnataka Societies Registration Act, 1960.

Hence the Bill.

(Vide LABill No. 11 Of 2002 and File No. SAMVYASHAE 19 SHASANA2002)

XXXII

Amending Act 17 of 2002.- It is considered necessary to reduce or remit by notification till 31st March, 2006, the stamp duty payable on any instrument, to be specified therein executed by, specified new Tiny, Small Scale, Medium Scale or Large Scale Industrial Units or Mega Projects as defined in the new industrial policy vide Government Order CI 167 SPI 2001 dated 30.6.2001 or by such key projects of core area as defined in the said policy or specified by the State Government from time to time. Hence the Bill.

(Vide LABill No. 23 of 2002 File No. SAMVYASHAE 4 SHASANA2002)

XXXIII

Amending Act 8 of 2003.- To give effect to the proposals made in the Budget Speech for the year 2003-04, it is considered necessary to amend the Karnataka Stamp Act, 1957, the Karnataka Municipalities Act, 1964, the Karnataka Municipal Corporations Act, 1976 and the Karnataka Panchayat Raj Act, 1993.

Hence the Bill.

(Vide LABill No. 8 of 2003 File No. SAMVYASHAE 15 SHASANA2003)

XXXIV

Amending Act 2 of 2004.- To give effect to the proposals made in the Budget Speech of 2003-04, it is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Stamp Act, 1957 and the Karnataka Motor Vehicles Taxation Act, 1957.

Hence the Bill.

(obtained from LA Bill No. 7 of 2004 vide File No. SAMVYASHAE 11 SHASANA 2004)

XXXV

Amending Act 7 of 2006.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill.

[L.A. Bill No. 12 of 2006]

XXXVI

Amending Act 7 of 2007.- To give effect to the proposals made in the Budget Speech of 2007-2008, it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill.

[L.A. Bill No. 20 of 2007]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXVII

Amending Act 11 of 2007.- In order to encourage entrepreneurs for establishment of new industries, so as to achieve industrial as well as economic growth in the state and in the light of New Industrial Policy 2006-2011. It is proposed to amend the Karnataka Stamp Act, 1957 making provision to give stamp duty exemption as per the Industrial Policy issued by the Commerce & Industries Department.

Hence the Bill.

[L.A. Bill No. 9 of 2007]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXVIII

Amending Act 17 of 2007.- In G.O.NO.RD 9 BMM 2003, dated: 8.9.2005 the posts of Regional Commissioners at Bangalore, Mysore, Gulbarga and Belgaum along with supporting staff has been created.

The Regional Commissioners have to be conferred with statutory powers by necessary amendments to the relevant Acts.

Since the matter was urgent and the Karnataka Legislature was not in session, the Karnataka Land Revenue and Certain Other Laws (Amendment) Ordinance 2006(Karnataka Ordinance No.5 of 2006) was promulgated to achieve the above Object.

Hence the Bill.

[L.A. Bill No. 7 of 2007]

[Entry 5 and 18 of List II of the Seventh Schedule to the Constitution of India.]

XXXIX

Amending Act 1 of 2008.- In order to give effect to the proposals made in the Budget Speech for the year 2003-2004, it is considered necessary to amend the Karnataka Stamp Act, 1957, to dispense with the use of stamps and stamp papers and to start using impressed stamps. The Karnataka Stamp (Amendment) Bill, 2003 was passed in the both the Houses of the Legislature for obtaining the assent of the President on 29.3.2003. The Government of India vide their letter 17/20/2003-Judl & PP, dated:18.10.2004 has communicated the notes of the Ministry of Law and Justice (Department of Legal Affairs) for clarification.

The Government of Karnataka considered the observations of the Ministry of Finance, Government of India (Banking Division) communicated vide Government of India letter dated: 11.7.2003 and the points raised by the Ministry of Law and Justice (Department of Legal Affairs) and has decided to drop the proposed amendment to section 19 of the Karnataka Stamp Act, 1957.

Hence the Bill.

(L.A. Bill No. 8 of 2007)

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXX

Amending Act 8 of 2008.-To give effect to the proposals made in the Budget Speech of 2008-2009, it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill.

(L.A. Bill No. 6 of 2008, File No. DPAL 12 Shasana 2008)

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXI

Amending Act 9 of 2009.- To give effect to the proposals made in the Budget

Speech 2009-10, it is considered necessary to amend the Karnataka Stamp Act, 1959 (Karnataka Act No.34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill

(LA Bill No. 24 of 2009, File No. DPAL 17 Shasana 2009)

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXII

Amending Act 20 of 2009.- In the Budget Speech for the year 2009-2010 it has been announced to reduce the Stamp duty on sale transactions of all kinds of immovable properties including agricultural land from seven and half percent to six percent.

Therefore it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957)

As the matter was urgent and both the Houses of the Karnataka State Legislature were not in session, the Governor of Karnataka had promulgated the Karnataka Stamp (Amendment) Ordinance, 2009 (Karnataka Ordinance No.5 of 2009)

This bill seeks to replace the said ordinance.

Hence the bill

(LA Bill No. 37 of 2009, File No. DPAL 28 Shasana 2009)

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXII

Amending Act 8 of 2010.- To give effect to the proposals made in the Budget Speech 2010-11, it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the bill.

[L.A. Bill No. 13 of 2010, File No. DPAL 15 Shasana 2010]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXIII

Amending Act 9 of 2010.- In order to encourage entrepreneurs for establishment of new industries in the State to combat financial crisis prevailing globally and in the light of the new Industrial Policy 2009-14, it is proposed to amend the Karnataka Stamp Act, 1957, to reduce or remit stamp duty in public interest payable on any instrument executed by key projects of core area in the special economic zones.

