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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 8005 OF 2021

Spectrum Constructions and Developers LLP ...Petitioners
Versus
State of Maharashtra through Joint District Registrar, Collector of Stamps, Raigad ...Respondent

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Mr Mukesh Vashi, Senior Advocate, *i/b MP Vashi & Co for the Petitioner.*
Mr SS Panchpor, AGP, *for the Respondent No.1-State.*

CORAM **G.S. Patel & Madhav J. Jamdar, JJ.**
DATED: **11th January 2022**

PC:-

1. The dispute is in a very narrow compass. We believe it can be disposed of at the stage of admission itself.

2. Rule. Respondents waive service. By consent, Rule is made returnable forthwith and the matter is taken up for hearing and final disposal.

3. The facts are that the Petitioner, a limited liability partnership firm, successfully quoted an amount of Rs. 1,66,57,920/- for the purchase of certain immovable property. This was originally the property of a public limited company, PACL Limited. That company was indebted to various creditors and investors. Since February 2016, SEBI was involved in the process of recovery of the amounts due from PACL Limited. The matter ultimately reached the Supreme Court in Civil Appeal No. 13301 of 2015. The Supreme Court constituted a committee under the chairmanship of the Hon'ble Mr Justice RM Lodha, former Chief Justice of India to oversee the disposal of lands held by PACL Limited. The property in question is described in paragraph 5 and is at village Nangurle, Tehsil-Karjat, District-Raigad. The reserve price fixed by the Justice Lodha Committee was Rs. 83,28,960/-. Evidently, the Petitioner's bid was much higher than the reserve price.

4. On 19th April 2017, the Petitioner paid Rs. 33,31,584/-, 25% of the bid amount. It then paid the balance. On 8th August 2018, SEBI informed the Respondent, the State of Maharashtra that the Petitioner had purchased this land at the price mentioned earlier. SEBI issued a Sale Certificate on 21st February 2018. The Petitioner paid the full stamp duty on the consideration accepted by SEBI.

5. On 23rd August 2021, the Petitioner received a demand notice from the Respondent for payment of deficit stamp duty of Rs. 28,22,600/- and a penalty of Rs. 21,45,200/-. The Petitioner objected by its mail and letter dated 30th August 2021. However, Mr Vashi says, the Petitioner seems to have proceeded on an entirely incorrect basis at that time, justifying the value on account of the location of the land. On 7th October 2021, the Respondent issued a fresh demand notice asking for stamp duty of Rs. 22,78,800/- and penalty of Rs. 17,31,900/-. On 26th October 2021, the Petitioner through its Advocates sent a response saying that there was no question of the State Government or Collector of Stamps assessing the market value of the property since the Supreme Court-appointed Justice RM Lodha Committee had already accepted the market value.

6. We are in agreement with Mr Vashi, learned Senior Counsel for the Petitioners, that in the facts and circumstances of the case, there is no question of the stamp authorities independently reassessing the market value of the land and building. The issue at law is covered by the decision in *Pinak Bharat and Co & Anr vs Anil Ramrao Naik*[1] delivered by one of us sitting singly (GS Patel, J). This points out that where the land is sold or allotted by the government or a semi-government body, government undertaking or a local authority on the basis of predetermined price, then the value as determined by such body is to be taken as the true market value of the subject matter property.

7. There is no doubt in this case that the market value was the bid of the Petitioner as accepted by the Justice Lodha Committee and that the sale was confirmed at the amount of the Petitioner's bid by SEBI. In this view of the matter, there is no question of the stamp authorities determining any other value. The only value to be accepted is Rs. 1,66,57,920/-. The stamp duty on this is Rs.9,99,475/-. There is no question therefore of allowing the stamp authorities to demand any other amount. There is certainly no question of a penalty.

1 2019 SCC OnLine Bom 527

8. Rule is accordingly made absolute in terms of prayer clauses (a) and (b) which read as under.

> "a. That a writ of mandamus or any other writ, order or direction be issued ordering and directing the Respondent to accept Rs.9,99,475/- (Rupees Nine Lakhs Ninety Nine Thousand Four Hundred and Seventy Five Only) as stamp duty on the basis of the auction value i.e. Rs.1,66,57,920/- as a market value of the said land and complete all the registration of Certificate of Sale formalities and execute the transfer of plots in favor of the Petitioner.
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> b. That a writ of certiorari or any other writ, order or direction be issued calling for the records and files of the case and after going into the legality and validity of the impugned order/demand notice dated 7th October, 2021 (Exhibit I) quash and set aside the same."

9. The Stamp duty calculated as per prayer clause (a) will be paid by the Petitioner within two weeks from today. We accept the statement to this effect by Mr Vashi made on instructions as an undertaking made to the Court.

10. In the facts and circumstances of the case, there will be no order as to costs.

11. All concerned will act on production of a digitally signed copy of this order.

(Madhav J. Jamdar, J) **(G. S. Patel, J)**