# Stamp Duty and Order under Section 394 of the Companies Act, 1956 (Scheme of Arrangement)

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*All transfers of properties from one company to another under a scheme of compromise or agreement, amalgamation, mergers, demergers or re construction attracts the levy of stamp duty irrespective of whether or not it has been spelt out in the Stamp Act.*

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Under section 3 of the Indian Stamp Act, 1899 (the Stamp Act), subject to the provisions of the Stamp Act and exemptions spelt out therein every instrument mentioned in Schedule I appended to the Stamp Act executed in India on or after the 1st Day of July 1899 is chargeable to duty as mentioned in the said Schedule I. Thus a document would be liable to stamp duty under the Stamp Act if –

(a) it is an instrument

(b) it is executed on or after 1stJuly 1899, and

(c) it finds mention in the Schedule I appended to the Act.

All the States and the Union territories comprised in the Indian Union, excepting for four States, viz., State of Maharashtra, State of Gujarat, State of Karnataka and State of Kerala, which have Stamp Acts of their own, have adopted the central Stamp Act. Of course, some States have made their own amendments, particularly to the Schedule I and the rates of duties mentioned therein. Even the four States which have their own Stamp Act these are based on the lines of the Stamp Act. Under entry 91 of List I of Schedule VII appended to the Constitution of India the Central Government is empowered to fix 'rates of stamp duty in respect of bills of exchange, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts.'. Under entry 63 of List II of Schedule VII appended to the Constitution of India, the State Governments are empowered to fix the rates of stamp duty in respect of documents other than those specified in the provisions of List I with regard to rates of stamp duty.

## CONVEYANCE OF PROPERTY

All the States levy Stamp duty on transfer of property from one person to another person. As set out earlier it is the instrument that attracts the stamp duty and not the act of transfer. Thus to attract stamp duty transfer of property should be through an instrument. Conversely any transfer without an instrument will not attract stamp duty. While movable property could be transferred without the execution of a deed or an instrument, the ownership of an immovable property cannot be transferred without the execution of an instrument for under section 54 of the Transfer of Property Act, 1882 and such an instrument is also required to be registered if the value of the property under transfer is Rs.100 or above. The deed or the instrument through which a transfer is made is called a 'conveyance'. The said term 'conveyance' has been defined in section 2(10) of the Stamp Act and section 2(d) of the Kerala Stamp Act, 1959 as follows:

> '"Conveyance" includes a conveyance on sale and every instrument by which property, whether movable or immovable is transferred *inter vivos* and which is not otherwise specifically provided for by Schedule I.'

Section 2(g) of the Bombay Stamp Act, 1958 defines the said term "Conveyance" as follows :

'"Conveyance" includes, -

(i) a conveyance on sale,

(ii) every instrument,

(iii) every decree or final order of any Civil Court,

(iv) every order made by the High Court under section 394 of the Companies Act, 1956 in respect of amalgamation of companies ;

by which property, whether movable or immovable, or any estate or interest in any property is transferred to, or vest in, any other person, *inter vivos*, and which is not otherwise specifically provided for by Schedule I.

Explanation : An instrument whereby a co-owner of any property transfers his interest to another co-owner of the property and which is not an instrument of partition, shall, for the purposes of this clause, be deemed to be an instrument by which property is transferred *inter vivos*.'

Section 2(g) of the Bombay Stamp (Gujarat Amendment) Act, 2001 defines the said term "Conveyance" as follows :

'"Conveyance" includes, –

(i) a conveyance on sale,

(ii) every instrument,

(iii) every decree or final order of any Civil Court,

(iv) every order made by the High Court under section 394 of the Companies Act, 1956 in respect of reconstruction or amalgamation of companies,

(v) any writing or letter of allotment in respect of premises, given to its members or allottee by a co-operative society registered or deemed to have been registered under the Gujarat Co-operative Societies Act, 1961 (Guj. X of 1962) or a corporation or an association formed and registered under the Bombay Non-Trading Corporation Act, 1959 or the Gujarat Ownership Flat Act, 1973 (Guj. 13 0f 1973) as the case may be.

by which property, whether movable or immovable, or any estate or interest in any property is transferred to, or vest in, any other person, *inter vivos*, and which is not otherwise specifically provided for by Schedule I.'

Explanation : An instrument whereby a co-owner of any property transfers his interest to another co-owner of the property and which is not an instrument of partition, shall, for the purposes of this clause, be deemed to be an instrument by which property is transferred *inter vivos* .

