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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 4348 OF 2021

VALIANT ORGANICS LIMITED ..PETITIONER
VS.
THE STATE OF MAHARASHTRA & ORS. ..RESPONDENTS

Mr. Ashish Kamat a/w. Kunal Mehta, Robin Fernandes i/b. Vesta
Legal for the petitioner.
Mr. C.D. Mali, AGP for the respondents- State.

CORAM : M.S.KARNIK, J.

DATE : AUGUST 20, 2021

P.C.:-

Heard learned counsel for the petitioner.

2. Shri Kamat appearing on behalf of the petitioner submitted that so far as the equity shares are concerned, there is no dispute and the stamp duty has to be paid as demanded. The dispute is regarding the optionally preferential shares. It is his contention that the stamp duty has to be paid on the basis of the face value and it is only after the same are converted to equity shares then the question of market value will arise. In these circumstances, it is his submission that there is no dispute to the payment of stamp duty to the extent of Rs.2,12,54,022/-. He disputes the payment of the balance amount of Rs.62,05,000/- as

the total demand made by the authority is Rs. 2,74,94,340/-.

3. Apart from demanding an amount of Rs.2,74,94,340/-, the authority has levied a penalty of Rs.1,37,47,170/- along with interest thereon. Shri Kamat submitted that so far as operationally preferential shares are concerned, the authority was not justified in levying the stamp duty as demanded. Shri Kamat pointed out that an appeal has been filed before the Inspector General of Registration and Controller of Stamps under Section 53(1A) of the Maharashtra Stamp Act, 1958. The said appeal is pending. The petitioner has raised a dispute regarding the levy of stamp duty on the optionally preferential shares and penalty which obviously being a contentious issue, will be dealt with by the Appellate Authority on its own merits and in accordance with law.

4. Learned AGP opposed the Petition and submitted that if the petitioner is praying for interim reliefs during the pendency of the appeal, he must deposit the entire amount determined along with the penalty.

5. In my opinion, the following order will meet the ends of justice.

ORDER

- i. The Appellate Authority is requested to decide the appeal expeditiously and as early as possible.
- ii. The statement that the undisputed amount of Rs.2,12,54,022/- will be paid by the petitioner to the Collector of Stamps/concerned authority as early as possible and in any case within a period of one week from today is accepted as an undertaking to this Court.
- iii. To secure the balance of the adjudicated amount which is approximately Rs.62,40,318/-, Shri Kamat submits on instructions that a bank guarantee to the extent of Rs.62,50,000/- will be issued in favour of the respondent No.2 within a period of two weeks from today and which will be kept alive till disposal of the appeal.
- iv. So far as the penalty imposed is concerned, the payment thereof is kept in abeyance till the decision of the appeal.
- v. In view of the statements made herein before on behalf of the petitioner and which are accepted, the

attachment dated 9/8/2021 is vacated and the bank accounts are defreezed.

6. I may not be understood to have expressed any observation on merits of the controversy and all contentions are kept open.

7. The Writ Petition is disposed of.

(M.S. KARNIK, J.)

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