# SAGUS SPEAKS

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**This Newsletter covers key Regulatory & Policy Updates, Government Notifications and Judicial Pronouncements.**

## REGULATORY & POLICY UPDATES

### CERC issued Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024.[1]

The Central Electricity Regulatory Commission ("CERC") on 17.02.2024 has issued the Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 ("Draft RES Tariff Regulations") inviting stakeholder comments, suggestions, and objections on or before 14.03.2024.

The Draft RES Tariff Regulations are applicable in cases: (i) where the tariff for a grid connected generating station or a unit thereof commissioned during the control period and based on Renewable Energy Sources ("RES") is to be determined by CERC under Section 62 read with Section 79 of the Electricity Act, 2003 ("Electricity Act"), and (ii) subject to the eligibility criteria provided for various Renewable Energy ("RE") projects mentioned under Regulation 4 of the Draft RES Tariff Regulations.

Further, the control period under the Draft RES Tariff Regulations is from 01.04.2024 to 31.03.2027 or subject to the condition that the tariff determined as per Draft RES Tariff Regulations for the RE projects commissioned during the control period shall remain valid for the tariff period and that the tariff norms specified under Draft RES Tariff Regulations shall continue to remain applicable until the notification of the revised norms through subsequent re-enactment.

[1] Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024.

The key highlights of the Draft RES Tariff Regulations are as follows:

i. The general tariff for (a) Small hydro project; (b) Biomass power project with Rankine cycle technology; (c) Non-fossil fuel based co-generation project; (d) Biomass gasifier based power project; (e) Biogas based power project; and (f) Municipal solid waste based power projects and Refuse derived fuel based power projects shall be determined by CERC on an annual basis prior to the commencement of the year for each year of the control period.
ii. For (a) Solar PV power projects, floating solar projects and solar thermal power projects; (b) Wind power projects (both on-shore and off-shore); (c) Biomass gasifier based power projects and biogas based power projects, Municipal solid waste based power projects and refuse derived fuel based power projects if a project developer opts for project specific tariff; (e) Renewable hybrid energy projects; (f) RE with storage projects; and (g) any other project based on new RES or technologies approved by the Central Government, the Commission shall determine specific tariff, on case to case basis.
iii. The tariff for RES shall consist of return on equity, interest on loan, depreciation, interest on working capital and operation and maintenance expenses. However, for RE projects having fuel-based component, single part tariff with two components, fixed cost component and fuel cost component, shall be determined.
iv. The Draft RES Tariff Regulations also specifies various parameters such as capital cost, capacity utilization factor, operation and maintenance expenses, auxiliary consumption, plant load factor, fuel cost, etc. for different RE projects.

## RBI issued amendment to the Master Directions on Prepaid Payment Instruments.[2]

The Reserve Bank of India ("RBI"), through its circular dated 23.02.2024 has introduced an amendment to Master Direction on Prepaid Payment Instruments ("MD-PPIs"), effective immediately. The MD-PPIs prescribes various types of PPIs that banks and non-banks can issue after obtaining necessary approval/ authorization from RBI.

The amended MD-PPIs aims to provide convenience, speed, affordability, and safety of digital modes of payment to commuters for transit services. Through the amendment, the authorized bank and non-bank PPI issuers have been permitted to issue PPIs for making payments across various public transport systems.

## RBI issued directions for the smooth migration of the UPI operations linked to Paytm Payments Bank Limited.[3]

The RBI, through its press release dated 23.02.2024, in exercise of its powers under Section 35A of Banking Regulation Act, 1949, has issued directions for the smooth migration of the Unified Payments Interface ("UPI") operations linked to Paytm Payments Bank Limited ("PPBL"). The following instructions/ clarifications have been issued by the RBI:

i. National Payments Corporation of India ("NPCI") has been advised by the RBI to examine the request of One97 Communications Ltd ("OCL") to become a Third-Party Application Provider ("TPAP") for UPI channel.
ii. In the event NPCI grants TPAP status to OCL, it may be stipulated that '@paytm' handles are to be migrated in a seamless manner from PPBL to a set of newly identified banks to avoid any disruption.
iii. For such migration, NPCI may facilitate certification of 4-5 banks as Payment Service Provider ("PSP") Banks to process UPI transactions.
iv. OCL may open the settlement accounts (other than PPBL) with one or more PSP Banks for the merchants using PayTM QR Codes.
v. The migration of UPI handles is applicable only to such customers and merchants who have a UPI handle '@paytm'. For others who have a UPI address or handle other than '@paytm', no action is required to be taken by them.
vi. The customers, whose underlying account/ wallet is currently with PPBL, have been advised to make alternative arrangements with other banks before 15.03.2024.

## SEBI issued circular to direct Intermediaries to centralize FATCA and CRS certifications at KRAs.[4]

Securities Exchange Board of India ("SEBI") through its circular dated 20.02.2024 ("Circular") has issued measures for centralization of certifications under the Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") at KYC Registration Agencies ("KRAs"). This Circular comes into effect immediately.

Under the extant SEBI circulars and guidance notes on FATCA and CRS norms, reporting financial institutions ("RFI") as defined under Rule 114F (7) of the Income Tax Rules, 1962 are mandated to obtain a self-certification from the client, as part of the account opening documentation, to determine the client's residence for tax purposes.

[2] RBI- Amendment to Master Direction on Prepaid Payment Instruments.
[3] RBI- Directions for migration of the UPI operations linked to Paytm Payments Bank Limited.
[4] SEBI Circular dated 20.02.2024.

Through the extant Circular, SEBI has directed the Intermediaries, who are RFIs, to upload the FATCA and CRS certifications obtained from the clients onto the system of KRAs with effect from 01.07.2024, and the existing certifications obtained from clients prior to 01.07.2024, to be uploaded within a period of 90 days of this Circular.

The onus of obtaining and reporting FATCA and CRS shall lie with the respective Intermediary. Additionally, Intermediaries shall be required to confirm the reasonableness of such certification based on the information received by it in accordance with the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, and shall update the certifications as and when there is any change reported by the client.

### APERC notified the Andhra Pradesh State Electricity Regulatory Commission (The Grid Interactive Solar Rooftop Photovoltaic Systems under Net/Gross Metering) Regulation, 2023[5]

The Andra Pradesh Electricity Regulatory Commission ("APERC") on 23.02.2024 notified the Andhra Pradesh State Electricity Regulatory Commission (The Grid Interactive Solar Rooftop Photovoltaic Systems under Net/Gross Metering) Regulation, 2023 ("GIS Rooftop Regulations").

The key highlights of the GIS Rooftop Regulations are *inter-alia* as follows:

i. GIS Rooftop Regulations will be applicable to all the Grid-Interactive Solar Rooftop Photovoltaic systems with/ without Battery Energy Storage Systems ("BESS"), installed and commissioned in the areas of distribution companies ("DISCOMs") in State of Andhra Pradesh ("AP").
ii. A consumer is eligible to install the grid interactive Solar Rooftop Photovoltaic Systems ("SRPVS") of the specified rated capacity with a minimum vacant roof area of 10 sq. mtr. or 100 sq. ft.
iii. All consumers of AP DISCOMs are eligible for setting up the Grid Interactive SRPVS with/ without BESS.
iv. The consumers are free to choose Net metering or Gross Metering or Net Billing/ Net Feed-in-option for the sale of power to DISCOMs.
v. All meters installed under gross/net metering at SRPVS shall comply with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended and the consumers installing SRPVS shall bear the cost of gross/net meter.
vi. The permissible capacities under net/ gross metering is: (a) for Individual Net Metering - 1kWp to 500kWp; (b) for Group Net Metering - 5kWp to 500kWp; (c) for Virtual Net Metering - 5kWp to 500kWp; (d) Gross Metering- 1kWP to 5000 kWp and (e) Net Billing or Net feed in – 1kWp to 1000kWp.
vii. The permissible capacity of the grid-interactive SRPVS at various voltage levels where SRPVS is connected directly to grid is: (a) for LT, 240V (Single Phase) – up to 3kWp; (b) for LT, 415V (Three Phase) - 3kWp to 75kWP; (c) for HT, 11kV (Three Phase) - 76kWp to 1500 kWp; (d) for HT, 33KV (Three Phase) - 1501kWp to 5000kWp and (e) EHT, 132 kV and above (Three Phase) - 5000kWp.
viii. The feed-in tariff as fixed by APERC shall be applicable for 25 years or the life of SRPVS (whichever is less) which has been fixed at: (a) Rs. 2.09/unit under net metering/net billing or net feed-in; (b) Rs. 3.13/unit under gross metering in LT supply; (c) Rs. 2.92/unit under gross metering in HT supply up to 1500 kW; (d) Rs. 2.71/unit under gross metering in HT/EHT supply up to 5000 MW and (e) Rs. 4.17/unit under gross metering in HT/EHT supply if SRPVs supply power during peak hours with battery storage.
ix. The application for setting up the SRPVS can be filed either on the AP DISCOMs website and/ or through designated mee seva centers or through National Portal for Solar Rooftop https://solarrooftop.gov.in/.

## GOVERNMENT NOTIFICATIONS

### MCA issued Companies (Registration Offices and Fees) Amendment Rules, 2024.[6]

Ministry of Corporate Affairs ("MCA") through its notification dated 14.02.2024 notified the Companies (Registration Offices and Fees) Amendment Rules, 2024, effective from 16.02.2024 ("Amendment Rules"), amending Companies (Registration Offices and Fees) Rules, 2014 ("Rules").

A new Rule 10A has been inserted in the Rules which provides for the establishment of Central Processing Centre ("Centre"), for the purposes of registration of companies under the Companies Act, 2013 ("Companies Act"). The Registrar of such Centre shall examine or cause to be examined every application or e-form or document required or authorized to be filed for approval, registration or taking on record by the Registrar and shall take decisions on the e-forms, applications, or documents within 30 days from the date of their filing, excluding cases requiring approval from higher authorities i.e., Central Government or the Regional Director or any other competent authority. This Rule grants the Centre a jurisdiction over various filings, including resolutions, share capital alterations, name change applications, etc. as detailed in sub-rule (4) of this Rule 10A, across all India. However, in case of inspection, production

[5] Andhra Pradesh State Electricity Regulatory Commission (The Grid Interactive Solar Rooftop Photovoltaic Systems under Net/Gross Metering) Regulation, 2023.

[6] Companies (Registration Offices & Fees) Amendment Rules, 2024.

and evidence of documents kept by the Registrar, territorial registrars will retain their powers (as under Section 399 of the Companies Act) over Registrar of Centre.

The Amendment Rules aim to streamline the registration process and centralize decision-making for specified filings across India.

### Ministry of Home Affairs notified the Bharatiya Sakshya Adhiniyam, 2023[7], Bharatiya Nyaya Sanhita, 2023[8] and Bharatiya Nagarik Suraksha Sanhita, 2023[9].

The Ministry of Home Affairs ("MHA") through its notification dated 23.02.2024 has notified that the following statutes shall come into force on 01.07.2024:

i. The Bharatiya Sakshya Adhiniyam, 2023 ("BSA"),
ii. The Bharatiya Nyaya Sanhita, 2023 ("BNS"), except the provision of sub-section (2) of Section 106, and
iii. The Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNSS"), except the Schedule I of BNSS relating to the provisions of the entry to Section 106(2) of the BNSS.

Notably, BSA, BNS and BNSS will repeal and replace the existing Indian Evidence Act, 1872, Indian Penal Code, 1860 and Code of Criminal Procedure, 1973, respectively.

