

**Karnataka Stamp And Certain Other Laws (Amendment)
Act, 2003**

8 of 2003

[29 March 2003]

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An Act further 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. Whereas it is expedient further to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957), the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) and the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993), for the purposes hereinafter appearing; Be it enacted by Karnataka State Legislature in the Fifty-fourth year of the Republic of India, as follows:-

1. Short Title And Commencement :-

(1) This Act may be called the Karnataka Stamp and Certain Other Laws (Amendment) Act, 2003.

(2) It shall come into force on the first day of April, 2003.

2. Amendment Of Karnataka Act 34 Of 1957 :-

In the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957),-

(1) in section 2, in sub-section (1),-

(i) after clause (ab), the following clause shall be inserted, namely:-

"(ac) Central Valuation Committee means, the Central Valuation Committee constituted under section 45B."

(ii) for clause (mm), the following clause shall be substituted, namely:-

"(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, which ever 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."

(2) In section 45A,-

(i) in sub-section (1), for the words starting with " any instrument of conveyance " and ending with the words " has reason to believe" the following shall be substituted, namely:-

"any instrument of,-

(a) Conveyance [section 2 (1)(d)],

(b) Gift (Article 28 (a))

(c) Exchange of property (Article 26)

(d) Settlement (Article 48-A(i))

(e) Reconstitution of Partnership (Article 40-B (a),

(f) Dissolution of Partnership (Article 40 C (a))

(g) An agreement to sell covered under sub-clause (i) of clause (e) of Article 5,

(h) A lease covered under item (vi) of sub-clause (a), item (ii) of sub-clause (b) and item (ii) of sub-clause (c) of clause (1) of Article 30,

(i) A Power of Attorney covered under clause (eb) of Article 41,

(j) Release [Article 45(a)(ii)]

(k) Conveyance under decree or final order of any Civil Court has

reason to believe,";

(ii) in sub-section (2), for the words starting with "subject matter of conveyance" and ending with the words "duty payable there on " the words, figure and brackets " subject matter of instrument specified in sub-section (1) and the duty payable thereon" shall be substituted;

(iii) in sub-section (3),-

(a) for the words starting with " any instrument of conveyance" and ending with the words "final order of Civil Court" the words, figure and brackets "any instrument specified in sub-section (1)" shall be substituted; and

(b) for the words, starting with "subject matter of conveyance" and ending with the words "and the duty payable thereon" the words, figure and brackets "subject matter of any instrument specified in sub-section (1) and the duty payable thereon" shall be substituted.

(iv) in sub-section (5),-

(a) for the words "Divisional Commissioner of the Revenue Division " the words "Deputy Inspector General of Registration of the Department of Registration and Stamps" shall be substituted;

(b) for the third proviso, the following proviso shall be substituted, namely:-

"Provided also that such person shall pay the difference in duty along with interest at twelve per cent per annum if he does not pay within ninety days from the date of order of the Deputy Commissioner or sixty days from the date of order of the Appellate Authority, so however, the payment of interest is not applicable to instruments executed prior to eighteenth day of August 1999. "

(3) for section 45-B, the following section shall be substituted, namely:-

"45-B: Constitution of Central Valuation Committee.-

(1) The State Government shall by notification, constitute a Central Valuation Committee, under the chairmanship of Inspector General of Registration and Commissioner of Stamps, for estimation, publication and revision of market value guidelines of properties in any area in the State at such intervals and in such manner as may be prescribed, for the purpose of section 45-A.

(2) The Central Valuation Committee is the final authority for the formulation of policy, methodology and administration of the market value guidelines in the State and may for the said purpose constitute market valuation subcommittees in each sub-district and district comprising of such members as may be prescribed, for estimation and revision of the market value guidelines in the State.

(3) Sub-committees so constituted shall function under the Central Valuation Committee and shall follow such procedures as may be prescribed and shall be subject to reconstitution whenever found necessary."

(4) in section 68, in sub-section (2),-

(i) in clause (e), for the figures, letters and brackets "45-A(2)", the word, figures, letter and brackets "45-A (2) and (3)" shall be substituted;

(ii) in clause (f), for the words "District Judge" the words "Deputy Inspector General of Registration of the Department of Registration and Stamps" shall be substituted;

(iii) after clause (f), the following clause shall be inserted, namely:-
"(g) regulating the constitution of Central Valuation Committee and other sub-committees in the sub-district and district and procedure for the estimation, publication and revision of market value guidelines of properties under Section 45-B."

