Karnataka Stamp Act, 1957

Chapter II - Stamp Duties

Section 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 the4[State of Karnataka] on or after the commencement of this Act; and

(b) every instrument mentioned in that schedule which, not having been previously executed by any person, is executed out of the3[State of Karnataka] 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 the4[State of Karnataka] and is received in the territories of the4[State of Karnataka]:

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

(1) any instrument executed by, or on behalf of, or in favour of, the1[State Government] in cases where, but for this exemption, the1[State Government] would be liable to pay the duty chargeable in respect of such instrument;

2[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.]

(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 under3[the Merchant Shipping Act, 1958].

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1. Substituted for the word "Government" by Act No. 17 of 1966 (15-11-1966)

2. Explanation Inserted by Act No. 24 of 1999, dated 18-8-1999.

3.Sub stituted by Act No. 29 of 1962 w.e.f. 1-10-1962

4. Adapted by the Karnataka Adaptations of Laws Order, 1973 dated 11-1-1973.

Section 3A - Instruments liable to duty in multiples of five naye paise

1[3-A. 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.]

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1. Inserted by Act No. 29 of 1962 (1-10-1962)

Section 3B - Certain instruments chargeable with additional duty

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*** 1 [2 [3-B. Certain instruments chargeable with additional duty**

3 [(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 Mantri Grameena Rasthe Aabhivrudhi Nidhi in the proportion of 57:28:15 respectively]

(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.]

4 [Explanation.- xxx xxx xxx]

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*1. Inserted by Act No. 8 of 1995, w.e.f. 1-4-1995 Previous Reference : *2 [3-B. Certain instruments chargeable with additional duty.- (1) For the purpose of "equity investment in the Karnataka infrastructural Development and Finance Corporation], any instrument of conveyance, exchange, settlement, gift or lease in perpetuity of immovable property **[xxxx], chargeable with duty under Section 3 read with Articles of the schedule, ***[shall for a period of ****[four years] effective from the First day of April, 1998, be chargeable] with additional duty at the rate of five percent on such duty chargeable on such instrument of conveyance, exchange, gift, settlement and lease in perpetuity.

(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

* Substituted by Act No.5 of 1998, w.e.f. 1-4-1998 for the words "Bangalore Mass Rapid Transit System"

** Omitted by Act No. 5 of 98, w.e.f. 1-4-1998 the words "situated within the limits of Bangalore City Planning Area"

*** Substituted by Act No. 5 of 1988, w.e.f. 1-4-1998 for the words "shall be chargeable"

**" Substituted for the words "two years" by Act No. 7 of 2000, w.e.f. 1-4-2000

2. Shall be deemed to have been Substituted by Act No.6 of 2001, dated 1-4-2001, w.e.f.14-1998

Previous Reference : (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, #[for a period of six years] effective from the First day of April, 1998, be chargeable with additional duty at the rate of five 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 and for the purpose of equity investment in the] Bangalore Mass Rapid Transit Limited in the proportion of 67:33 respectively.

#. Substituted by Act No. 6 of 2002, w.e.f. 1-4-2002, for the words "for a period of four years".

##. Substituted by Act No. 12 of 2002, w.e.f.1-4-2002, for the words "for the purpose of equity investment in the Infrastructural Development Corporation (Karnataka) Limited and".

3. Substituted by Karnataka Sales and Certain other Laws (Amendment) Act No.2 of 2004, w.e.f. 1-2-2004

4. Explanation Omitted by Act No. 5 of 1998, w.e.f. 1-4-1998.

Section 3C - Limit on levy of additional stamp duty

1**[3-C. 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 instruments is chargeable under of this Act.]

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1. Inserted by Act No. 6 of 1999, w.e.f. 1-4-1999.

Section 4 - Several instruments used in single transaction of sale, mortgage or settlement

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(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 of1[one hundred] rupees instead of the duty (if any) prescribed for it in the Schedule.

(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.