### The Government of Karnataka issued Karnataka Stamp (Amendment) Act, 2023.[10]

The Government of Karnataka issued and notified the Karnataka Stamp Amendment Act, 2023 ("Amendment Act, 2023") amending the provisions of Karnataka Stamp Act, 1957 ("Principal Stamp Act"). The Amendment Act, 2023 has modernized and revised the stamp rates for over fifty legal instruments such as (including without limitation) power of attorneys, deeds, agreements, counterparts, conveyance, affidavits. A new article with respect to bank guarantees has also been introduced.

Additionally, the Government of Karnataka has *inter-alia* issued amendments in Schedule I of the Principal Stamp Act which are given in the table attached with the present newsletter as Annexure 'A'.

## JUDICIAL PRONOUNCEMENTS

### The Supreme Court held the Electoral Bond Scheme, 2018 as unconstitutional.

The Constitution Bench of the Supreme Court through its judgment dated 15.02.2024 in the matter of *Association for Democratic Reforms and Anr. vs. Union of India and Ors.*[11] and other batch matters held that the Electoral Bond Scheme, 2018 ("EBS") issued by the Department of Economic Affairs, Ministry of Finance is violative of Right of Information and is unconstitutional.

The Court held that the amendment to Section 29(C)(1) of the Representation of People's Act, 1951 ("RPA"), Section 13A of the Income Tax Act, 1961 ("Income Tax Act") and Section 182(3) of the Companies Act as amended by the Finance Act, 2017 ("Finance Act") are also violative of Article 19(1)(a) of the Constitution of India, 1950 ("Constitution") and further the deletion of the proviso to Section 182(1) of the Companies Act permitting unlimited corporate funding to political parties is arbitrary and violative of Article 14 of the Constitution.

The Court relied upon the principals deduced from *Union of India* v. *Association for Democratic Reforms*[12] and *PUCL* v. *Union of India*[13] relating to right to information of voter and further extended the said principles to political party. The Court held that a 'political party' is a relevant political unit in the democratic electoral process in India and the information about funding to a political party is essential for a voter to exercise their freedom to vote in an effective manner.

The Court observed that there is lack of sufficient justification to establish that the measure employed under the EBS is the least restrictive means to balance the rights of informational privacy to political contributions and the right to information of political contributions. The EBS completely tilts the balance in favor of informational privacy and abrogates informational interests. As such provisions regarding non-disclosure of political contributions were struck down.

With respect to unlimited corporate political funding, the Court held that the same is manifestly arbitrary for: (a) treating political contributions by companies and individuals alike; (b) permitting the unregulated influence of companies in the governance and political process violating the principle of free and fair elections; and (c) treating contributions made by profit-making and loss-making companies to political parties alike. Thus, the same was also struck down.

The Court further issued the following directions with respect to the existing electoral bonds:

i. The issuing bank to stop the issuance of electoral bonds.
ii. The State Bank of India ("SBI") will submit all details of the electoral bonds purchased from 12.04.2019 till date, to the Election Commission of India ("ECI").
iii. SBI will submit the details of political parties that have received contributions through electoral bonds since 12.04.2019 till date to the ECI and the details of each electoral Bond encashed by political parties, the date of

[7] Notification on Bharatiya Sakshya Adhiniyam, 2023.
[8] Notification on Bharatiya Nyaya Sanhita, 2023.
[9] Notification on Bharatiya Nagarik Suraksha Sanhita, 2023.
[10] Karnataka Stamp (Amendment) Act, 2023.
[11] W.P. (C) No. 880 of 2017
[12] (2002) 5 SCC 294
[13] (2003) 4 SCC 399

encashment and the denomination of the electoral bonds by 06.03.2024.

iv. ECI will publish the information shared by SBI on its official website by 13.03.2024.

v. The electoral bonds that are within the validity period of 15 days but have not yet been encashed by political parties shall be returned by the party and refunded to the purchaser's account.

