

## **KARNATAKA STAMP (PREVENTION OF UNDERVALUATION OF INSTRUMENTS) RULES, 1977**

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## **KARNATAKA STAMP (PREVENTION OF UNDERVALUATION OF INSTRUMENTS) RULES, 1977**

### **KARNATAKA STAMP (PREVENTION OF UNDERVALUATION OF INSTRUMENTS) RULES, 1977**

#### **1. Title and commencement :-**

(1) These rules may be called the Karnataka Stamp (Prevention of Undervaluation of Instruments) Rules, 1977.

(2) They shall come into force at once.

#### **2. Definitions :-**

In these rules, unless the context otherwise requires,-

(a) "Act" means the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957);

(b) "Authorised Agent" means-

(i) a person holding a power of attorney authorising him to act on behalf of his principal; or

(ii) an agent empowered by written authority under the hand of his principal;

(c) "Form" means a form appended to these rules;

(d) "Registering Officer" means the registering officer appointed under the Registration Act, 1908 (Central Act XVI of 1908);

(e) "Section" means a section of the Act.

### **3. Furnishing of statement of market value :-**

If an instrument relates to a number of items of properties, the market value shall be specified in respect of each item separately. For this purpose the party executing the document shall attach a separate statement to the instrument, furnishing therein information about the various items of properties involved and his own assessment of the market value of each of these items separately (in Form I).

Explanation.-(1) If an instrument covers land comprising several survey numbers or sub-division numbers, the market value shall be specified for the land covered by each survey number or sub-division number as the case may be, separately.

(2) The registering officer shall, before registering an instrument, satisfy himself that the party has attached with the instrument a statement, giving the market value for each of the properties separately as required by sub-rule (1).

(3) The registering officer may, for the purpose of finding out whether the market value has been correctly furnished in the instrument, make such enquiries as he may deem fit. He may elicit from the parties concerned any information bearing on the subject and call for and examine any records kept with any public officer or authority.

(4) For the purpose of this rule, the statement of market value shall apply only to the instruments of conveyance, exchange or gift as mentioned in Section 45-A of Kanataka Stamp Act, 1957.

### **3A. Communication of value :-**

<sup>1</sup> The estimated market value arrived at by the Registering Officer under Section 45-A shall be communicated to the parties in Form I-A.]

1. Rule 3-A inserted by Notification No. RD 264 MUNOMU 99, dated

17-8-1999, w.e.f. 21-8-1999

**4. Procedure on receipt of reference under Section 45-A :-**

(1) On receipt of a reference under sub-section (1) of Section 45-A from a registering officer, the Deputy Commissioner shall issue a notice in Form II,-

(i) to every person by whom, and

(ii) to every person in whose favour the instrument has been executed, informing him of the receipt of the reference and asking him to submit to him, his representation if any, in writing to show that the market value of the property has been truly set forth in the instrument, and also to produce all evidence that he has in support of his representation, within 21 days from the date of service of the notice.

(2) The Deputy Commissioner may, if he thinks fit, record a statement from any person to whom a notice under sub-rule (1) has been issued.

(3) The Deputy Commissioner may for the purpose of his enquiry,-

(i) call for any information or record from any public office, officer or authority under the Government or any local authority;

(ii) examine and record statements from any member of the public, officer or authority under the Government or the local authority; and

(iii) inspect the property after due notice to the parties concerned.

**<sup>1</sup>** [(4) x x x x x.]

1. Sub-rule (4) omitted by Notification No. RD264 MUNOMU 99, dated 17-8-1999, w.e.f. 21-8-1999

**5. Principles for determination of market value :-**

The Deputy Commissioner shall, as far as possible, have also regard to the following points in arriving at the <sup>1</sup> [x x x x x] market value:-

(1) In the case of lands,-

(i) classification of the land as dry, garden, wet and the like;

(ii) classification under various classes of soil in the survey records;

- (iii) the rate of revenue assessment for each classification;
- (iv) other factors which influence the valuation of the land in question;
- (v) points, if any, mentioned by the parties to the instrument or any other person which require special consideration;
- (vi) value of adjacent land or lands in the vicinity;
- (vii) average annual yield from the land for five consecutive years till the determination and nearness to road and market, distance from village site, its location in general, level of land, transport facilities, facilities available for irrigation, such as tanks, wells and pumpsets;
- (viii) the nature of crops raised on the land.

