502

O/o Inspector General of Registration,
Chennai - 600 028.

CIRCULAR

No.40405/P2/2021 dated 09.09.2024

Sub: Indian Stamp Act, 1899 - Transfer of property taking place under Companies Act- Amalgamation of Companies – orders issued by Hon'ble High Court/NCLT/BIFR - Stamp duty - leviable – Judgment dated 19.2.2024 rendered by the Division Bench of Hon'ble Madras High Court in W.A.No.758 of 2022- reg.

Ref:
1. IGR Circular No.49282/P1/2018 Dated 20.11.2018
2. G.O. Ms. No. 29, Commercial Taxes and Registration (J1), dated 1.3.2019
3. G.O.Ms.No.47, Commercial Taxes and Registration Department, dated 19.2.2020
4. IGR Circular No.41378/P1/2019 dated 19.6.2020
5. G.O.Ms.No.142, Commercial Taxes and Registration (J1), Dated 17.10.2022
6. Hon'ble High Court Judgment dated 19.2.2024 in W.A.No.758 of 2022

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In the circular 1st cited certain clarifications were issued enlightening the legal position regarding the chargeability of stamp duty on the schemes of arrangements sanctioned by High Court/ competent Authorities evidencing transfer of property.

(P.T.O)

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In the Circular 4th cited certain further clarifications were issued such as procedure for stamping the said schemes.

In the Government order 2nd cited orders were issued reducing the stamp duty and registration fee on such schemes of amalgamation or reconstruction of companies.

In the Government order 3rd cited orders were issued thereby superseding the Notification No.II(2)/CTR/205(j-1)/2019 issued under order 2nd cited and also reducing the stamp duty with effect from 01.04.1956 in respect of scheme of amalgamation or reconstruction of companies sanctioned by the High Court and the National Company Law Tribunal.

In the Government order 5th cited orders were issued bringing the scheme of amalgamation or reconstruction sanctioned by the Board for Industrial and Financial Reconstruction within the purview of said stamp duty concession.

2) The batch of Writ Petitions which were filed challenging the circular 1st cited and the Government orders 2nd and 3rd cited along with the Writ Appeals filed by the State have been disposed of by the Division Bench of Hon'ble Madras High Court through a common judgment 6th cited. The said common Judgment interalia holds as follows:

(P.T.O)

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(i) the Circular No.49282/P1/2018 dated 20.11.2018 is upheld;

(ii) the G.O.(Ms.) No.29 dated 01.03.2019 is quashed in as much as portion of the notification "or 0.6 percent of the aggregate of the market value of the shares, whichever is higher" and in all other aspects the said G.O. (Ms.) No.29, dated 01/03/2019 shall be valid;

(iii) the G.O.(Ms.) No.47 dated 19.02.2020 is held valid;

(iv) Accordingly, the authorities will be entitled to collect the stamp duty by calculating 2% of the market value of the immoveable property and excess duty if any collected shall stand refunded to the writ petitioners;

(v) The Stamp Duty if any paid, while presenting the order / scheme relating to amalgamation in other States shall be taken into account, while calculating the Stamp Duty payable in the State of Tamil Nadu and after setting off the amount already paid, only the balance amount if any alone can be demanded;

In as much the circular 1st cited and Government orders 2nd and 3rd cited, except the portion of the Government *notification viz., "or 0.6 percent of the aggregate of the market value of the shares, whichever is higher"* have been upheld by the Hon'ble High Court of Madras, the registering officers are hereby clarified that any instrument of transfer of property relating to scheme of amalgamation or reconstruction of companies sanctioned by the

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525

High Court or the National Company Law Tribunal or the Board for Industrial and Financial Reconstruction shall be liable to reduced stamp duty of two per cent of the market value of the immovable property. **In other words, the registering officers shall not insist stamping such schemes with stamp duty of 0.6 percent of the aggregate of the market value of the shares**. Registering officers are instructed to strictly adhere to the aforesaid instructions.

Sd/-9.9.2024
Inspector General of Registration.

/By Order/

10/9/24
District Registrar (Inspection)

10/9/24

To

All Sub Registrars,
All District Registrars,
All Deputy Inspector General of Registration.

Copy to:

1. C, CA, J, T, M Sections,
   O/o IGR, Chennai – 28.
2. Stock file.

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