Section 2(d) of the Karnataka Stamp Act, 1957 defines the said term "Conveyance" as follows :

'"Conveyance" includes, –

(i) a conveyance on sale,

(ii) every instrument,

(iii) every decree or final order of any Civil Court,

(iv) every order made by the High Court under section 394 of the Companies Act, 1956 in respect of amalgamation of companies;

by which property, whether movable or immovable, or any estate or interest in any property is transferred to, or vest in, any other person, *inter vivos*, and which is not otherwise specifically provided for by the Schedule.'

The State of Andhra Pradesh has substituted the following for the definition of Conveyance contained in section 2(10) of the Stamp Act :

"Conveyance" includes a conveyance on sale, every instrument and every decree or final order of any Civil Court, by which property, whether movable or immovable, or any estate or interest in any property is transferred to, or vested in or declared to be of any other person, *inter vivos*, and which not otherwise specifically provided for by Schedule I or Schedule 1-A, as the case may be." (Explanations have not been reproduced).

Thus the term 'Conveyance' has been defined in the Stamp Act and in the State Stamp Acts of the aforementioned States by an inclusive definition and the transfer should be *inter viv*os. Consequently apart from the normal meaning assigned to the said term, it would include those set out in the respective sections. Black's Law Dictionary (Seventh Edition) defines the said term 'conveyance' at page 334 to mean 'the voluntary transfer of a right or property.' The Shorter Oxford English Dictionary On Historical Principles defines the said term at page 419, *inter alia*, to mean in Law the transference of (*esp.* real) property from one person to another by deed or writing 1523; the instrument of transfer 1576.

The expression '*inter vivos'* has been defined at page 826 of Black's Law Dictionary (Seventh Edition) to mean 'Of or relating to property conveyed not by will or in contemplation of an imminent death, but during the conveyer's life time.'

## Meaning of ìInstrumentî

Thus, any transfer of property which is not in the nature of transmission done during the life time of a person through the medium of an instrument is conveyance and the instrument which facilitates the transfer would attract stamp duty under the Stamp Act. This leads us to the question as to what an 'instrument' is. Section 2(14) of the Stamp Act defines the term 'instrument'. Here again the definition is an inclusive one. The term has been defined to include every document by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Section 2(*l*) of the Bombay Stamp Act and Bombay Stamp (Gujarat Amendment) Act and section 2(j) of the Kerala Stamp Act defines the said term in identical terms as follows :

'"Instrument" includes every document by which any right or liability is, or purports to be created, transferred, limited, extended, extinguished or recorded but does not include a bill of exchange, cheque, promissory note, bill of lading, letter of credit, policy of insurance, transfer of shares, debenture, proxy and receipt'.

A close examination of this definition, will show that the definition is on the lines of the Stamp Act and excludes the instruments in respect of which under the Constitution of India, the Central Government alone can fix the rates of stamp duty.

This term '*inter vivos'* has been defined in section 2(j) of the Karnataka Stamp Act. This is more or less on the lines of the definition in the Stamp Act but includes instruments created electronically also. The definition in the Karnataka Stamp Act runs as follows :

'"Instrument" includes every document and record created or maintained in or by on electronic storage and retrieval device or media by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded.'

Black's Law Dictionary at page 801 defines an instrument as 'a written legal document that defines rights, duties, entitlements, or liabilities, such as a contract, will, promissory note or share certificate. The Shorter Oxford English Dictionary at page 1086 defines it, *inter alia*, to mean 'a formal legal document whereby a right is created or confirmed, or a fact recorded; a formal writing of any kind, as an agreement, deed, charter, or record drawn up and executed in technical form 1483'.