Hence the Bill.

[L.A. Bill No. 01 of 2010, File No. DPAL 34 Shasana 2009]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXIV

Amending Act 16 of 2011.- To give effect to the proposals made in the Budget Speech 2011-12 it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No.34 of 1957).

Hence the Bill.

[L.A. Bill No.21 of 2011, File No.Samvyashae 18 Shasana 2011]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

XXXXV

Amending Act 2 of 2012.- It is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957) to give effect to the proposals made in the Budget Speech 2010-11, and to give an impetus to growth in Agriculture, Information Technology, Bio-Technology, Science and Technology.

Hence, the Bill.

[L.A. Bill No. 45 of 2011, File No. Samvyashae 48 Shasana 2011]

[Entry 63 of List II of the seventh Schedule to the Constitution of India.]

XXXXVI

Amending Act 15 of 2012.- To give effect to the proposals made in the Budget Speech of 2012-13, it is considered necessary to amend the Karnataka Stamp act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill.

[L.A. Bill No. 10 of 2012, File No. Samvyashae 23 Shasana 2012]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

सत्यमेव जयते * * * *

¹[KARNATAKA]¹ ACT No. 34 OF 1957.

(First published in the ¹[Karnataka Gazette]¹ on the Fifth day of December, 1957.)

THE ¹[KARNATAKA]¹ STAMP ACT, 1957.

(Received the assent of the President on the Twenty-eighth day of November, 1957.)

(As amended by Acts 8 of 1958; 29 of 1962; 17 of 1966; President's Act 17 of 1971; Karnataka Acts 12 of 1972; 4 of 1973; 17 of 1974; 12 of 1975; 37 of 1976; 9 of 1987, 21 of 1979; 15 of 1980; 16 of 1981; 16 of 1983; 9 of 1987, 24 of 1987; 10 of 1988; 10 of 1990; 11 of 1991; 19 of 1994; 8 of 1995; 20 of 1996; 9 of 1997, 22 of 1997; 5 of 1998; 6 of 1999; 24 of 1999; 7 of 2000, 6 of 2001, 6 of 2002, 17 of 2002, 8 of 2003, 2 of 2004, 7 of 2006, 7 of 2007, 11 of 2007, 17 of 2007, 1 of 2008, 8 of 2008, 9 of 2009, 20 of 2009, 8 of 2010, 9 of 2010, 16 of 2011, 2 of 2012 and 15 of 2012)

An Act to consolidate and amend the laws relating to Stamps.

WHEREAS it is expedient to consolidate and amend the laws relating to stamps in the ¹[State of Karnataka]¹;

BE it enacted by the ¹[Karnataka State]¹ Legislature in the Eighth year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.- (1) This Act may be called the ¹[Karnataka]¹ Stamp Act, 1957.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(2) It extends to the whole of the ¹[State of Karnataka]¹.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(3) It shall come into force on such ¹[date]¹ as the State Government may, by notification in the Official Gazette appoint.

1. Act came into force on 1.6.1958 by notification. Text of notification is at the end of the Act.

2. Definitions.- (1) In this Act, unless the context otherwise requires,—

¹[(a) 'Assistant Commissioner of Stamp's' means the Inspector of Registration Offices appointed under the Registration Act, 1908 (Central Act 16 of 1908) and includes such officer in such areas as the State Government may by notification specify.

(aa) "Association" means any association, exchange, organisation or body of individuals, whether incorporated or not, established for the purpose of regulating and controlling or conducting business of the sale or purchase of or other transaction relating to, any goods or marketable securities.]¹

1. Clauses (a) and (aa) Inserted by Act 24 of 1999 w.e.f. 18.8.1999.

¹[(ab)]¹ "bond" includes,—

(i) any instrument whereby a person obliges himself to pay money to another, on condition that the obligation shall be void if a specified act is performed or is not performed, as the case may be;

(ii) any instrument attested by a witness and not payable to order or bearer, whereby a person obliges himself to pay money to another; and

(iii) any instrument so attested, whereby a person obliges himself to deliver grain or other agricultural produce to another;

1. Relettered by Act 24 of 1999 w.e.f. 18.8.1999.

¹[(ac) "Central Valuation Committee" means the Central Valuation Committee constituted under section 45B].¹

1. Inserted by Act 8 of 2003 w.e.f. 1.4. 2003.

(b) "chargeable" means, as applied to an instrument executed or first executed after the commencement of this Act, chargeable under this Act, and as applied to any other instrument chargeable under the law in force in the territories of the ¹[State of Karnataka]¹ when such instrument was executed or, where several persons executed the instrument at different times, first executed;

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

¹[(c) 'Chief Controlling Revenue Authority' means the officer appointed by the State Government to be the ²[Commissioner of Stamps for Karnataka]²];¹

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

2. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

¹[(ca) "clearance list" means a list of transactions relating to contracts either maintained by an association or an individual or required to be submitted to the Clearing House of an association in accordance with the rules or bye-laws of the association and shall always mean to include all the transactions pertaining to sale as well as purchase of marketable securities;]¹

1. Inserted by act 24 of 1999 w.e.f. 18.8.1999.

¹[(d) "conveyance" includes,—

(i) a conveyance on sale,

(ii) every instrument,

(iii) every decree or final order of any civil court,

(iv) every order made by the High Court under section 394 of the Companies Act, 1956 in respect of amalgamation of Companies

by which property, whether moveable, or immoveable or any estate is transferred to,

or vested in, any other person, and which is not otherwise specifically provided for by the Schedule;]¹

