

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 20 of 2012

A Bill further to amend the Indian Stamp Act, 1899 in its application to the State of Tamil Nadu.

Be it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Stamp (Tamil Nadu Second Amendment) Act, 2012.

Short title, extent and commencement.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Central Act II of 1899.

2. In section 2 of the Indian Stamp Act, 1899 (hereinafter referred to as the principal Act), for clause (10), the following clause shall be substituted, namely:—

Amendment of section 2.

“(10) “Conveyance” includes,—

(i) a conveyance on sale;

(ii) every instrument;

(iii) every order made by the High Court under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) in respect of amalgamation or reconstruction of companies; and

(iv) every order made by the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949);

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

3. In Schedule I to the Principal Act, in Article 23, after clause (b), the following clause shall be inserted, namely:—

Amendment of Schedule I.

“(c) if relating to the order of High Court in respect of amalgamation or reconstruction of companies under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) or if relating to the order of the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949).

(i) 2 per cent of the market value of the immovable property of the transferor company, located within the State of Tamil Nadu, which is the subject matter of the conveyance; or

(ii) 0.6 per cent of the aggregate of the market value of the shares or other marketable securities which is the subject matter of the conveyance, issued or allotted in exchange or otherwise, and the amount of consideration paid for such amalgamation, whichever is higher.”.

STATEMENT OF OBJECTS AND REASONS.

At present there is no provision in the Indian Stamp Act, 1899 (Central Act II of 1899), for levy of stamp duty on transfer of properties made to facilitate amalgamation or reconstruction of companies by the orders of the High court under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) or under the order of the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949), in respect of Banking companies. The Government have, therefore, decided to amend the Indian Stamp Act, 1899 (Central Act II of 1899) so as to provide for levy of stamp duty on the above mentioned transfer of properties to augment the State exchequer.

2. The Bill seeks to give effect to the above decision.

C.Ve.SHANMUGAM,
*Minister for Commercial Taxes and
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,
Secretary.