## The High Court of Bombay stood divided on the validity of Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023.

The High Court of Bombay through its judgment dated 31.01.2023 in the matter *Kunal Kamra v. Union of India*[14] and other batch matters delivered a split verdict on the challenge against the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023 ("2023 IT Amendment"). The matter will now be heard by a third judge as per Bombay High Court Rules (Original Side), 1980.

The 2023 IT Amendment had amended Rule 3(1)(b)(v) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Rules 2021"), *inter-alia*, mandating Intermediaries to make "reasonable efforts" from hosting, displaying, uploading, modifying, publishing, transmitting, storing, updating or sharing any information identified as fake, false or misleading by a Fact-Checking Unit ("FCU") of the Central Government, by itself or any user. Further, as per amended Rule 7, the non-compliance of the Rule 3(1)(b)(v) would lead to loss of safe harbor immunity of the Intermediary under Section 79 of the Information Technology Act, 2000 ("IT Act").

Justice Patel deemed the 2023 IT Amendment as unconstitutional and struck down the same for the following reasons:

i. The 2023 IT Amendment is beyond the scope of Articles 14, 19(1)(a), 19(1)(g), 19(2) and 19(6) of the Constitution. Allowing the FCU to flag content without giving intermediaries a chance to contest violates the fundamental right to free speech and thus, the 2023 IT Amendment doesn't fit within the reasonable restrictions of Article 19(2) of the Constitution.

ii. The terms 'fake, false, or misleading' lack precision and are vague.

iii. Coercively classifying speech as true or false by the State and compelling its non-publication is nothing but censorship, which is in violation of freedom of free speech provided under the Constitution. In our Constitutional setup, the State does not have an overriding authority to arrive at an absolutist determination of both content and expression as 'the truth' and to compel a particular form of content and expression.

iv. The concerned 2023 IT Amendment takes the form of censorship. Article 19(2) of the Constitution cannot be expanded by legislation or judicial pronouncement. Thus, every attempt at statutory curtailment of freedom of speech must be demonstrated to fall within, and strictly and only within, the confines of Article 19(2) of the Constitution. Even a restriction on fake, false or misleading content cannot lie outside Article 19(2) of the Constitution.

v. The distinction drawn between the content posted online in relation to business of the government and any other information is not a reasonable and valid classification. Such classification is impermissible under Articles 14 or 19 of the Constitution.

Justice Gokhale, on the other hand upheld the constitutionality of Rule 3(1)(b)(v) and observed the following:

i. Reasonable effort does not only mean taking down the content, the intermediary upon content flagging by FCU, can issue a disclaimer and approach the court to challenge the identification of the content by the FCU as fake, false or misleading.

ii. The words 'fake', 'false', or 'misleading' are to be understood in their ordinary sense; the content must be known to be false, fake or misleading and yet shared with malicious intent. Thus, the Rule 3(1)(b)(v) does not suffer from the vice of vagueness.

iii. The challenge to a potential abuse by the FCU based on an apprehension of them being government appointees is not maintainable and is pre-mature at this stage. Further, the final authority on the issue lies with the competent courts as 2023 IT Amendment provide the right to users to approach the grievance redressal officer or appellate authority in case of any grievance against the order of FCU or in case any bias is exhibited by the FCU.

iv. Rule 3(1)(b)(v) only restrains the content which is patently false, untrue and is communicated (with knowledge of its falsehood and reckless disregard to truth) as truth. Thus, the said rule does not bring any chilling effect on the right of either the intermediary or the user.

## CERC issued *suo-moto* directions to the power exchanges under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021.