1. Substituted by Act 6 of 1999 w.e.f. 1.4.1999.

¹[(dd) 'Deputy Commissioner' means the Chief Officer in charge of the revenue administration of a district and includes in respect of such provisions of this Act or rules made thereunder such officer in such area as the State Government may by notification in the Official Gazette specify;]¹

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

¹[(e) "Duly stamped " as applied to an instrument means that the instrument bears impressed stamp of not less than the proper amount and that such stamp has been impressed in accordance with law for the time being in force in the territories of the State of Karnataka.]¹

1. Substituted by Act 1 of 2008 w.e.f. 1.4.2003

(f) "executed," and "execution," used with reference to instruments, mean "signed" and "signature";

(g) "Government security" means a Government security as defined in the Public Debt Act, 1944 (Central Act XVIII of 1944);

¹[(ga) "Immovable property" includes land, buildings, rights to ways, air rights, development rights, whether transferable or not, benefits to arise out of land, and things attached to the earth, or permanently fastened to anything attached to the earth;]¹

1. Inserted by act 24 of 1999 w.e.f. 18.8.1999.

¹[(h) "Impressed stamp" means;

(i) impression made with franking machine;

(ii) a certificate or endorsement made and attested as may be prescribed by the Deputy Commissioner or the authorised officer or the proper officer, as the case may be in the territories of the State of Karnataka.]¹

1. Substituted by Act 1 of 2008 w.e.f. 1.4.2003

(l) "India" means the territory of India excluding the State of Jammu and Kashmir;

(j) "instrument" includes every document ¹[and record created or maintained in or by an electronic storage and retrieval device or media]¹ by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded;

1. Inserted by act 24 of 1999 w.e.f. 18.8.1999.

¹[(k) 'instrument of partition' means any instrument whereby co-owners of any property divide or agree to divide such property in severalty and includes,—

(l) a final order for effecting a partition passed by any revenue authority or any civil court,

(ii) an award by an arbitrator directing a partition, and

(iii) when any partition is effected without executing any such instrument, any instrument or instruments signed by the co-owners and recording, whether by way of declaration of such partition or otherwise, the terms of such partition amongst the co-owners;]¹

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

(l) "lease" means a lease of ¹[immoveable or movable property or both]¹, and includes also,—

1. Substituted by Act 9 of 1997 w.e.f. 1.4.1997

(l) a patta;

(ii) a kabuliyat or other undertaking in writing not being a counterpart or a lease to cultivate, occupy, or pay or deliver rent for, immoveable property;

(iii) any instrument by which tolls of any description are let;

(iv) any writing on an application for a lease intended to signify that the application is granted;

(m) "marketable security" means a security of such a description as to be capable of being sold in any stock market in India;

¹[(mm) "market value" in relation to any property, which is the subject matter of an instrument, means the price which such property would have fetched, in the opinion of the Deputy Commissioner or the Appellate Authority or the Chief Controlling Revenue Authority if sold in open market on the date of execution of such instrument or the consideration stated in the instrument whichever is higher:

Provided that notwithstanding anything contained in this Act or in the Articles, in respect of an instrument executed by or on behalf of or in favour of the State Government or the Central Government or a Local Authority or other Authority constituted by or under any law for the time being in force or a Body incorporate wholly owned or controlled by the Central Government or the State Government, the market value of the property shall be the value of consideration for such conveyance as set forth in the instrument.]]¹

1. Substituted by Act 8 of 2003 w.e.f. 1.4.2003

(n) "mortgage deed" includes every instrument whereby, for the purpose of securing money advanced, or to be advanced, by way of loan, or an existing or future debt, or the performance of an engagement, one person transfers, or creates, to or in favour of, another, a right over or in respect of specified property;

(o) "paper" includes vellum, parchment or any other material on which an instrument may be written;

(p) "power-of-attorney" includes any instrument (not chargeable with a fee under

the law relating to court fees for the time being in force) empowering a specified person to act for and in the name of the person executing it;

(q) "settlement" means any non-testamentary disposition in writing, of moveable or immoveable property made,—

(i) in consideration of marriage,

(ii) for the purpose of distributing property of the settler among his family or those for whom he desires to provide, or for the purpose of providing for some person dependent on him, or

(iii) for any religious or charitable purposes;

and includes an agreement in writing to make such a disposition, and where any such disposition has not been made in writing, any instrument recording whether by way of declaration, of trust or otherwise, the terms of any such disposition.

(2) The ¹[Karnataka]¹ General Clauses Act, 1899 shall apply for the interpretation of this Act, as it applies for the interpretation of a ¹[Karnataka]¹ Act.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

¹[(r) "Stamp" means impressed stamp and "stamp paper " means a paper bearing the impressed stamp.]¹

1. Inserted by Act 1 of 2008 w.e.f. 1.4.2003.

CHAPTER II STAMP DUTIES

A.—Of the Liability of Instruments to Duty.

