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W.P. No.20760 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 10.04.2024

CORAM:

THE HONOURABLE MR.JUSTICE N. SATHISH KUMAR

W.P. No.20760 of 2023

Chinnaraju Ramesh

. . Petitioner

Vs

1.Sub-Registrar

Office of the Sub-Registrar
2nd Main Road
Pallavapuram, Chromepet
Chennai - 600 044

2.M/s.Olympia Tech Park (Chennai) Private Limited

Plot:1, SIDCO Industrial Estate
Guindy, Chennai - 600 032

. . Respondents

Prayer : Writ petition filed under Article 226 of the Constitution of India for issuance of a writ of certiorarified mandamus calling for the records pertaining to the order of refusal, refusing to record full and final settlement in favour of ICICI Bank and cancel the Memorandum of Deposit of Title Deeds executed in its favour dated 05.10.2020 and consequently registering the Memorandum of Deposit of Title Deed dated 15.06.2023 in favour of the Bank of India vide order dated 15.06.2023 made in Refusal Number : RFL/Pallavaram/5/2023 on the file of the 1st respondent herein and quash the same and consequently direct



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the 1st respondent herein to record full and final settlement in favour of ICICI Bank and cancel the Memorandum of Deposit of Title Deeds executed in its favour dated 05.10.2020 and consequently, register the Memorandum of Deposit of Title Deed dated 15.06.2023 in favour of Bank of India.

For Petitioner : Mr.A.V.Arun
for Mr.C.T.Murugappan

For Respondents : Mr.Yogesh Kannadasan,
Special Govt. Pleader for R1
Mr.R.Sidharth for R2

ORDER

Writ petition has been filed challenging the order of refusal passed by the first respondent, refusing to register the discharge receipts and also the memorandum evidencing the deposit of title deeds.

2. The case of the petitioner is that an extent of 371.11 sq.ft. of undivided share was purchased by the petitioner from M/s.KSM Nirman Private Limited and M/s.Khivraj Infratech Private Limited. Thereafter, the petitioner, in order to avail further loan, has discharged the existing loan and when he presented the discharge receipt issued by the banker along with the memorandum of deposit of title deeds for further loan, the same has been refused to be registered on the ground that since the vendor of the petitioner has merged with second



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respondent herein, a stamp duty of 2% has to be paid for such merger.

Challenging such refusal, the writ petition has been filed.

3. Learned Special Government Pleader appearing for the respondent submitted that counter has already been filed. According to them, the property vested in the amalgamated companies through the Scheme of Amalgamation, also amounts to conveyance and requires payment of stamp duty. In this regard, W.A. No.687 of 2023 is pending before the Division Bench of this court. Hence, according to them, stamp duty as required, has to be paid.

4. I have perused the entire records produced in the form of typed set of papers.

5. No doubt, in respect of merger and amalgamation, 2% of stamp duty is payable on the market value of the immovable property, as per G.O.(Ms) No.29 Commercial Taxes and Registration (J1) Department dated 01.03.2019 and G.O. (Ms) No.47 Commercial Taxes and Registration (J1) Department dated 19.02.2020. This court is of the view that the refusal on the part of the Registering authority is purely non application of mind. The amalgamation of the two companies, namely the vendor of the petitioner and the second



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respondent took place on 29.04.2016 in respect of the property owned by the company. It is relevant to note that the petitioner has purchased the property on 18.02.2015, when the vendor of the writ petitioner already divested the title in favour of the petitioner in the year 2015, the merger could happen only in respect of the property actually owned by the vendor with the second respondent. In such view of the matter, insisting 2% stamp duty and refusing to register the discharge receipts and memorandum of deposit of title deeds by the petitioner, as a lawful owner cannot be sustained in the eye of law.

6. In the result, the writ petition is allowed. The refusal order of the first respondent is quashed. The first respondent is directed to register those documents within a period of one month from the date of receipt of a copy of this order. No costs.

10.04.2024

Index : Yes / No
Speaking/non speaking order
Neutral Citation : Yes/No
Asr

1.Sub Registrar
Office of the Sub Registrar
2nd Main Road
Pallavapuram, Chromepet



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Chennai - 600 044

2. The Government Pleader
High Court, Madras

N. SATHISH KUMAR, J.

Asr



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