CERC through its *suo-moto* order dated 21.02.2024 has issued directions in *Petition No. 2/SM/2024*[15] to the power exchanges under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 ("PM Regulations"). The following directions were, *inter-alia*, issued to the registered power exchanges by the CERC:

[14] WP (L) No. 9792 of 2023

[15] Petition No. 2/SM/2024

i. No manual entry of bids by the power exchanges on behalf of their members within or after the trading hours considering that accommodation of members' requests to enter bids can provide a potential breeding ground for market manipulation and such practice of manual entry is undesirable due to issues like transparency and fairness of the market.
ii. No bids shall be accepted by the power exchanges after the trading hours for any reason. Further, the power exchanges shall build a robust system with end-to-end encryption of data, within one month from the order, to ensure that the entire trail of bid from submission to the end is encrypted.
iii. The process of validation of orders shall be completely automated with no manual intervention, and the need to re-run provisional/ final results due to deletion of bids on account of fund shortage shall not be allowed.
iv. The power exchanges shall no longer entertain any request for cancellation (post trading hours) of bid in any of the collective market segments. Any transaction in power exchange shall be treated in terms of the provisions of Indian Electricity Grid Code, 2023 ("IEGC 2023").
v. Any request for modification of bids shall not be entertained after trading hours and the power exchanges should design a software within one month from date of the present order to capture any changes by the power exchange due to provisional/ final results or congestion, separately from any modification done at the member level.
vi. No extension shall be allowed in the trading hours (as provided under IEGC 2023), except in case of any constraint identified by the system operator.

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## ANNEXURE A

| Article | Old Stamp Duty | Revised Stamp Duty |
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| Article 5(e) – Sale of immovable property with respect to part performance of a contract.<br>• 5(e)(ii) – if possession of property is not delivered | • 10 paise for every INR 100 or part thereof on the market value equal to the amount of consideration subject to a maximum INR 20,000 but not less than INR 500. | • 50 paise for every INR 100 or part thereof on the market value equal to amount of consideration but not less than INR 500. |
| Article 5(i-d) – Building works, labour or services (work contracts)<br>• 5(i-d) (i) – where the amount or consideration in agreement does not exceed INR 10,00,000.<br>• 5(i-d) (ii) – where the amount or consideration in the agreement exceeds INR 10,00,000. | • INR 100<br>• INR 100 and in addition INR 100 for every INR 10,00,000 or part thereof in excess of INR 10,00,000, subject to a maximum of INR 5,00,000. | • INR 500<br>• INR 500 and in addition INR 500 for every INR 10,00,000 or part thereof in excess of INR 10,00,000 subject to a maximum of INR 10,00,000. |
| Article 5(j) – Where the stamp duty for an agreement or memorandum of an agreement is not otherwise provided for | INR 200 | INR 500 |
| Article 6(1) – Deposit of title deeds constituting any property, where a deposit has been made by way of security for repayment of money advanced or to be advanced by way of loan.<br>• 6(1)(i) – where the loan does not exceed INR 10,00,000.<br>• 6(1)(ii) - Where the loan exceeds INR 10,00,000. | • 0.1% on the loan or debt amount subject to a minimum of Rs 500.<br>• 0.2% on the loan or debt amount subject to a maximum of INR 10,00,000. | • 0.5% on the loan or debt amount subject to a minimum of INR 500.<br>• 0.5% of the loan or debt amount. |
| Article 6(2) – Pawn or pledge of moveable property, where such pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt.<br>• 6(2)(i) - where the loan amount exceeds INR 1,00,000 but does not exceed INR 10,00,000.<br>• 6(2)(ii) – where the loan amount exceeds INR 10,00,000. | • 0.1% on the loan or debt amount.<br>• 0.2% on the loan or debt amount subject to a maximum of INR 10,00,000. | • 0.5% on the loan or debt amount.<br>• 0.5% on the loan or debt amount. |
| Article 11 – stamp duty for an award by an arbitrator.<br>• 11(b)(i) - Where the market value of property as per the award does not exceed INR 50,00,000.<br>• 11(b)(ii) - Where the amount or market value of property as per the award does not exceed INR 5,00,00,000.<br>• 11(b)(iii) - Where the amount or market value of the property exceeds INR 5,00,00,000. | • 0.75% of the amount or market value.<br>• INR 37,500 plus 0.5% of the amount or market value exceeding INR 50,00,000.<br>• INR 37,500 plus INR 2,25,000 plus 0.25% of the amount exceeding INR 5,00,00,000. | • 1% of the amount or market value.<br>• 1% of the amount or market value.<br>• 1% of the amount or market value. |