(2) In the case of house sites,-

- (i) the general value of house sites in the locality;
- (ii) nearness to road, railway station, bus route;
- (iii) nearness to market, shops and the like;
- (iv) amenities available in the place like public offices, hospitals and educational institutions;
- (v) development activities, industrial improvements in the vicinity;
- (vi) land tax and valuation of sites with reference to taxation records of the local authorities concerned;
- (vii) any other features having a special bearing on the valuation of the site; and
- (viii) any special features of the case represented by the parties.

(3) In the case of buildings,-

- (i) area of the land;
- (ii) plinth area and built up portion in each of the storeys;
- (iii) year of construction;
- (iv) material of the wall and material of the roofing;
- (v) locality in which constructed;

- (vi) amenities provided such as watersupply, electric supply (ordinary or all electric), sewerage, well and garage;
- (vii) rate of depreciation;
- (viii) fluctuation in rates;
- (ix) any other features that have a bearing on the value;
- (x) property tax with reference to taxation records of local authority concerned;
- (xi) the purpose for which the building, is being used and the income, if any, by way of rent per annum secured on the building; and
- (xii) any other special feature having bearing on the valuation.

(4) Properties other than lands, house-sites and buildings,-

- (i) the nature and conditions of the property;
- (ii) purpose for which the property is being put to use; and
- (iii) any other special features having a bearing on the valuation of the property.

1. The word "provisional" omitted by Notification No. RD 264 MUNOMU 99, dated 17-8-1999. w.e.f. 21-8-1999

## **6. Procedure after arriving at provisional market value :-**

**1** -x x x x x.]

1. Rule 6 omitted by Notification No. RD 264 MUNOMU 99, dated 17-8-1999, w.e.f. 21-8-1999

## **7. Order determining the market value :-**

**1**

(1) The Deputy Commissioner <sup>2</sup>[x x x x x].

(2) A copy of the order shall be communicated to the Registering Officer concerned <sup>3</sup> [to take steps to collect the difference in the amount of stamp duty, if any and register the document].

1. Substituted for the words "Final order" by Notification No. RD 264 MUNOMU 99, dated 17-8-1999, w.e.f. 21-8- 1999

2. The words "and take steps to collect the difference in the amount of stamp duty, if any" omitted by Notification No. RD 264 MUNOMU 99, dated 17-8-1999, w.e.f. 21-8-1999

3. Substituted for the words "for his records" by Notification No. RD

**8. Appearance through advocate or authorised agent :-**

In an enquiry under the foregoing rules, any party to an instrument may appear either in person or through an advocate or an authorised agent.

**9. Appeals :-**

(1) An appeal under sub-section (5) of Section 45-A shall be preferred to the District Judge within two months from the date of communication of the Deputy Commissioner's orders determining the market value under Rule 7 <sup>1</sup> [and the appellant shall deposit, fifty per cent of the difference in the amount of duty as determined by the Deputy Commissioner under sub-sections (2) and (3) of Section 45-A, through a challan or Demand Draft/Pay Order/Bankers cheque drawn in favour of the Appellate Authority. The said amount shall be adjusted after the appeal is disposed off' and in case no amount is required to be paid by the appellant the amount shall be refunded.]

(2) The appeal shall contain the following particulars, namely:-

(i) full name, father's name, or husband's name, occupation and address of the appellant;

(ii) full name, father's name, or husband's name, occupation and address of every person executing the instrument;

(iii) full name, father's name, or husband's name, occupation and address of every person claiming under the instrument;

(iv) date and nature of the instrument;

(v) registration number, date of registration and name of office where the instrument was registered;

(vi) name of city, town or village in which the property is situated together with the name of the taluk and the registration sub-district;

(vii) number and date of the Deputy Commissioner's order which is appealed against;

(viii) market value of the property as set forth in the instrument;

(ix) market value of the property as determined by the Deputy Commissioner.

