

ment was merely a device adopted with a view to evade stamp duty. That may be so; but as pointed out in the rulings referred to above, we are not concerned with that aspect of the question. It is a well-established principle that fiscal enactments must be construed strictly. We have to interpret the law as it stands and to see whether, in view of the provisions of section 104 of Indian Companies Act read with those of the Indian Stamp Act, the "particulars" of the oral 'contract constituting the title of the allottee' which were supplied in the present case fall within the definition of a "conveyance." For reasons given above, it seems to me that these particulars cannot be treated as a "conveyance" for the purposes of stamp duty and can only be treated as an agreement. I would, therefore, answer this reference accordingly. If this situation is unsatisfactory and the law is defective, it is for the Legislature to consider what steps should be taken to amend it.

ADDISON J.—I agree.

JAI LAL J.—I agree.

A. N. C.

The following case is similar to the above and was decided by the same Bench on the same date:—

LAKHSHMI IRON & STEEL MANUFACTURING COMPANY, LTD.—Petitioner

versus

THE CROWN—Respondent.

Civil Reference No. 32 of 1934.

Case referred under section 57 of the Indian Stamp Act, 1899, by the Hon'ble Mr. J. N. G. Johnson, Chief Commissioner, Delhi, with his No. 747.

1934

BHOLA RAM
& SONS, LTD.

v.
THE CROWN.

BHIDE J.

ADDISON J.

JAI LAL J.

1934

dated the 25th January, 1934, for orders of the High Court.

LAKHSHMI IRON
AND STEEL
MANUFACTUR-
ING CO.

MANOHAR LAL, ADVOCATE, for Petitioner.

v.
THE CROWN.

DEWAN RAM LAL, Government Advocate, for Respondent.

BHIDE J.

BHIDE J.—This is a reference under section 57 of the Indian Stamp Act by the Chief Commissioner of Delhi. The facts of the case are similar to those in Civil Reference No. 31 of 1934 decided by us today. On the 1st February, 1933, *Lala Dina Nath* of Delhi who was carrying on business under the name and style 'Iron & Steel Works' entered into an agreement for transfer of the business to a company named 'Lakhshmi Iron & Steel Manufacturing Company, Ltd.' According to the agreement a sum of Rs. 2,25,000 was payable by the Company to *Lala Dina Nath* as consideration for the transfer of the business and out of this sum Rs. 2,00,000 were to be paid in the shape of 200 shares of Rs. 1,000 each in the said Company. The shares were accordingly allotted. According to the provisions of article 104 of the Indian Companies Act the Company had to file with the Registrar a return of the allotment of shares stating in particular the shares allotted for a consideration 'otherwise than in cash.' In the present instance 200 shares had been allotted in consideration of the agreement as regards the transfer of business and the Company accordingly submitted a return as to allotment in Form No. VI accompanied by the agreement which formed the consideration for the allotment of the 200 shares. An objection was raised in the office of the Registrar, Joint Stock Companies, Delhi, who is also the Collector for the Delhi Province that the agreement in question was liable to stamp duty as a conveyance. The objection was upheld by

the Collector and the Company was ordered to pay Rs. 3,366 by way of stamp duty together with a penalty of an equal amount. The Company applied to the Chief Commissioner for revision of this order and the Chief Commissioner has made the present reference as he considered the law point involved to be not free from difficulty.

It will appear from the above statement of facts that the case is practically on all fours with that dealt with in Civil Reference No. 31 of 1934, the only point of distinction being that the agreement in pursuance of which the shares were allotted in the present case was in writing while the agreement in the other case was an oral one. This, however, makes no difference so far as the question of law involved in the two cases is concerned. I have discussed the legal aspect of the question in detail in my judgment in Civil Reference No. 31 of 1934 (1) and it is unnecessary to repeat the discussion here. For reasons given in that judgment I would hold that the agreement in question is not a conveyance and is liable to a stamp duty of Re. 1 only. I would answer the reference accordingly.

ADDISON J.—I agree.

JAI LAL J.—I agree.

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 LAKHSHMI IRON
 AND STEEL
 MANUFACTUR-
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 v.
 THE CROWN.
 BHIDE J.

ADDISON J.

JAI LAL J.

(1) See page 501, *supra*.