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| Article 20(4) - Stamp duty for an order made by the High Court or appropriate tribunals under Companies Act.<br>• 20(4)(i) - Amalgamation of Companies, including a subsidiary amalgamating with parent company.<br>• 20(4)(ii) – Reconstruction or demerger of a company | • 3% of the market value of property of transferor company; or an amount equal to 1% of the aggregate value of shares issued and consideration paid in case of a subsidiary merged/cancelled with parent company, whichever is higher, subject to maximum of INR 25Cr.<br>• 3% of the market value of property of transferor company; or an amount equal to 1% of the aggregate value of shares issued to resulting company or in addition the amount of consideration paid for such demerger or reconstruction, whichever is higher, subject to maximum of INR 25Cr. | • 5% of the market value of property of transferor company; or an amount equal to 5% of the aggregate value of shares issued and consideration paid in case of a subsidiary merged/ cancelled with parent company, whichever is higher, subject to maximum of INR 25Cr.<br>• 5% of the market value of property of transferor company; or an amount equal to 5% of the aggregate value of shares issued to resulting company or in addition the amount of consideration paid for such demerger or reconstruction, whichever is higher, subject to maximum of INR 25 Cr. |
| Article 34(c) - When a collateral for the above-mentioned purpose, where the principal security is duly stamped.<br>• 34(c)(i) – duty for every sum secured not exceeding INR 1000.<br>• 34(c)(ii) – duty for every INR 1000 or part thereof, secured in excess of INR 1000. | • INR 10<br>• INR 10 plus INR 1 for every 1000 or part thereof in excess of INR 1000. | • INR 50<br>• INR 50 plus INR 5 for every INR 1000 or part thereof in excess of INR 1000. |
| Article 34(d) – Hypothecation of movable property, if the loan or debt is repayable.<br>• 34(d)(i) – loan amount does not exceed INR 10,00,000.<br>• 34(d)(ii) – loan amount exceeds INR 10,00,000. | • INR 10 for every INR 10,000 or part thereof.<br>• INR 20 for every INR 10,000 or part thereof subject to a maximum of INR 10,00,000. | • INR 50 for every INR 10,000 or part thereof.<br>• INR 50 for every INR 10,000 or part thereof. |
| Article 40B – Duty for reconstitution of partnerships.<br>• 40B(a) - Where immovable property contributed as share by a partner(s) remains with the firm at the time of outgoing.<br>• 40B(b) – in any other case | • 3% on the market value of the immovable property remaining with the firm.<br>• INR 1000 | • 5% on the market value of the immovable property remaining with the firm.<br>• INR 2000 |
| Article 40C – Duty for dissolution of partnerships.<br>• 40C(a) - Where the property belonging to a partner(s), at the time of commencement of partnership, is distributed to another partner(s)<br>• 40C(b) – In any other case | • 3% on the market value equal to the market value of the property distributed to partner(s) under the instrument of dissolution.<br>• INR 1000 | • 5% on the market value equal to the market value of the property distributed to partner.<br>• INR 2000. |

## ABOUT SAGUS LEGAL

Sagus Legal is a full-service law firm that provides comprehensive legal advisory and advocacy services across multiple practice areas. We are skilled in assisting businesses spanning from start-ups to large business conglomerates including Navratna PSUs, in successfully navigating the complex legal and regulatory landscape of India. Our corporate and M&A, dispute resolution, energy, infrastructure, banking & finance, and insolvency & restructuring practices are ranked by several domestic and international publications. We also have an emerging privacy and technology law practice.

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