(3) Every appeal shall be accompanied by-

- (i) the original or certified copy of the order appealed against;
- (ii) the original or a certified copy of the instrument; and
- (iii) memo of grounds of appeal.

(4) Every appeal shall be presented in person or by an advocate or by the authorised agent to the District Judge having jurisdiction who shall endorse the date of receipt.

1. Inserted by Notification No. RD 264 MUNOMU99, dated 17-8-1999, w.e.f. 21-8-1999

#### **10. Procedure for the disposal of appeal :-**

(1) If the District Judge admits the appeal, a date shall be fixed for hearing the appellant. The District Judge shall issue a notice to the appellant informing him of the date on which and the time and place at which the appeal shall be heard. Such notice also state that if the appellant does not appear on the day so fixed or any other day to which the hearing may be adjourned, the appeal may either be liable to be dismissed for default or disposed of on merits.

(2) The District Judge shall send a copy of the notice to the Deputy Commissioner together with a copy of the appeal and call for and obtain the records of the case from the Deputy Commissioner.

#### **11. Hearing of appeal :-**

On the date fixed or on any other date to which the case may be adjourned, the District Judge shall hear the appellant and the person, if any, appearing on behalf of the Deputy Commissioner.

#### **12. Order in appeal :-**

After hearing the appeal under Rule 9 and examining the records of the case, the District Judge shall decide whether or not the market value of the properties as determined in the order of the Deputy Commissioner under sub-section (2) or sub-section (3) of Section 45-A is correct. In case, the District Judge does not accept the valuation of the properties made by the Deputy Commissioner, he shall determine the correct market value of the properties, and the duty payable on the instrument. The District Judge shall embody his decision and the reasons therefor in an order and communicate it to the appellant, the Deputy Commissioner and the registering officer concerned.

**13. Return of records to Deputy Commissioner :-**

As soon as possible after the order is passed the District Judge shall return the records of the Deputy Commissioner to that officer.

**14. Rules of procedures :-**

(1) The District Judge may adjourn the hearing of the appeal from time to time, as he thinks fit.

(2) The District Judge may at any stage call for any information, record or other evidence from the appellant or the Deputy Commissioner.

(3) In the appeal, the appellant may appear either in person or through an advocate, or an authorised agent.

(4) In respect of matters not provided for in these rules, the provisions of the Code of Civil Procedure, 1908 (Central Act V of 1908), relating to the procedure to be followed in appeals, shall, as far as may be, apply to appeals under sub-section (5) of Section 45-A.

**15. Manner of service of notice and orders to the parties :-**

Any notice or order under Rule 4 or 7 shall be served in the following manner, namely:-

(1) In the case of any company, society or association of individuals, whether incorporated or not, be served,-

(i) on the secretary or any director or other principal officer of the company, society or association of individuals, as the case may be; or

(ii) by leaving it or sending it by registered post acknowledgment due, addressed to the company, society or association of individuals as the case may be at the registered office, or if there is no registered office, then at the place where the Company, society or association of individuals as the case may be, carries on business;

(2) In the case of any firm be served,-

(i) upon any one or more of the partners; or

(ii) at the principal place at which the partnership business is carried on, upon any person having control or management of the partnership business at the time of service;

(3) In the case of a family, be served upon the person in



management of such family or of the property of such family, in the manner specified in clause (d);

(4) In the case of an individual person, be served,-

(i) by delivering or tendering the notice or order to the person concerned or his counsel or authorised agent; or

(ii) by delivering or tendering the notice or order to some adult member of the family; or

(iii) by sending the notice or order to the persons concerned by registered post acknowledgment due; or

(iv) if none of the aforesaid modes of service is practicable, by affixing the notice or order in some conspicuous part of the last, known place of residence or business of the concerned.