3. Instruments chargeable with duty.- Subject to the provisions of this Act and the exemptions contained in the Schedule, the following instruments shall be chargeable with duty of the amount indicated in that Schedule as the proper duty therefor, respectively, that is to say,—

(a) every instrument mentioned in that Schedule which, not having been previously executed by any person, is executed in the territories of the ¹[State of Karnataka]¹ on or after the commencement of this Act; and

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(b) every instrument mentioned in that Schedule which, not having been previously executed by any person, is executed out of the ¹[State of Karnataka]¹ on or after that day, relates to any property situate, or to any matter or thing done or to be done, in the territories of the ¹[State of Karnataka]¹ and is received in the territories of the ¹[State of Karnataka]¹:

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

Provided that no duty shall be chargeable in respect of,—

(1) any instrument, executed by, or on behalf of, or in favour of, the ¹[State Government]¹ in cases where, but for this exemption, the ¹[State Government]¹ would be liable to pay the duty chargeable in respect of such instrument;

1. Substituted by Act 17 of 1966 w.e.f. 15.11.1966 by notification text of notification at the end of the Act.

¹[Explanation.- Where no proper duty has been paid on the original of an instrument which is chargeable with an amount indicated in the Schedule as proper duty therefor, then a copy of such instrument whether certified or not and whether a facsimile image or otherwise of the original shall be chargeable with duty of an amount which is indicated in Schedule as proper duty for the original of such instrument, and all the provisions of this chapter and chapters IV, VI, VII and VIII of this Act shall mutatis mutandis be applicable to such copy of the original.]¹

1. Inserted by Act 24 of 1999 w.e.f. 18.8.1999.

(2) any instrument for sale, transfer or other disposition, either absolutely or by way of mortgage or otherwise, of any ship or vessel, or any part, interest, share or property of or in any ship or vessel registered under ¹[the Merchant Shipping Act, 1958]¹.

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

¹[3A. Instruments liable to duty in multiples of five naye paise.- Notwithstanding anything contained in section 3 and the Schedule or any rule or order published under section 9, the proper duty payable on any instrument shall be computed and determined in multiples of five naye paise:

Provided that where a scale has been specified for determining the proper duty, the total amount of duty payable on any instrument shall be calculated in accordance with such scale, and where the total amount so calculated includes in addition to any multiple of five naye paise a fraction of five naye paise, such fraction shall be deemed to be five naye paise, and the total amount of duty payable on the instrument shall be determined accordingly.]¹

1. Inserted by Act 29 of 1962 w.e.f. 1.10.1962.

¹[3B. Certain instruments chargeable with additional duty.- ²[(1) Any instrument of conveyance, exchange, settlement, gift or lease in perpetuity of immovable property chargeable with duty under section 3 read with articles of the schedule shall be chargeable with additional duty at the rate of ten percent, on such duty chargeable on such instrument of conveyance, exchange, gift, settlement and lease in perpetuity, for the purpose of various infrastructure projects across the State, equity investment in the Bangalore Mass Rapid Transport Limited and for Mukhya Manthri Grameena Rasthe Abhivrudhi Nidhi in the proportion of 57:28:15 respectively]²

(2) The additional duty chargeable under sub-section (1) shall be in addition to any duty chargeable under section 3.

(3) Except as otherwise provided in sub-section (1) provisions of this Act, shall so far as may be apply in relation to the additional duty chargeable under sub-section (1) as they apply in relation to the duty chargeable under section 3.]¹

1. Substituted by Act 6 of 2001 w.e.f. 1.4.1998

2. Substituted by Act 2 of 2004 w.e.f. 1.2.2004

¹[3C. Limit on levy of additional stamp duty.- Notwithstanding anything contained in any other law for the time being in force, no instrument shall be charged with any duty in the form of additional stamp duty under such other law, exceeding the maximum amount of duty with which such instrument is chargeable under this Act.]¹

1. Inserted by Act 6 of 1999 w.e.f. 1.4.1999.

4. Several instruments used in single transaction of sale, mortgage or settlement.- (1) Where, in the case of any sale, mortgage or settlement, several instruments are employed for completing the transaction, the principal instrument only shall be chargeable with the duty prescribed in the Schedule for the conveyance, mortgage, or settlement, and each of the other instruments shall be chargeable with a duty of ¹[one hundred]¹ rupees instead of the duty (if any) prescribed for it in the Schedule.

1. Substituted by Act 8 of 1995 w.e.f. 1.4.1995.

(2) The parties may determine for themselves which of the instruments so employed shall, for the purpose of sub-section (1), be deemed to be the principal instrument:

Provided that the duty chargeable on the instrument so determined shall be the highest duty which would be chargeable in respect of any of the said instruments employed.

5. Instruments relating to several distinct matters.- Any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

6. Instruments coming within several descriptions in Schedule.- Subject to the provisions of the last preceding section, an instrument so framed as to come within two or more of the descriptions in the Schedule shall, where the duties chargeable thereunder are different, be chargeable only with the highest of such duties:

Provided that nothing contained in this Act shall render chargeable with duty exceeding ¹[four rupees and fifty naye paise]¹ a counter part or duplicate of any instrument chargeable with duty and in respect of which the proper duty has been paid.

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

7. Payment of higher duty in respect of certain instruments.- (1) Notwithstanding anything contained in section 4 or 6 or in any other enactment, unless it is proved that the duty chargeable under this Act has been paid,—

(a) on the principal or original instrument, as the case may be, or

(b) in accordance with the provisions of this section,

the duty chargeable on an instrument of sale, mortgage or settlement, other than a principal instrument or on a counterpart, duplicate or copy of any instrument shall, if the principal or original instrument would, when received in the State, have been chargeable under this Act with a higher rate of duty, be the duty with which the principal or original instrument would have been chargeable under section 19.

(2) Notwithstanding anything contained in any enactment for the time being in force, no instrument, counterpart, duplicate or copy chargeable with duty under this section shall be received in evidence unless the duty chargeable under this section has been paid thereon:

Provided that any Court before which any such instrument, duplicate or copy is produced may permit the duty chargeable under this section to be paid thereon and may then receive it in evidence.