(5) in the schedule,-

(i) in Article 3, in column 3, for the words "forty five rupees" the words "five hundred rupees" shall be substituted;

(ii) in Article 5, in clause (f), in column 3, for the words "two rupees for every hundred rupees or part thereof on the market value of the property which is the subject matter of agreement" the words "One thousand rupees" shall be substituted;

(iii) in Article 6, in clause (1), for sub-clauses (a) and (b) and the entries relating thereto, the following shall be substituted, namely:-
"(a) if such loan or debt is repayable on demand for more than three months from the date of instrument evidencing the agreement.

		If drawn singly	If drawn in set of two, for each part of the set	If drawn in set of three for each part of the set
		Rs. P.	Rs. P.	Rs. P.
(i)	when the amount of the loan or debt does not exceed Rs.500	2.50	2.00	1.00
(ii)	when it exceeds Rs. 500 but does not exceed Rs. 1,000	5.00	2.50	2.00
(iii)	when it exceeds Rs. 1,000 but does not exceed Rs. 5,000	25.00	12.50	10.00
(iv)	when it exceeds Rs. 5,000 but does not exceed Rs. 10,000	50.00	25.00	20.00
(v)	when it exceeds Rs. 10,000 for	25.00	12.50	10.00

	every additional Rs. 5,000 or part thereof in excess of Rs.10,000;			
	(b) if such loan or debt is repayable not more than three months from the date of such instrument.	Half the duty payable on a loan or debt under item (i) or (ii) or (iii) or (iv) or (v) of sub-clause (a) for the amount secured."		

(iv) in Article 8, in clause (b), in column 3, for the words "thirty rupees" the words "one hundred rupees" shall be substituted;

(v) in Article 9, in column 3, for the words "fifteen rupees" the words "fifty rupees" shall be substituted;

(vi) in Article 11, in clause (b), in column 3, for the words " two rupees " the words "five rupees" shall be substituted;

(vii) in Article 17, in column 3, for the words " Three hundred and thirtyfive rupees" the words "five hundred rupees" shall be substituted;

(viii) in Article 18, in column 3, for the words "six rupees" the words "fifty rupees" shall be substituted;

(ix) in Article 19, in column 3, for the words "forty five rupees" the words "one hundred rupees" shall be substituted;

(x) in Article 20,-

(a) in clause (1),-

(i) in item (i), in column 3, for the figures and words " 10% of the value" the figures and words "8% of the value" shall be substituted;

(ii) in item (ii), in column 3, for the figures and words "9% of the value" the figures and words "8% of the value" shall be substituted;

(iii) after the proviso, the following proviso shall be inserted, namely:-

"Provided also that notwithstanding anything contrary contained in this Act, where a lease-cum-sale agreement was executed before the thirty first day of March 2001 in respect of a site allotted by any House Building Co-operative Society registered under the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959), and in furtherance of such agreement a conveyance is subsequently executed, the duty payable on such conveyance shall be on the market value of such site as on the date of execution of the lease-cum-sale agreement."

(b) in clause (2), for the entries in column 3, the following shall be substituted, namely:-

"Eight percent of the value".

(c) in clause (4), for the entries in column 3, the following shall be substituted, namely:-

" Ten percent of the aggregate market value of shares issued or allotted in exchange or otherwise and the amount of consideration paid for such amalgamation:

Provided that, the amount of duty chargeable under this clause shall not exceed (i) an amount equal to 7 per cent of the market value of the immovable property located within the State of Karnataka of the transferor company; or

(ii) an amount equal to 0.7 per cent of the aggregate of the market value of the shares issued or allotted in exchange or otherwise and the amount of consideration paid for such amalgamation, whichever is higher:

Provided further that, in case of reconstruction or demerger the duty chargeable shall not exceed,--

(i) an amount equal to 7 percentum of the market value of the immoveable property located within the State of Karnataka transferred by the Demerging Company to the Resulting Company, or

(ii) an amount equal to 0.7 percentum of the aggregate of the market value of the shares issued or allotted to the resulting company and the amount of consideration paid for such demerger whichever is higher."