The definition of the term 'instrument' in the Stamp Act and in the Stamp Acts of the States which have their own Stamp Acts describes it as every document. Therefore to understand the exact meaning of the term 'instrument', one has to find out as to what a 'document' is. The term 'document', however, has not been defined in the Stamp Act. The same has also not been defined in the Stamp Acts of the States. In consequence, to understand the meaning of the said term 'document' for legal purposes one should go by the dictionary meaning of the said term. In Black's Law Dictionary at page 498, the said term has been defined to mean 'something tangible on which words, symbols, or marks are recorded. The deeds, agreements, title papers, letters, receipts, and other written instruments used to prove a fact.' In Shorter Oxford English Dictionary at page 589 the said term has been defined to, *inter alia*, mean 'something written, inscribed, etc. which furnishes evidence or information upon any subject, as a manuscript, title deed, coin, etc. 1727.' Thus, any writing by any person, tribunal, court or any other statutory or other body whereby the property or interest therein in of a person is transferred to or vest in another is a document. Such a document would be an 'instrument' as defined in the stamp Act and in the Stamp Acts of the four States. As through the medium of the instrument, property is transferred to or vest in another person, that instrument will be 'conveyance' within the meaning of the said term as defined in the Stamp Act and the Stamp Acts of the four States. Conveyance finds a mention in the Schedule to the Stamp Acts and Duty also has been prescribed therein. Thus the conclusion is that if through any writing the property of a person is transferred to or vest in any other person during his life time or in contemplation of his imminent death, stamp duty has to be paid on the said writing as 'conveyance' whether the writing is by the parties concerned, i.e., the transferor and the transferee of the property, or by a tribunal, court or any other Statutory or other body.

## Order under section 391 : Whether attracts stamp duty ?

While prescribing the rate of duty on conveyance the Stamp Acts applicable to the States of Andhra Pradesh and West Bengal have provided for specific duties on orders passed under section 391 of the Companies Act. The relevant portion relative to Madhya Pradesh reads as under:

"Provided that where (a) an instrument relates to the amalgamation or reconstruction of companies under the orders of High Court under section 394 of the Companies Act, 1956 (1 of 1956), or under the order of the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (10 of 1949) the duty chargeable shall not exceed an amount equal to 7% of the market value of the immovable property transferred which is located within the State of Madhya Pradesh; or an amount equal to 0.7% of the aggregate of the market value of the shares issued or allotted in exchange or otherwise and the amount of consideration paid for such transfer, which ever is higher".

The State of West Bengal has inserted a new Article 23A to the Schedule applicable to the State of West Bengal which reads as under :

"Article 23A, In respect of amalgamation, reconstruction, demerger of companies executed on the basis of decree or final order of any Civil Court or every order by the Tribunal under section 394 of the Companies Act, 1956 (1 of 1956), as defined by section 2(10), not being a transfer charged or exempted under No.62, on the market value of the property which is the subject matter of the conveyance, when the property of the transferor company located in the State of West Bengal is transferred to the transferee company by way of such amalgamation, merger, reconstruction, or demerger of companies under the decree or final order of any Civil Court or every order of the Tribunal under section 394 of the Companies Act,1956.'

Under section 391 of the Companies Act, 1956 (the Act) a company within the meaning of the Act can enter into a compromise or arrangement with its shareholders and creditors for the purposes of amalgamation or merger or de-merger of companies. The compromise or arrangement has to be approved by a majority in number representing three-fourths in value of the creditors or class of creditors or members or class of members as the case may be, present and voting in person or where proxies are allowed by proxy, at a meeting. Such a decision of the meeting would be binding on all the creditors, all the creditors of the class and all the members and all the members of the class, if the same is sanctioned by the High Court. Such a scheme so sanctioned is binding on the companies concerned and if the scheme involves winding up of any company, on the liquidator and contributories of the company. Under section 394 of the Act the High Court sanctioning the Scheme of compromise or arrangement can by the order sanctioning the Scheme or by a subsequent order make provision for all or any of the following matters :

(I) the transfer to the transferee company of the whole or any part of the undertaking, property or liabilities of any transferor company ;

(II) the allotment or appropriation by the transferee company of any shares, debentures, policies, or like interests in that company which under the compromise or arrangement, are to be allotted or appropriated by that company to or for any person ;

(III) the continuation by or against the transferee company of any legal proceedings pending by or against the transferor company ;

(IV) the dissolution without winding up, of any transferor company ;

(V) the provision to be made for any person who, within such time and in such manner as the High Court directs, dissent from the compromise or arrangement ; and

(VI) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

When an order as aforesaid is passed by the High Court under sub-section (2) of section 394, by virtue of the order the property mentioned therein shall be transferred to and vest in, and the liabilities mentioned therein shall be transferred and become the liabilities of the transferee company.

The Proforma of the Order of the High Court is set out in Form 42 of the Companies (Court) Rules, 1959 in terms of which the properties shall stand transferred and vest in the transferee without any further act or deed. Again the said Proforma in paragraph five provides for filing of the order of the Court with the Registrar of Companies within the period stated in the Order and from the date of such filing, if the order provides for dissolution of any company, the company would stand dissolved. If the Order of the court is a combined Order, i.e., it sanctions the Scheme of compromise or arrangement under section 391 of the Act and provides for the transfer of property under section 394, the Order shall not take effect until a copy of the Order is filed with the Registrar of Companies. A question often arises as to whether the order under section 394 of the Act or the combined order of the Court under sections 391 and 394 of the Act is an instrument and if yes, as it conveys the properties from one company to another whether the same would be liable to stamp duty in the case of amalgamations, mergers, demergers or reconstruction of companies taking place in the States where the same has not been specifically covered by the Stamp Act applicable to those States.