¹[(3) Where any instrument is registered in any part of India other than Karnataka and the instrument relates wholly or partly to any property situated in Karnataka, the copy of such instrument shall, when received in Karnataka be liable to be charged with the difference of stamp duty as original under section 19 to the extent of and in proportion to the consideration or value of the property situated in Karnataka and the party liable to pay stamp duty on the original instrument shall upon receipt of notice from the registering officer pay the difference in duty within the time allowed.]¹

1. Inserted by Act 24 of 1987 w.e.f. 12.6.1987.

8. Bonds or other securities issued on loans.- (1) Notwithstanding anything contained in this Act, any local authority raising a loan under the provisions of any law for the time being in force, by the issue of bonds or other securities, shall, in respect of such loan, be chargeable with a duty of one per centum on the total amount of the bonds or other securities issued by it, and such bonds or other securities need not be stamped and shall not be chargeable with any further duty on renewal, consolidation, sub-division or otherwise.

(2) The provisions of sub-section (1) exempting certain bonds or other securities from being stamped and from being chargeable with certain further duty shall apply to the bonds or other securities of all outstanding loans of the kind mentioned therein and all such bonds or other securities shall be valid, whether the same are stamped or not.

(3) In the case of wilful neglect to pay the duty required by this section, the local authority shall be liable to forfeit to the Government a sum equal to ten per centum upon the amount of duty payable, and a like penalty for every month after the first month during which the neglect continues.

9. Power to reduce, remit or compound duties.- (1) The State Government may, by rule or order published in the Official Gazette,—

(a) ¹[reduce upto fifty percent]¹ in the whole or any part of the ²[State of Karnataka]², if in the opinion of the State Government it is necessary in public interest so to do, the duties with which any particular class of instruments, or any of the instruments belonging to such class, or any instruments when executed by or in favour of any particular class of persons, or by or in favour of any members of such class, are chargeable; and

1. Substituted by Act 5 of 1998 w.e.f. 1.4.1998.

2. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

¹[Provided that the State Government may in public interest reduce or remit the stamp duty payable on an instrument executed,-

(I) by or in favour of any person to obtain or to repay loan, as the case may be, for an agricultural purpose as defined in the Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act, 1974 (Karnataka Act 2 of 1975),

(ii) by a public sector undertaking, to obtain loan for the purpose for which it is established, (iii) by or in favour of loanee to obtain or repay loan, as the case may be for the purposes of pursuing education, acquiring and installing water harvesting units and non-conventional energy devices such as solar and biogas energies,]¹

1. Substituted by Act 8 of 2010 w.e.f. 1.4.2010.

¹[(iv) by or in favour of loanee to obtain loans for non-agricultural purposes advanced to 'Joint Liability Groups' by Schedule Banks and other Financial Institutions specified in this behalf;

(v) by or in favour of farmers for the allotment of developed lands to the farmers, when their lands are acquired for public purposes;

(vi) by or in favour of farmers for the purchase of lands from the compensation amount paid to them when their lands are acquired for public purposes.]¹

1. Inserted by Act 16 of 2011 w.e.f. 1.4.2011.

¹[Provided further that the State Government may, in public interest, by notification, reduce or remit the stamp duty payable on any instrument to be specified therein, executed by or between Special Economic Zone Developer, Co-Developer, Land Owners, Karnataka Industrial Areas Development Board and Financial Institutions as defined in the State policy for Special Economic Zones – 2009, vide Government

Order No. CI 114 SPI 2007, Bangalore, dated: 28-02-2009.

Provided also that the State Government may, in public interest, by notification, reduce or remit, till 31st March 2014, the stamp duty payable on any instrument to be specified therein executed by specified new and existing micro, small, medium enterprises, Large Scale Industrial Units and mega projects including expansion or modernization or diversification projects, as defined in the Karnataka Industrial Policy 2009-14 specified in the Government Order No. CI 233 SPI 2008, Dated: 28-02-2009 or by such key projects of core area as defined in the said policy or specified by State Government from time to time]¹

1. Substituted by Act 9 of 2010 w.e.f. 3.4.2010.

¹[Provided also that the State Government may in public interest, by notification, reduce or remit the stamp duty payable on any instrument to be specified therein, executed by or between the concerned persons in connection with 2009-14 tourism policy of the State specified in Government Order No. Ka Sam Va Pra 231 Pra Va Yo 2007 dated: 20th October 2009 or specified by the State Government from time to time.]¹

1. Inserted by Act 16 of 2011 w.e.f. 1.4.2011.

¹[Provided also that the State Government may in public interest, reduce or remit by notification the stamp duty payable on any instrument to be specified therein, executed by or between the concerned persons in connection with,-

- (a) the integrated Karnataka Agri-Business Development policy 2011, specified in the Government order No. AHD 172 AFT 2010, Bangalore, dated 5th March 2011 or as specified by the State Government from time to time;
- (b) the Semiconductor policy of Karnataka State-2010, specified in the Government Order No. ITD 10 PRM 2008. Bangalore, Dated 25th February 2010 or as specified by the State Government from time to time;
- (c) The information and communications technology policy-2011, specified in the Government Order No. ITD 11 PRM 2008, Bangalore.

Dated 2nd February 2010 or as specified by the State Government from time to time;

- (d) The Karnataka Electronics Hardware Policy-2011, specified in the Government Order No. ITD 09 PRM 2008, Bangalore.