(d) for clause (5), and the entries relating thereto, the following shall be

substituted, namely:-

- "(5) Conveyance relating to industrial machinery whether treated as moveable or immoveable property Five percent of the market value"
- (xi) in Article 22, in clause (b), in column 3, for the words " Thirty rupees " the words " Fifty rupees " shall be substituted;
- (xii) in Article 23, in clause (b), in column 3, for the words " Eighty rupees" the words " One hundred rupees " shall be substituted;
- (xiii) in Article 25, in column 3, for the words " Ten rupees " the words " One hundred rupees " shall be substituted;
- (xiv) in Article 27, in clause (b), in item (ii), in column 3, for the words, brackets and figures "The same duty as a Bond (No.12) for the amount of the further charge secured by such instrument, subject to a maximum of rupees three lakhs" the words "Fifty paise for every one hundred rupees for the amount of the further charge secured by such instrument" shall be substituted;
- (xv) in Article 30, in clause (1), in sub-clause (c), in column 3, after the third proviso, the following explanation shall be inserted, namely:-
"Explanation:- If, the advance is refundable the duty shall be as per Article 47."
- (xvi) in Article 31, in column 3, for the words "Fifty paise" the words "One rupee" shall be substituted;
- (xvii) in Article 32, in column 3, for the words "Forty five rupees" the words " One hundred rupees " shall be substituted;
- (xviii) in Article 33, in column 3, for the words "Two hundred rupees" the words "One thousand rupees" shall be substituted;
- (xix) in Article 34,-
- (a) in clause (b), in column 3, for the words "Rupees three for every hundred rupees or part thereof for the amount secured by such deed subject to maximum of rupees three lakhs" the words " Fifty paise for every hundred rupees or part thereof for the amount secured by such deed" shall be substituted;
- (b) in clause (c),
- (i) in item (i), in column 3, for the words "Three rupees and fifty paise" the words "ten rupees" shall be substituted;
- (ii) in item (ii), in column 3, for the words "Three rupees and fifty paise subject to a maximum of rupees three lakhs" the words "ten rupees plus one rupee for every rupees one thousand or part thereof in excess of rupees one thousand " shall be substituted.
- (xx) in Article 35, in clause (b), in column 3, for the words "One rupee" in the two places where they occur, the words " Fifty paise " shall be substituted;
- (xxi) in Article 40, under the heading A. Instrument of, in clause (b), in column 3, for the words "Five hundred rupees" the words "One thousand rupees" shall be substituted;
- (xxii) in Article 41,-
- (a) in clause (ea), in column 3, for items (i), (ii) and the proviso the following shall be substituted, namely:-
" One thousand rupees "
- (b) in clause (eb), in column 3, for the words " Two rupees " the words " Eight rupees " shall be substituted;
- (xxiii) in Article 50, in column 3, for the words " Twenty paise" the words " Two rupees " shall be substituted;
- (xxiv) in Article 55, in column 3, for the words " One rupee fifty paise" the words " Ten rupees " shall be substituted.

3. Amendment Of Karnataka Act 22 Of 1964 :-

In the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), in section 99, for sub-section (1), excluding the proviso, the following shall be substituted, namely:-

"(1) The duty on transfers of immovable property shall be levied in

the form of a surcharge at the rate of two percent of the duty imposed by the Karnataka Stamp Act, 1957, on instruments of sale, gift, mortgage, exchange and lease in perpetuity, of immovable property situated within the limits of a smaller urban area:"

4. Amendment Of Karnataka Act 14 Of 1977 :-

In the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977), for section 140, the following shall be substituted, namely:-

"140. Duty on transfers of immovable properties.--

(1) The duty on transfers of immovable property shall be levied in the form of a surcharge at the rate of two percent of the duty imposed by the Karnataka Stamp Act, 1957, on instruments of sale, gift, mortgage, exchange and lease in perpetuity, of immovable property situated within the limits of a larger urban area:"

5. Amendment Of Karnataka Act 14 Of 1993 :-

In the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993), in section 205,-

(1) for sub-section (1), excluding the provisos, the following shall be substituted, namely:-

"(1) The duty on transfers of immovable property shall be levied in the form of a surcharge at the rate of three percent of the duty imposed by the Karnataka Stamp Act, 1957, on instruments of sale, gift, mortgage, exchange and lease in perpetuity, of immovable property situated within the limits of the area of a Taluk Panchayat."

(2) in the provisos, for the words "additional stamp duty" the words "duty on transfers" shall be substituted.

(3) in sub-sections (2), (3), (4) and (5), for the words "additional stamp duty" the words "duty on transfers" shall be substituted.

6. Power To Remove Difficulties :-

If any difficulty arises in giving effect to the provisions of the Karnataka Stamp and Certain Other Laws (Amendment) Act, 2003, the Government may, by notification in the official Gazette make such provisions as appear to it to be necessary or expedient for removing the difficulty.

