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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 24th April, 2023

+ **W.P.(C) 5148/2023 & CM APPL.20097/2023**

UNO MINDA LIMITED Petitioner
Through: Mr. Shailendera Singh and Mr. Akash
Saxena, Advocates. (M:8800652576)

versus

DEPUTY COMMISSIONER REVENUE
DEPARTMENT Respondent
Through: Mr. Avishkar Singhvi, Advocate.

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WITH

+ **W.P.(C) 5160/2023 & CM APPL.20111/2023**

REEBOK INDIA COMPANY Petitioner
Through: Mr. Abhinav Vasisht Sr. Advocate,
Mr. Niraj Singh, Mr. Dev Hans
Kasana Advocates. (M: 9650072277)

versus

GOVT OF NCT OF DELHI & ORS. Respondents
Through: Mr. Avishkar Singhvi, Advocate.

CORAM:

JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. These petitions have been filed seeking issuance of directions to the Collector of Stamps which is currently being manned by the Principal Secretary Revenue-cum-Divisional Commissioner, GNCTD for adjudicating the stamp duty payable by the Petitioners.
3. In *W.P.(C) 5148/2023*, the case of the Petitioner is that pursuant to a composite scheme of amalgamation between five Harita group companies with the herein Petitioner - Uno Minda Ltd. (*hereinafter*, “Uno Minda”), the

scheme was approved by the NCLT on 1st February, 2021. Uno Minda intended to get the said document of scheme of amalgamation registered and duly stamped under the Indian Stamp Act, 1899. In view of the same, Uno Minda applied to the Divisional Commissioner, Revenue Department, GNCTD seeking adjudication of the stamp duty. An application for the same was filed on 13th January, 2022, however, till date, the stamp duty payable has not been communicated to Uno Minda. Thus, the prayer in ***W.P.(C) 5148/2023*** is that the Respondents ought to be directed to adjudicate the stamp duty payable as expeditiously as possible so that the scheme of amalgamation can be duly stamped.

4. In ***W.P.(C) 5160/2023***, the case of the herein Petitioner - Reebok India Company (*hereinafter, "Reebok"*) is that it has converted its debentures into shares. It seeks issuance of stamp paper for the Share Certificates as per the application dated 25th January, 2022. The case of Reebok is that despite repeated requests, the Respondents have failed to issue challan(s) to Reebok to purchase the stamp duty to be paid on the Share Certificate. Thus, on account of inaction of the part of the Respondents, Reebok is unable to discharge its statutory obligation under Section 56(4) of the Companies Act, 2013. Thus, the prayer in ***W.P.(C) 5160/2023***, is that the Respondents ought to be directed to issue challan as per Reebok's application dated 25th January, 2022 for issuance of stamp paper for the Share Certificates.

5. In the present petitions the applications for issuance of stamp paper were filed more than one year ago and despite the same, the determination of the stamp duty has not been communicated to the Petitioners. It is noticed that both these documents i.e., the scheme of amalgamation as also the

instrument of conversion from debentures to shares do not have a pre-determined stamp duty that has been fixed. It is for this reason that the Petitioners have approached the Collector of Stamps under Section 31 of the Indian Stamps Act, 1899 for adjudication of the stamp duty chargeable on the instruments.

6. A perusal of Section 31 of the Indian Stamp Act, 1899 shows that adjudication as to the proper stamp duty would have to be made by the concerned Collector of Stamps. Further, for the said purpose there is an obligation under proviso of Section 32 (3) of the said act on the concerned entity which is producing the document. The said two provisions read as under:

31. Adjudication as to proper stamp.—(1) *When any instrument, whether executed or not and whether previously stamped or not, is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to the duty (if any) with which it is chargeable, and pays a fee of such amount (not exceeding five rupees and not less than [fifty naye paise]) as the Collector may in each case direct, the Collector shall determine the duty (if any) with which, in his judgment the instrument is chargeable.*

(2) *For this purpose the Collector may require to be furnished with an abstract of the instrument, and also with such affidavit or other evidence as he may deem necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable, are fully and truly set forth therein, and may refuse to proceed upon any such application until such abstract and evidence have been furnished accordingly: Provided that—*

(a) *no evidence furnished in pursuance of*

this section shall be used against any person in any civil proceeding, except in an enquiry as to the duty with which the instrument to which it relates is chargeable; and

(b) every person by whom any such evidence is furnished, shall, on payment of the full duty with which the instrument to which it relates, is chargeable, be relieved from any penalty which he may have incurred under this Act by reason of the omission to state truly in such instrument any of the facts or circumstances aforesaid.