Dated 29th January 2011 or as specified by the State Government from time to time.]¹

1. Inserted by Act 2 of 2012 w.e.f. 4.1.2012.

¹ [Provided also that the state government may in public interest reduce or remit by notification, the stamp duty payable on any instrument to be specified therein, executed,-

(i) by or in favour of Rajiv Gandhi Housing Corporation in connection with implementation of housing programme including houses built under Indira Awaas Yojana, for the economically weaker sections and special occupational categories both in rural and urban areas for the purpose of providing residential facilities with capital investment by the state government and loan borrowed from Housing And Urban Development Corporation,

(ii) in favour of local bodies, urban development authorities and other public authorities to be specified therein, for the purposes of providing roads, civic amenities, parks, water bodies, mini-forests, boulevards, etc. which are exclusively meant for public purpose.]¹

1. Substituted by Act 8 of 2010 w.e.f. 1.4.2010.

(b) provide for the composition or consolidation of duties in the case of issues by any incorporated company or other body corporate of bonds ¹[or other marketable securities, brokers' notes, policies of insurance and receipts.]¹

1. Substituted by Act 16 of 2011 w.e.f. 1.4.2011.

¹[(1A) Notwithstanding anything contained in any other law for the time being in force, no reduction or remission of stamp duty shall be allowed unless it is notified in accordance with sub-section (1).]¹

1. Inserted by Act 5 of 1998 w.e.f. 1.4.1998.

¹[(2) Every rule or order published under clause (a) of sub-section (1) shall be laid as soon as may be after it is published before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or order or both Houses agree that the rule or order should not be made, the rule or order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or order.]¹

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

B.—Of Stamps and the mode of using them.

10. Duties how to be paid.- (1) Except as otherwise expressly provided in this Act, all duties with which any instruments are chargeable shall be paid, and such payment shall be indicated on such instruments, by means of stamps,—

(a) according to the provision herein contained; or

(b) when no such provision is applicable thereto, as the Government may by rule direct.

(2) The rules made under sub-section (1) may, among other matters, regulate,-

(a) in the case of each kind of instrument—the description of stamps which may be used;

¹[(b) in case of an instrument affixed or endorsed with certificate of stamp the manner of recording such certificate.]¹

1. Substituted by Act 1 of 2008 w.e.f. 1.4.2003

¹[(3) Subject to the rules made under clause (b) of sub-section (1), the Chief Controlling Revenue Authority or any other officer empowered by the State Government in this behalf may authorise any person, body or organisation, including Post Offices and Banks, to use machine for making impression of stamps ²[or implement Computerised Stamp duty administration system or Electronic Stamping or Dematerialisation of stamping; for indicating the payment of stamp duty on any Instrument or plain paper, as the case may be]²]¹

1. Inserted by Act 6 of 1999 w.e.f. 1.4.1999.

2. Substituted by Act 7 of 2007 w.e.f. 1.4.2007.

¹[10A. Payment of stamp duty by cash in certain cases.- (1) Notwithstanding anything contained in section 10, the stamp duty payable on an instrument may also be paid in cash by challan in the Banking Treasury or Treasury, counter signed by an officer empowered by the State Government by notification in this behalf or by demand draft or by pay order drawn on a branch of any scheduled bank. The officer so empowered shall, on production of such challan and after due verification that the duty has been paid, or upon production of demand draft or pay order as the case may be, certify in such manner as may be prescribed by endorsement on the instrument, of the amount of the duty so paid.

1. Inserted Act 24 of 1999 w.e.f. 18.8.1999.

(2) An endorsement made on any instrument under sub-section (1) shall have the same effect as if the duty of an amount equal to the amount stated in the endorsement has been paid in respect thereof and such payment has been indicated on such instrument by means of stamps, in accordance with requirements of section 10.

(3) Nothing in this section shall apply to,-

(l) the payment of stamp duty chargeable on the instruments specified in entry 91

of List I of the Seventh Schedule to the Constitution of India; and

(ii) the instruments presented after two months from the date of their execution or first execution.]¹

11. '[XXX]'

1. Omitted by Act 1 of 2008 w.e.f. 1.4.2003

12. '[XXX]'

1. Omitted by Act 1 of 2008 w.e.f. 1.4.2003

13. Instruments stamped with impressed stamps how to be written.- Every instrument written upon paper stamped with an impressed stamp shall be written in such manner that the stamp may appear on the face of the instrument and cannot be used for or applied to any other instrument.

14. Only one instrument to be on same stamp.- No second instrument chargeable with duty shall be written upon a piece of stamped paper upon which an instrument chargeable with duty has already been written:

Provided that nothing in this section shall prevent any endorsement which is duly stamped or is not chargeable with duty being made upon any instrument for the purpose of transferring any right created or evidenced thereby, or of acknowledging the receipt of any money or goods the payment or delivery of which is secured thereby.

15. Instruments written contrary to section 13 or 14 deemed unstamped.- Every instrument written in contravention of section 13 or section 14 shall be deemed to be unstamped.

16. Denoting duty.- Where the duty with which an instrument is chargeable, or its exemption from duty, depends in any manner upon the duty actually paid in respect of another instrument, the payment of such last mentioned duty shall, if application is made in writing to the ¹[Deputy Commissioner] for that purpose, and on production of both the instruments, be denoted upon such first mentioned instrument, by endorsement under the hand of the ¹[Deputy Commissioner] or in such other manner, if any, as the State Government may by rules prescribe.

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

C.—Of the time of Stamping Instruments.