The Order of the Court is in writing and as such is a document and as it provides for transfer of property from one company to another company, i.e., from one legal person to another legal person it is an instrument. Such an instrument is 'conveyance' within the meaning of the Stamp Act. The same is mentioned in Schedule I appended to the Stamp Act. Hence it is liable to duty. This has been made abundantly clear in the Stamp Acts applicable in the States of Maharashtra, Gujarat and Karnataka for all these States have amended the definition of 'Conveyance' to include a Scheme of amalgamation under sections391-394 of the Act. In the State of Gujarat conveyance includes transfer on re-construction and as such, transfer on de-merger also would be covered within the meaning of the definition of the term 'conveyance'. In the case of the States of Madhya Pradesh and West Bengal as has been mentioned elsewhere in this Article this has been made clear by suitable amendments to the Schedule appended to the Stamp Act. In view of the discussions in the earlier paragraphs such amendments it would be clear is not necessary for all orders passed under sections 391-394 of the Act providing for the transfer of property would be 'conveyance' for the purposes of the Stamp Acts. In case the transferor company is dissolved a doubt may arise whether such a transfer would be considered *inter vivos* may arise. Technically a company would die on dissolution and in terms of the Proforma of the order the transfer of property would take place on the signing of the order and the dissolution would take place only subsequently when the Order is filed with the Registrar of companies and as such, such a transfer could be considered *inter vivos*.

This question was considered by the Calcutta High Court in *Gemini Silk Limited* v. *Gemini Overseas Limited* [2003] 114 Comp. Cas. 92 (Cal.). While holding that an order under section 394 of the Act is 'Conveyance' for the purposes of the Stamp Act, the Calcutta High Court observed as follows:

> "An instrument liable to be stamped under section 2(14) of the Indian Stamp Act, 1899 includes every document by which any right or liability is, or purports to be created, transferred, limited, extended, extinguished or recorded. Section 394(2) of the Companies Act, 1956 provides that the properties and liabilities of the transferor company, in a Scheme of amalgamation or reconstruction, stand transferred to the transferee company by virtue of the order of the Court under section 394(1). The statutory form of an order under section 394(2) of the Companies Act, Form No. 42 under the Companies (Court) Rules, 1959 provides for three different schedules to incorporate therein the properties transferred. The order also provides for the passing of consideration from the transferee company to the shareholders of the transferor company. The well-settled law is that the properties belong to the company and the company belongs to the shareholders. Therefore, the owners of the company receive the consideration. An additional reason why the owners of the company receive the consideration is that by the same order provision is also made for dissolution of the company.
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> A transaction under section 394 of the Companies Act has all the trappings of a sale. In a transaction like this, properties together with liabilities are transferred. Such a sale or transfer is effectuated by an order of the court passed under section 394(2) of the Companies Act, 1956. The consideration for the sale in a transaction such as amalgamation of companies, is shares. The Share exchange ratio is decided on the basis of a large number of factors including the value of the net assets of the two, the transferor and transferee companies. In order to arrive at a figure of the net assets the liabilities have to be set off against the gross value of the assets.
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> "Conveyance" under the Stamp Act includes every instrument by which property whether movable or immovable is transferred *inter vivos*. A company is a living person within the meaning of section 5 of the Transfer of Property Act, 1882. A document creating or transferring a right is an instrument. An order effectuating a transfer is a document.

An order under section 394 of the Companies Act has its genesis in an agreement between the transferor and the transferee. The intended transfer is a voluntary act of the contracting parties. The transfer is effectuated by an order of the court and that order of the court is an instrument by which the transfer is affected. Consequently, it is a conveyance, and is liable to be stamped under the Indian Stamp Act, 1899.

Section 394 does not provide that an order sanctioning a scheme is not liable to be stamped. The provision for transfer of assets without any further act or deed does not mean more than that a formal document is not necessary in order to effectuate the transfer. But that does not mean that if the order sanctioning the scheme itself is an instrument the same will not attract stamp duty.