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32. Certificate by Collector.—

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(3) Any instrument upon which an endorsement has been made under this section, shall be deemed to be duly stamped or not chargeable with duty, as the case may be; and, if chargeable with duty, shall be receivable in evidence or otherwise, and may be acted upon and registered as if it had been originally duly stamped: Provided that nothing in this section shall authorise the Collector to endorse—

(a) any instrument executed or first executed in [India] and brought to him after the expiration of one month from the date of its execution or first execution, as the case may be;

(b) any instrument executed or first executed out of [India] and brought to him after the expiration of three months after it has been first received in [India]; or

(c) any instrument chargeable [with a duty not exceeding ten naye paise], or any bill of exchange or promissory note, when brought to him, after the drawing or execution

thereof, on paper not duly stamped.”

7. As is evident from the above provisions if an instrument has been executed in India, the same would have to be brought for stamping within one month and in case the document is executed abroad, the same have to be brought for stamping within three months. However, insofar as adjudication as to proper stamp is concerned, there is no time limit which has been fixed under Section 31 of the Indian Stamp Act, 1899.

8. It is however noticed that time limits have been fixed within which instruments of transfer have to be registered. For example, under Section 56 of the Companies Act, 2013 the company cannot register the transfer of securities unless the instrument of transfer is duly stamped, dated, and executed. Section 56(4) requires the said transmission to take place within a period of two months from the date of allotment or from the date of incorporation. In the case of allotment of debentures the time limit fixed is six months.

9. Further, the Delhi (Right of Citizen to Time Bound Delivery of Services) Act, 2011 (*hereinafter, 'Delhi Act, 2011'*) also recognizes the need for registration of documents, granting of licenses, etc., within prescribed time periods in the National Capital Territory of Delhi. Entry 331 of the schedule to the Delhi Act, 2011, has fixed a time limit under Section 3 for registration of documents. Section 3 of the said Act reads as under:

*“3. Right of citizen to obtain time bound delivery of services. Every citizen shall have the right to obtain the citizen related services in Delhi in accordance with this Act within the time bound period as stipulated in the Schedule:
Provided that the Government shall be entitled to amend and revise the Schedule from time to time by notification.*

Entry 331 of the schedule to the Delhi Act, 2011 reads as under:

SCHEDULE
(See section 3)

<i>Sl.No.</i>	<i>Name of Service</i>	<i>No. of Days for Service Delivery after Receipt of Application</i>	<i>Department/ Organisation</i>
331.	<i>Registration of Documents (Sale Deed/ GPA/SPA /WILL/conveyance Deed/Gift Deed etc.)</i>	<i>15 days</i>	<i>Revenue</i>

10. From the above provisions clearly, there is an expectation for a citizen to have time bound delivery of services. Entry 331 clearly gives the intention of registering documents within 15 days even in case of documents where stamp duty is not prescribed. The Delhi Act, 2011 must be implemented in letter and spirit in the National Capital Territory of Delhi. Moreover, stamp duty is also an important source of revenue for the State Government unnecessary delay in the adjudication of the proper stamp duty would also not be in public interest.

11. In view thereof, since the activities of individuals and companies would be depended upon various documents, instruments of transfer, etc., and the first step would be to seek adjudication of the stamp duty under Section 31 of the Indian Stamps Act, 1899, a time limit would be required to be followed by the Collector of Stamps for the said adjudication.

12. Under these circumstances, it is opined that reasonable time ought to be fixed in order to enable the parties to have some certainty as to the stamp duty payable. Accordingly, it is directed that the Collector of Stamps shall usually adjudicate the stamp duty payable and communicate the same to

parties within 30 days. However, if the same involves any complexity/ extraordinary circumstances, the adjudication of stamp duty can be extended for a maximum period of three months from the date of application.

13. The present order shall be communicated to the Chief Secretary, GNCTD for ensuring compliance. In addition, the Chief Secretary, GNCTD shall also consider adding a specific entry in the Delhi Act, 2011 in respect of adjudication of stamp duty with a reasonable time limit being fixed so that the same can be followed by the Collector of Stamps. Till the addition of the said entry in the Delhi Act, 2011, the aforementioned timeline shall operate.

14. In the present case accordingly, the Respondents shall determine the stamp duty payable and communicate the same to the Petitioner within 30 days.

15. With these observations, the present petition, along with all pending applications, is disposed of.

**PRATHIBA M. SINGH
JUDGE**

APRIL 24, 2023

dj/kt

(corrected & released on 2nd May, 2023)