17. Instruments executed in the ¹[State of Karnataka].- All instruments chargeable with duty and executed by any person in the ¹[State of Karnataka] shall be stamped before or at the time of execution.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

¹[Provided that nothing in this section shall apply to an instrument in respect of which stamp duty has been paid under section 10A.]¹

1. Inserted by Act 24 of 1999 w.e.f. 18.8.1999.

18. Instruments executed out of India.- (1) Every instrument chargeable with duty executed only out of India may be stamped within three months after it has been first received in the ¹[State of Karnataka]¹.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(2) Where any such instrument cannot, with reference to the description of stamp, prescribed therefor, be duly stamped by a private person, it may be taken within the said period of three months to the ¹[Deputy Commissioner]¹ who shall stamp the same, in such manner as the Government may by rule prescribe, with a stamp of such value as the person so taking such instrument may require and pay for.

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

19. Payment of duty on certain instruments liable to increased duty in the ¹[State of Karnataka]¹. - Where any instrument of the nature described in any article in the Schedule and relating to any property situate or to any matter or thing done or to be done in the ¹[State of Karnataka]¹ is executed out of the said State and subsequently received in the said State,—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(a) the amount of duty chargeable on such instrument shall be the amount of duty chargeable under the Schedule on a document of the like description executed in the ¹[State of Karnataka]¹ less the amount of duty, if any, already paid on such instrument in any other State in India,

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(b) and in addition to the stamps, if any, already affixed thereto, such instrument shall be stamped with the stamps necessary for the payment of the duty chargeable on it under clause (a) of this section, in the same manner and at the same time and by the same persons as though such instrument were an instrument received in the ¹[State of Karnataka]¹ for the first time at the time when it became chargeable with the higher duty, and

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

(c) the provisions contained in clause (b) of the proviso to subsection (3) of section 32 shall apply to such instrument as if such were an instrument executed or first executed out of India and first received in the ¹[State of Karnataka]¹ when it became

chargeable to the higher duty aforesaid, but the provision contained in clause (a) of the said proviso shall not apply thereto.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

D.—Of Valuations for Duty.

20. Conversion of amount expressed in foreign currencies.- (1) Where an instrument is chargeable with ad valorem duty in respect of any money expressed in any currency other than that of India, such duty shall be calculated on the value of such money in the currency of India according to the current rate of exchange on the day of the date of the instrument.

(2) The rate of exchange prescribed by the Central Government under sub-section (2) of section 20 of the Indian Stamp Act, '[1899]¹' (Central Act II of '[1899]¹') shall be deemed to be the current rate of exchange for the conversion of any foreign currency for the purposes of calculating the duty under sub-section (1).

1. Substituted by Act 8 of 1958 w.e.f. 29.3.1958.

21. Stock and marketable securities how to be valued.- Where an instrument is chargeable with ad valorem duty in respect of any stock or of any marketable or other security, such duty shall be calculated on the value of such stock or security according to the average price or the value thereof on the day of the date of the instrument.

22. Effect of statement of rate of exchange or average price.- Where an instrument contains a statement of current rate of exchange, or average price, as the case may require, and is stamped in accordance with such statement, it shall, so far as regards the subject matter of such statement, be presumed, until the contrary is proved, to be duly stamped.

23. Instruments reserving interest.- Where interest is expressly made payable by the terms of an instrument, such instrument shall not be chargeable with duty higher than that with which it would have been chargeable had no mention of interest been made therein.

24. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements.- (1) Where an instrument,—

(a) is given upon the occasion of the deposit of any marketable security by way of security for money advanced or to be advanced by way of loan, or for an existing or future debt; or

(b) makes redeemable or qualifies a duly stamped transfer, intended as a security, of any marketable security, it shall be chargeable with duty as if it were an agreement

or memorandum of an agreement chargeable with duty under Article 5 of the Schedule.

(2) A release or discharge of any such instrument shall be chargeable with the like duty.

25. How transfer in consideration of debt, or subject to future payment etc., to be charged.- Where any property is transferred to any person in consideration, wholly or in part, of any debt due to him, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or encumbrance upon the property or not, such debt, money, or stock is to be deemed the whole or part, as the case may be, of the consideration in respect whereof the transfer is chargeable with ad valorem duty:

Provided that nothing in this section shall apply to any such certificate of sale as is mentioned in Article 15 of the Schedule.

Explanation.- In the case of a sale of property subject to a mortgage or other encumbrance, any unpaid mortgage money or money charged, together with the interest (if any) due on the same, shall be deemed to be part of the consideration for the sale:

Provided that, where property subject to a mortgage is transferred to the mortgagee, he shall be entitled to deduct from the duty payable on the transfer the amount of any duty already paid in respect of the mortgage.

Illustrations.

(1) A owes B Rs. 1,000. A sells a property to B the consideration being Rs. 500 and the release of the previous debt of Rs. 1,000. Stamp duty is payable on Rs. 1,500.

(2) A sells a property to B for Rs. 500 which is subject to a mortgage to C for Rs. 1,000 and unpaid interest Rs. 200. Stamp duty is payable on Rs. 1,700.

(3) A mortgages a house of the value of Rs. 10,000 to B for Rs. 5,000. B afterwards buys the house from A. Stamp duty is payable on Rs. 10,000 less the amount of stamp duty already paid for the mortgage.