1.Substituted by Act No. 8 of 1995, w.e.f. 1-4-1995 for the word "three"

Section 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.

Section 6 - Instruments coming within several descriptions in Schedule

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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 paise] as counter part or duplicate of any instrument chargeable with duty and in respect of which the proper duty has been paid.

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1. Substituted by Act No. 29 of 1962, (1-10-1962) for the words " three rupees"

Section 7 - Payment of higher duty in respect of certain instruments

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(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.]

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1. Inserted by Act No. 24 of 1987 (12-6-1987)

Section 8 - Bonds or other securities issued on loans

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(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 percentum 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 percentum upon the amount of duty payable, and a like penalty for every month after the first month during which the neglect continues.

Section 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] the whole or any part of the 2[State of Karnataka], 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

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

(i) by any person for an agricultural purpose as defined in the Karnataka Agricultural Credit Operations Miscellaneous Provisions Act, 1974 (Karnataka Act No. 2 of 1975); and

(ii) by a public sector undertaking, for the purpose for which it is established];

4 [Provided further that the State Government may in public interest 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 No. 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]

5 [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 in favour of Rajiv Gandhi Housing Corporation in connection with implementation of Housing programme for the economically weaker sections and special occupational categories both in rural and urban Area except for Indira Avaz Yojana, for the purpose of providing residential facilities with capital investment by the state Government and loan borrowed from Housing and Urban Development Corporation.]

(b) provide for the composition or consolidation of duties in the case of issues by any incorporated company or other body corporate of bonds or other marketable securities.

[3] [(1-A) 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)].

6 [(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 season 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 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.]

B.-Of Stamps and the made of using them

1.Substituted by Act No. 5 of 1988, w.e.f. 1-4-1998 for the words" reduce or remit, whether prospectively or retrospectively"

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

3. Inserted by Act No. 5 of 1998, w.e.f. 1-4-1988.

4.*Substituted by Act No. 17 of2002, shall be deemed to have come into force w.e.f. 1-4-2001.

*Previous Reference:#[Provided further that the State Government may in public interest reduce or remit, by notification; till the end of 31st March, 2001, the stamp duty payable on any instrument, to be specified therein, executed by a new tiny and shall scale industrial unit as defined under the New Industrial Policy of the Government of Karnataka, dated 15th March, 1996.]

##[Provided also that the State Government may reduce or remit in public interest by notification the Stamp duty payable on any instrument to be specified therein executed in respect of such Key Project of a core area.

Explanation.- For the purpose of this proviso, Key Project of a core area means such projects as maybe specified by the State Government from time to time].

Inserted by Act No. 6 of 1999, w.e.f. 1-4-1999

Inserted by Act No. 7 of 2000, w.e.f. 1-4-2000

5. Inserted by Act No. 6 of 2001, w.e.f. 1-4-2001

6. Substituted by Act No. 29 of 1962 w.e.f. 1-10-1962

Section 10 to - B.-Of Stamps and the made of using them

Section 10 - Duties how to be paid

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(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

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

(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;

(b) in the case of instruments stamped with impressed stamps -the number of stamps which may be used.

[1][(3) Subject to the rules made under clause (b) of sub-section (1), the Chief Controlling Revenue Authority

or any other office 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].]

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1 . Inserted by Act No. 6 of 1999, w.e.f. 1-4-1999.

2. Substituted for the words "indicating the payment of stamp duty on the instrument" by the Karnataka Stamp (Third Amendment) Act, 2007 w.e.f. 01.04.2007.

3. Substituted by Act No. 1 of 2008 dated 11.02.2008 for the following :-

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

Section 10A - Payment of Stamp duty by cash in certain cases

[1][10-A. 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 duty so paid.

(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 instruments by means of stamps, in accordance with the requirements of section 10.

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

(i) 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.]