It is true that an order for dissolution of the transferor company can be passed simultaneously with the sanction of the scheme provided the transferor company has clearance from the Registrar or the Official liquidator. But that does not mean that the company stands dissolved prior to the completion of the transfer. The transferor company gets dissolved upon the certified copy of the order dissolving the company being delivered to the Registrar of Companies whereas the Scheme of amalgamation relates back to the date when the scheme was agreed upon between the parties."

While holding that section 2(g)(iv) of the Bombay Stamp Act, 1958 (referred to earlier in the Article) is not in any way *ultra vires* of the powers of the State Government of Maharashtra, the Supreme Court has in *Hindustan Lever and another* v. *State of Maharashtra and another* (2004) Comp LJ 148 (SC) held that an order passed by the High Court approving a Scheme of Amalgamation is an 'instrument' within the meaning of the definition of the said term in the Bombay Stamp Act and as such is liable to stamp duty as conveyance under the said Act. As indicated earlier in this Article the definition of the term 'instrument' in the Stamp Act and in the Stamp Acts of the Maharashtra is almost similar. The Stamp Acts of the States of Maharashtra and Gujarat excludes from the definition, the instruments in respect of which the Central Government alone can prescribe the Stamp Duty has been excluded. In view of this, the interpretation of the Supreme Court in regard to the term 'instrument' would equally be applicable to the said term which has been defined on similar lines in the Stamp Act. While holding that an order of the High Court in respect of a scheme of amalgamation is liable to Stamp Duty under the Bombay Stamp Act, the Supreme Court observed as under:

"Two broad principles underlying a scheme of amalgamation are :

1. That the order passed by the court amalgamating the company is based on a compromise or arrangement arrived at between the parties; and
2. That the jurisdiction of the company Court while sanctioning the scheme is supervisory only i.e., to observe that the procedure set out in the Act is met and complied with and that the proposed scheme of compromise or arrangement is not violative of any provision of law, unconscionable or contrary to public policy.

The Court is not to exercise the appellate jurisdiction and examine the commercial wisdom of the compromise or arrangement arrived at between the parties. The role of the court is that of an umpire in a game to see that the teams play their role as per rules, and do not overstep the limits. Subject to that, how best the game is to be played is left to the players and not to the umpire.

Both these principles indicate that there is no adjudication by the court on the merits as such.

Thus, the order passed by the court under section 394 of the Companies Act, 1956 is based upon the compromise between two or more companies. Function of the court while sanctioning the compromise or arrangement is limited to oversee that the compromise or arrangement arrived at is lawful and that the affairs of the company were not conducted in a manner prejudicial to the interest of its members or to the public interest, that is to say, it should not be unfair or contrary to public policy or unconscionable. Once these conditions are satisfied, the scheme has to be sanctioned as per the compromise arrived at between the parties. It is an instrument which transfers the properties and would fall within the definition of section 2(*l*) of the Bombay Stamp Act which includes every document by which any right or liability is transferred. The State Legislature would have the jurisdiction to levy stamp duty under Entry 44 List III, of the Seventh Schedule of the Constitution of India and prescribe stamp duty under Entry 63, List II.

The recital in the Scheme of amalgamation as well as the order of the High Court under section 394 of the Companies Act, declare that, upon such order of High Court, the undertaking of the transferor company shall stand transferred to the transferee company with all its movable, immovable and tangible assets to the transferee company without any further act or deed. Sub-section (3) of section 394 provides that the certified copy of the order of the court has to be presented before the Registrar of Companies within 30 days for registration. And, in default, any officer of the company, who is in default, becomes liable to be punished and fined, which may extend upto Rs.500. Section 391(3) provides that an order made by the court under sub-section (2) of section 391 shall not have any effect till a certified copy of the order has been filed with the Registrar. On presentation of the certified copy of order, the Registrar of the Company certifies that the transferor company stands amalgamated with the transferee company along with all its assets and liabilities. Thus the amalgamation scheme sanctioned by the court would be an 'instrument' within the meaning of section 2(*l*). By the said 'instrument', the properties are transferred from the transferor company to the transferee company, the basis of which is the compromise or arrangement arrived at between the two companies.