26. Valuation in case of annuity, etc.- Where an instrument is executed to secure the payment of annuity or other sum payable periodically, $^1[x \times x]^1$ the amount secured by such instrument, $^1[x \times x]^1$ shall, for the purposes of this Act be deemed to be,—

1. Omitted by Act 12 of 1975 w.e.f. 1.5.1975.

(a) where the sum is payable for a definite period so that the total amount to be paid can be previously ascertained—such total amount;

(b) where the sum is payable in perpetuity or for an indefinite time not terminable

with any life in being at the date of such instrument ¹[x x x]¹-the total amount which, according to the terms of such instrument ¹[x x x]¹ will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and

1. Omitted by Act 12 of 1975 w.e.f. 1.5.1975.

(c) where the sum is payable for an indefinite time terminable with any life in being at the date of such instrument ¹[x x x]¹—the maximum amount which will or may be payable as aforesaid during the period of twelve years calculated from the date on which the first payment becomes due.

1. Omitted by Act 12 of 1975 w.e.f. 1.5.1975.

27. Stamp where value of subject matter is indeterminate.- Where the amount or value of the subject matter of any instrument chargeable with ad valorem duty cannot be or could not have been, ascertained at the date of its execution, or first execution, nothing shall be claimable under such instrument more than the highest amount or value for which, if stated in an instrument of the same description, the stamp actually used would, at the date of such execution, have been sufficient:

Provided that, in the case of the lease of mine in which royalty or a share of the produce is received as the rent, or the part of the rent, it shall be sufficient to have estimated such royalty or the value of such share, for the purpose of stamp duty,—

(a) when the lease has been granted by or on behalf of the Government, at such amount or value as the ¹[Deputy Commissioner]¹ may, having regard to all the circumstances of the case, have estimated as likely to be payable by way of royalty or share to the Government under the lease; or

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

(b) when the lease has been granted by any other person, at twenty thousand rupees a year, and the whole amount of such royalty or share, whatever it may be, shall be claimable under such lease:

Provided also that, where proceedings have been taken in respect of any instrument under section 31 or 39 the amount certified by the ¹[Deputy Commissioner]¹ shall be deemed to be the stamp actually used at the date of execution.

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

28. Facts affecting duty to be set forth in instrument.- ¹[(1)]¹ The consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein.

1. Re-numbered by Act 17 of 1966 w.e.f. 15.11.1966.

¹[(2) In the case of instruments relating to immovable property chargeable with an ad valorem duty on the value of the property, and not on the value set forth, the instrument shall fully and truly set forth the annual land revenue in the case of revenue paying land, the annual rental or gross assets, if any, in the case of other immovable property, the local rates, municipal or other taxes, if any, to which such property may be subject, and any other particulars which may be prescribed by rules made under this Act.]¹

1. Inserted by Act 17 of 1966 w.e.f. 15.11.1966.

¹[(3) In the areas where section 45A is in force, the instruments referred to in the said section shall fully and truly set forth the market value of the property which is the subject matter of the instrument and such other particulars as the State Government may by rules prescribe.]¹

1. Inserted by Act 12 of 1975 w.e.f. 1.5.1975.

¹[28A, 28B. x x x]¹

1. Omitted by Act 6 of 1999 w.e.f. 1.4.1999.

¹[29. Direction as to duty in case of certain conveyances.- Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him, which is chargeable with advalorem duty in respect of the market value of the property which is the subject matter of conveyance and is duly stamped accordingly, any conveyance to be afterwards made to him for the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the market value of the property which is the subject matter of the conveyance or where such duty would exceed ten rupees, with a duty of ten rupees.]¹

1. Substituted by Act 12 of 1975 w.e.f. 1.5.1975

E.—Duty by whom payable.

30. Duties by whom payable.- In the absence of an agreement to the contrary, the expense of providing the proper stamp shall be borne,—

(a) in the case of any instrument described in any of the following Articles of the Schedule, namely

- No. 2 (Administration Bond),
- No. 6 (Agreement relating to deposit of title deeds, pawn or pledge)
- No. 12 (Bond),
- No. 13 (Bottomry Bond),
- No. ¹[23]¹ (Customs Bond),
- No. ¹[27]¹ (Further Charge),

- No. ¹[29]¹ (Indemnity Bond),
 No. ¹[34]¹ (Mortgage Deed),
 No. ¹[45]¹ (Release),
 No. ¹[46]¹ (Respondentia Bond),
 No. ¹[47]¹ (Security Bond or Mortgage Deed).
 No. ¹[48]¹ (Settlement),
 No. ¹[52]¹ (a) (Transfer of Debentures, being marketable securities, whether the debenture is liable to duty or not),
 No. ¹[52]¹ (b) (Transfer of any interest secured by a bond, mortgage deed or policy of insurance), by the person drawing, making or executing such instrument;

1. Substituted by Act 29 of 1962 w.e.f. 1.10.1962.

(b) in the case of a conveyance (including a reconveyance of mortgaged property) by the grantee; in the case of a lease or agreement to lease—by the lessee or intended lessee;

(c) in the case of a counterpart of lease—by the lessor;

¹[(ca) in the case of power of attorney by the principal;]¹

1. Inserted by Act 24 of 1999 w.e.f. 18.8.1999.

(d) in the case of an instrument of exchange—by the parties in equal shares;

¹[(dd) in the case of a certificate of enrolment in the roll of advocates maintained by the State Bar Council—by the Advocate enrolled;]¹

1. Inserted by Act 29 of 1962 w.e.f. 1.10.1962.

(e) in the case of a certificate of sale—by the purchaser of the property to which such certificate relates; and

(f) in the case of an instrument of partition—by the parties thereto in proportion to their respective shares in the whole property partitioned, or, when the partition is made in execution of an order passed by a Revenue authority or Civil Court or arbitrator, in such proportion as such authority, Court or arbitrator directs.