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1 . Inserted by Act No. 24 of 1999, dated 18-8-1999

Section 11 - Omitted

11. 4**[***]**

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1. Substituted by Act No. 15 of 1980, w.e.f. 3-12-1979

2. Substituted by Act No. 29 of 1962 w.e.f. 1-10-1962

3. Inserted by Act No. 1 of 1980, w.e.f. 3-11-1979

4. Omitted by the Act no. 1 of 2008 dated 11.02.2008 for the following :-

"Use of Adhesive stamps-

The following instruments may be stamped with adhesive stamps, namely:-

(a) instruments chargeable1[with a duty not exceeding fifty paise].

2[(b) certificate of enrolment in the roll of Advocates maintained by the State Bar Council];

(c) notorial acts;

(d) instruments mentioned in Article 51 of the Schedule.

3[(e) instruments chargeable with such amount of duty as the State Government may, by notification specify.]"

Section 12 - Omitted

12. 1**[***]**

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1. Omitted by Act No. 1 of 2008 for the following :-

"Cancellation of adhesive stamps -

(1) (a) Whoever affixes any adhesive stamps to any instrument chargeable with duty which has been executed by any person shall, when affixing such stamp, cancel the same so that it cannot be used again; and

(b) Whoever execute any instruments on any paper bearing an adhesive stamp shall, at the time of execution, unless such stamp has been already cancelled in the manner aforesaid, cancel the same so that it cannot be used again.

(2) Any instrument bearing an adhesive stamp which has not been cancelled so that it cannot be used again shall, so far as such stamp is concerned be deemed to be unstamped.

(3) The person required by sub-section (1) to cancel an adhesive stamp may cancel it by writing on or across the stamp his name or initials or the name or initials of his firm with the true date of his so writing or in any other effectual manner."

Section 13 - Instruments stamped with impressed stamps how to be written

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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.

Section 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.

Section 15 - Instruments written contrary to Section 13 of 14 deemed unstamped

Every instrument written in contravention of Section 13 or Section 14 shall be deemed to be unstamped.

Section 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 the1[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 the1 [Deputy Commissioner] or in such other manner, if any, as the State Government may by rules prescribe.

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1. Substituted by Ad No. 29 of 1962, w.e.f. 1-19-1962 for the expression "Collector"

Section 17 to - C.-Of the time of stamping instruments

Section 17 - Instruments executed in the State of Karnataka

All instruments chargeable with duty and executed by any person in the1[State of Karnataka] shall be stamped before or at the time of execution.

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

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1. Adapted by the Karnataka Adaptations of Laws Order, 1973 dated 11-1-1973.

2. Added by Act No. 24 of 1999, dated 18-8-1999

Section 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 the1[State of Karnataka.]

(2) Where any such instrument cannot, with reference to the description of stamp, prescribed therefor, by duly stamped by a private person, it may be taken within the said period of three months to the2[Deputy Commissioner] who shall stamp the same, in such manner as the Government may by rule prescribe, with a stamp of such value as the person taking such instrument may require and pay for.

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1. Adapted by the Karnataka Adaptations of Laws Order, 1973 dated 11-1-1973.

2. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the expression "Collector"

Section 19 - Payment of duty on certain instruments liable to increased duty in the State of Karnataka

19. Payment of duty on certain instruments liable to increased duty in the1[State of Karnataka]

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 the1[State of Karnataka] is executed out of the said State and subsequently received in the said State,-

(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 the1[State of Karnataka] less the amount of duty, if any, already paid on such instrument in any other State in India,

(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 the1[State of Karnataka] for the first time at the time when it became chargeable with the higher duty, and

(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 the1[State of Karnataka] when it became chargeable to the higher duty aforesaid, but the provision contained in clause (a) of the said proviso shall not apply thereto.

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1. Adapted by the Karnataka Adaptations of Laws Order, 1973 dated 11-1-1973.

Section 20 to - D.- Of Valuations for Duty

Section 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,1[1899] (Central Act II of1[1899]) 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).

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1. Substituted by Act No. 8 of 1958, w.e.f. 29-3-1958 for the figures "1889"

Section 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.

Section 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.