As discussed above, the order passed under section 394 is founded on consent and this order is an instrument as defined under section 2(l) of the Bombay Stamp Act, 1958. The State Legislature would have the jurisdiction to levy stamp duty under Entry 44 List III of the Seventh Schedule of the Constitution, and prescribes rate of stamp duty under Entry 63 List II. It does not in any impinge upon any entry in List I. Entry 44 of List III empowers the State Legislature to provide for stamp duties other than duties or fees collected by means of judicial stamps. Along with this, Entry 63 of List II empowers the State Legislature to prescribe rates of stamp duty in respect of documents other than those specified in the provisions of List I, that is to say, rates of stamp duty in respect of bill of exchange, cheques, promissory notes, bills of lading, letter of credit, policies of insurance, transfer of shares, debentures, proxies and receipts. By sanctioning amalgamation scheme, the property including the liabilities are transferred as provided in section 394 of the Companies Act, and on that transfer instrument, stamp duty is levied. It, therefore, cannot be said that the State Legislature has no jurisdiction to levy such duty.

A document creating or transferring a right is an instrument. So also, an order effectuating the transfer."

To a question that while levying stamp duty on a scheme of compromise or arrangement the State Governments would be encroaching on the field of Parliament, Supreme Court in the aforesaid judgement observed that 'there is no question of encroachment on the field of Parliament under Entry 43, List I, of the Constitution which empowers the Union to make laws regarding incorporation, regulation, winding up of trading corporation including banks, insurance and finance corporations, but not including co-operative societies. The follow-up legislation under Entry 43 List I is totally different from the levy of stamp duty and of prescribing rate of stamp duty on such instruments. The Bombay Stamp Act does not provide for any legislation with regard to incorporation, regulation and winding up of Corporations. It only levies the stamp duty and prescribes the rate of stamp duty in respect of documents by compromise or arrangement.'

The foregoing observations of the Supreme Court would equally apply to the rates of stamp duty prescribed by the various State Governments with regard to transfer of property from one to another. In view of what has been stated in the earlier paragraphs it would be crystal clear that transfer of property from one company to another under a Scheme of Compromise or Arrangement would attract Stamp Duty at rates which have been prescribed for conveyance.

To a question that since the transaction was not between the 'living beings', the same was not *inter vivos* as the transfer of property had not taken place between the living beings the Supreme Court Judgment as aforesaid has this to say :

"'Transfer of property' has been defined in section 5 of the Transfer of Property Act, 1882, to mean an act by which a living person conveys property, *in prasenti* or in future to one or more other living persons. Company or association of body of individuals, whether incorporated or not, have been included amongst the 'living person' in this section. It clearly brings out that a company can effect a transfer of property. The word '*inter vivos'* in the context of section 394 of the Companies Act, 1956 would include within its meaning also a transfer between two 'juristic persons' or a transfer to which a 'juristic person' is one of the parties. The transaction between a minor or a person of unsound mind with the other person would not be recognised in law, though the same thing is between two living beings, as they are not juristic persons in the eyes of law who can, by mutual consent, enter in a contract or transfer the property. The Company would be juristic person created artificially in the eyes of law capable of owning and transferring the property. Method of transfer is provided in law. One of the methods prescribed is dissolution of the transferor company by merger in the transferee company along with all its assets and liabilities. Where any property passes by conveyance, the transaction would be said to be *inter vivos* as distinguished from a case of succession or device'.

To conclude all transfer of properties from one company to another under a Scheme of Compromise or Arrangement on amalgamation, merger or demerger or reconstruction Stamp Duty under the Stamp Act applicable will have to be paid irrespective of the fact whether such a payment has been spelt out in the applicable Stamp Act or not. ❑

**PRESS RELEASE**

**Reconstitution of the Board of Directors of Calcutta Stock Exchange Association Limited**

[*PR No.14/2008 dated 18.01.2008, issued by SEBI*]

SEBI had superseded the Committee of Calcutta Stock Exchange Association Limited, vide order dated December 4, 2003, and appointed Shri T.K.Das as the Administrator of the Exchange and subsequently Shri Sunil Mitra I.A.S., was appointed as the Administrator of the Exchange, to exercise and perform all the powers and duties of the Committee.

The Exchange has, subsequently, successfully completed its demutualisation process. On a review of the functioning of the Exchange and taking into account the developments in the functioning and administration of the Exchange during the tenure of the Administrators, it has been decided to restore the administration of the Exchange to the Board of the Exchange, reconstituted in accordance with the composition prescribed by SEBI. The reconstituted Board of the Calcutta Stock Exchange Association Limited, comprising of three Public Interest Directors, three Trading Member Directors, five Shareholder Directors and one Acting Chief Executive Officer, held its first meeting on December 24, 2007. Shri Udayan Bose, Public Interest Director has been unanimously elected as the Chairman of the Board.