

**KARNATAKA ACT NO. 6 OF 2001  
THE KARNATAKA STAMP AND CERTAIN OTHER LAW  
(AMENDMENT) ACT, 2001**

**ARRANGEMENT OF SECTIONS**

**Sections:**

1. Short title and commencement
2. Substitution of section 3B
3. Amendment of section 9
4. Amendment of Schedule
5. Amendment of Karnataka Act 11 of 1959

**STATEMENT OF OBJECTS AND REASONS**

**(As appended to at the time of introduction)**

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 L.A.Bill No.6 of 2001 File No. ಸಂವ್ಯಶಾಇ 10 ಶಾಸನ 2001)

**KARNATAKA ACT NO. 6 OF 2001**

*(First published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2001)*

**THE KARNATAKA STAMP AND CERTAIN OTHER LAW  
(AMENDMENT) ACT, 2001**

*(Received the assent of the Governor on the thirty first day of March, 2001)*

An Act further to amend the Karnataka Stamp Act, 1957 and the Karnataka Co-operative Societies Act, 1959.

Whereas it is expedient further to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957), the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959), for the purposes hereinafter appearing;

Be it enacted by Karnataka State Legislature in the Fifty-second 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 Law (Amendment) Act, 2001.

(2) It shall come into force with effect from the first day of April, 2001.

**2. Substitution of Section 3B.-** For section 3B of the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) (hereinafter referred to as the principal Act), the following shall be deemed to have been substituted with effect from the first day of April, 1998, namely:-

**“3B.Certain instruments chargeable with additional duty.-**(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 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 for the purpose of equity investment in the Infrastructure Development Corporation (Karnataka) Limited and Bangalore Mass Rapid Transit Limited in the proportion of 67:33 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.”

**3. Amendment of section 9.-** In section 9 of the principal Act, in clause (a), in sub-section (1), after the third proviso, the following proviso shall be inserted, namely:-

“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”.

**4. Amendment of Schedule.-** In the Schedule to the principal Act,-

(1) in Article 1, in clause (i), in sub-clause (b), in column 3, the following shall be inserted, namely:-

“Subject to a maximum of rupees one thousand”.

(2) in Article 5, in clause (f), for the entries in column 3, the following shall be substituted, namely:-

“Five rupees for every hundred rupees or part thereof on the market value of the property which is the subject matter of agreement”.

(3) in Article 6, in clause (1), in sub-clause (a), in item (v), in column 3, for the figures 50 the following shall be substituted, namely:-

“Rs.50 subject to a maximum of Rs.50,000-00”.

(4) in Article 10, for the entries in column (3), the following shall be substituted, namely:-

“Five hundred rupees for every rupees ten lakhs or part thereof”.

(5) in Article 20, in clause (1), the first proviso shall be omitted.

(6) in Article 28, for clause (b), the following shall be substituted, namely:-

“(b) Where the donee is a member	Rupees
of the family of the donor	one thousand

**Explanation:** Family in relation to the donor for this purpose means husband, wife, son, daughter, daughter-in-law and grand children”

(7) in Article 30, in clause (1),-

(i) in sub-clause (a), in item (iii), in the entries under column (3), for the words “a market value” the words “the amount or value” shall be substituted.

(ii) in sub-clause (a), in item (vi), in column (3), for the words,figures and brackets “Bond”Article No.12)” the words, figures and brackets “conveyance (Article 20(1)” shall be substituted.

(iii) in sub-clause (b), in item (ii), in column (3), for the words,figures and brackets “Bond(Article No.12)” the words, figures and brackets “conveyance (Article 20(1)” shall be substituted.

(iv) in sub-clause (c), in clause (ii), in column (3),for the words,figures and brackets “Bond(Article No.12)” the words, figures and brackets “conveyance (Article 20(1)” shall be substituted.

(8)in Article 45, for clause (b), including the Explanation, the following shall be substituted, namely:-

“(b) Where the release is	Rupees one
between the family members	thousand.

**Explanation:** Family in relation to a person for the purpose of clause (b) means husband, wife, son, daughter, father,mother, brother, sister, wife of a predeceased son and children of a predeceased son or predeceased daughter.”

(9) in Article 48, in clause (A), for sub-clause (ii), excluding the exemption, the following shall be substituted, namely:-

“(ii) Where the disposition is for the	Rupees one
purpose of distributing the	thousand
property of the settler among	
the members of his family.	

**Explanation:** For the purpose of this sub-clause family in relation to settler means husband, wife, son, daughter, daughter-in-law and grand children”.

**5. Amendment of Karnataka Act 11 of 1959.-** In the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) in section 38, at the end, the following shall be inserted, namely:-

“Provided that the exemption from compulsory registration of instrument shall not apply to instruments which is intended to transfer or in effect transfers the right title or interest in immovable property executed by or in favour of House Building Co-operative Societies, registered under this Act.”.