Section 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.

Section 24 - Certain instruments connected with mortgages or 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 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.

Section 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 mortgage, 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.

Section 26 - Valuation in case of annuity, etc.

Where an instrument is executed to secure the payment of annuity or other sum payable periodically,[1][xxx xxx xxx] the amount secured by such instrument[1][xxx xxx xxx] shall, for the purposes of this Act be deemed to be, -

(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 instrument2[xxx xxx xxx] - the total amount which, according to the terms of such instrument2[xxx xxx xxx] will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and

(c) where the sum is payable for an indefinite time terminable with any life in being at the date of such instrument2[xxx xxx xxx] -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.

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1. Omitted by Act No. 12 of 1975, w.e.f. 1-5-1975.

2. Omitted by Act No. 12 of 1975, w.e.f. 1-5-1975 the words "or conveyance"

Section 27 - Stamp where value of subject-matter is indeterminate

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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 the1 [Deputy Commissioner], 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

(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 the1[Deputy Commissioner] shall be deemed to be the stamp actually used at the date of execution.

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1. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the expression "Collector"

Section 28 - Facts affecting duty to be set forth in instrument

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1 [(1)] The consideration (if any) and all other facts andcircumstances affecting the chargeability of any instrument with duty, or theamount of the duty with which it is chargeable, shall be fully and truly setforth therein.

2 [(2) In the case of instruments relating to immovable propertychargeable with an ad valorem dutyon the value of the property, and not on the value set forth, the instrumentshall fully and truly set forth the annual land revenue in the case of revenuepaying land, the annual rental or gross assets, if any, in the case of otherimmovable property, the local rates, municipal or other taxes, if any, to whichsuch property may be subject, and any other particulars which may be prescribedby rules made under this Act.]

3 [(3) In the areas where Section 45-A is in force, the instrumentsreferred to in the said section shall fully and truly set forth the market valueof the property which is the subject-matter of the instrument and such otherparticulars as the Sate Government may by rules prescribe.]

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1. Renumbered as sub-section (1) by Act No. 17 of 1966, w.e.f. 15-11-1966

2. Inserted by Act No. 17 of 1966, w.e.f. 15-11-1966

3. Inserted by Act No. 12 of 1975, w.e.f. 1-5-1975

Section 28A - [Omitted]

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1 **[28-A. xxx xxx xxx]**

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1. Sections 28-A and 28-B Omittedby Act No. 6 of 1999, w.e.f. 1-4-1999

Section 28B - [Omitted]

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1 **[28-B. xxx xxx xxx]**

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1. Sections 28-A and 28-B Omittedby Act No. 6 of 1999, w.e.f. 1-4-1999

Section 29 - Direction as to duty in case of certain conveyances

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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 ad valorem 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 marker 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.]

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1. Substituted by Act No. 12 of 1975, w.e.f. 1-5-1975

Section 30 - Duties by whom payable

E. Duty 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] (Customs Bond),

No.2[27] (Further charge),

No.3[29] (Indemnity Bond),

No.4[34] (Mortgage Deed),

No.5[45] (Release),

No.6[46] (Respondentia Bond),

No.7[47] (Security Bond or Mortgage Deed),

No.8[48] (Settlement)

No.9[52](a) (Transfer of Debentures, being marketable securities, whether the debenture is liable to duty or not),

No.10[52](b) (Transfer of any interest secured by a bond, mortgage deed or policy of insurance),by the person drawing, making or executing such instrument;

(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;

11[(ca) in the case of Power of attorney - by the principal;

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

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

(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.

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1. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "22".

2. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "26".

3. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "28".

4. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "33".

5 . Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "44".

6 . Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "45".

7 . Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "46".

8 . Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "47".

9 . Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962 for the figure "51".

10. Substituted by Act No. 29 of 1962, w.e.f. 1-10-1962.

11. Inserted by Act No. 24 of 1999, dated 18-8-1999.

12. Inserted by Act No. 29 of 1962 (1-10-1962).