IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 3018 OF 2026

Rajaram Food Products India Limited ... Petitioner

vs.

The Joint District Registrar (Class-1)
and Collector of Stamps, Nashik and others ... Respondents

Dr. Abhinav Chandrachud a/w. Mr. Darshan Patankar, Mr. Deepak Deshmukh and Ms. Rashmi Shetty for petitioner.

Ms. Neha S. Bhide, GP a/w. Mr. O. A. Chandurkar, Addl. GP and Ms. M. S. Bane, AGP for respondent Nos.1 to 4 – State authorities.

CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ

DATE : 14th JULY, 2026

ORDER : (*Per Manish Pitale, J*)

. The petitioner is an auction purchaser, aggrieved by an order dated 16.02.2026 passed by respondent No.1 (the said order), whereby the petitioner has been directed to pay stamp duty on the sale certificate issued in its favour in pursuance of an auction sale. According to the petitioner, on a proper reading of the provisions of the Registration Act, 1908 (hereinafter referred to as the Registration Act) and the Maharashtra Stamp Act, 1958 (hereinafter referred to as the Stamp Act), along with judgements of the Supreme Court and this Court, the respondent No.1 has erred in insisting upon the petitioner to pay stamp duty on the sale certificate, even when the said certificate is only to be entered in Book No.1, as mandated under Section 89(4) of the Registration Act.

2. A corporate debtor M/s. Gonglu Agro Pvt. Ltd. underwent Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). But, the CIRP did not result in a successful resolution plan and accordingly, by an order dated 05.01.2024, the National Company Law Tribunal, Chennai (NCLT) directed liquidation of the said corporate debtor. Respondent No.5 was appointed as liquidator on the corporate debtor for sale of its assets. An e-auction was held on 30.12.2024 with regard to the specific immovable property of the corporate debtor and in the auction, the petitioner emerged as the successful bidder. Consequently, upon the petitioner depositing the entire consideration, a sale certificate dated 30.01.2026 was issued in favour of the petitioner.

3. On 03.02.2026, respondent No.5 – liquidator sent an email along with copy of sale certificate to respondent No.1 – Joint District Registrar (Class-1) & Collector of Stamps and respondent No.2 – Sub-Registrar, for necessary action under Section 89(4) of the Registration Act. The petitioner also submitted a representation dated 02.02.2026 to the said respondents as well as respondent No.3 – Inspector General of Registration and Controller of Stamps, relying upon the judgements of the Supreme Court, to contend that the sale certificate was exempted from compulsory registration and as per statutory requirement under Section 89(4) of the Registration Act, it was to be merely entered in Book No.1, with no stamp duty payable thereon.

4. On 16.02.2026, respondent No.1 passed the said order, holding that the sale certificate having been issued in pursuance of proceedings conducted under the IBC, attracted payment of stamp

duty under Article 16 of Schedule I of the Stamp Act. In that light, the representation submitted by the petitioner was filed. The petitioner filed an appeal before the Deputy Inspector General of Registration and Deputy Collector of Stamps, Nashik Division, to challenge the said order passed by respondent No.1. But, the appeal was dismissed as not maintainable, on the ground that the order passed by respondent No.1 did not determine or compute any stamp duty payable.

5. In this backdrop, the petitioner filed the present writ petition. Respondent Nos.1 to 3 filed their affidavit-in-reply, referring to provisions of the Registration Act and Stamp Act, to contend that no interference was warranted in the said order and that the petitioner is liable to pay stamp duty on the sale certificate. The writ petition was taken up for hearing.

6. Dr. Chandrachud, the learned counsel appearing for the petitioner submitted that the said order is erroneous on a plain reading of the provisions of the Registration Act. It was submitted that the Supreme Court, in the case of *State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others*, **2024 SCC OnLine SC 3372**, had categorically held that such a sale certificate issued in pursuance of auction sale conducted by an authorized officer, was not compulsorily registrable and that the law required only a copy of the same to be forwarded to the registering authority, further holding that stamp duty was not attracted in such a situation. The said position of law had been consistently followed by this Court in various cases, including in the cases of *Vishal Laxman Arkal vs. Inspector General of Registration and others,* **2025 SCC Online Bom 4727** and *Khush Housing Finance Pvt. Ltd. vs. State of Maharashtra*, (**order dated 27.01.2026 passed in Writ Petition No.3692 of 2023**).

7. It was further submitted that in the reply affidavit filed on behalf of respondent Nos.1 to 3, for the first time, reliance was placed on Maharashtra Amendment to the Registration Act, whereby clauses (f), (g) and (h) were added to Section 17(1) of the Registration Act. In this context, learned counsel for the petitioner relied upon a document tendered in a compilation of documents, showing that by Maharashtra Act No. X of 2012, which received assent of the President on 25.05.2012, the aforesaid amendment had been inserted in Section 17(1) of the Registration Act. The respondents relied upon clause (g) of sub-section 1 of Section 17 of the Registration Act, to contend that since the sale certificate had been issued by an officer or competent authority under a recovery Act, stamp duty was necessarily payable.

8. In order to deal with the aforesaid specific contention raised on behalf of the respondents, the learned counsel for the petitioner relied upon judgements of the Supreme Court in the cases of *Glas Trust Company LLC vs. Byju Raveendran and others*, **(2025) 3 SCC 625**, *Tottempudi Salalith vs. State Bank of India and others*, **(2024) 1 SCC 24** and *Hindustan Construction Company Limited and another vs. Union of India and others*, **(2020) 17 SCC 324**. It was submitted that in the said judgements, the Supreme Court had made it abundantly clear that IBC is not a debt recovery legislation, but it has been enacted for the purpose of revival of a company that has fallen in debt.

9. It was submitted that even otherwise, Section 17(2)(xii) of the Registration Act exempted a sale certificate issued to a purchaser of any property sold by public auction by a Civil or Revenue Officer. It

was submitted that in the present case, the liquidator acting under the provisions of the IBC and upon orders passed by the NCLT, qualifies as a Civil officer and therefore, exemption from payment of stamp duty is evident from a proper interpretation of the relevant provisions. On this basis, it was submitted that the writ petition deserved to be allowed.

10. On the other hand, Mr. Chandurkar, learned Addl. GP appearing on behalf of respondent Nos.1 to 4, submitted that as per Section 2(g)(iv) of the Stamp Act, the sale certificate signified a conveyance by means of an instrument, as defined in Section 2(l) thereof. Consequently, as per Section 3 of the Stamp Act read with Article 16 of Schedule I thereof, stamp duty was leviable at the rate specified therein. It was submitted that clause (g) of sub-section 1 of Section 17 of the Registration Act, concerning Maharashtra Amendment, clearly covers the position in favour of the said respondents and therefore, no error can be attributed to the said order.

11. It was submitted that when these provisions are appreciated in the correct perspective, the judgements of the Supreme Court and this Court, relied upon by the petitioner, cannot come to its aid, thereby demonstrating that the writ petition deserves to be dismissed.

12. We have considered the rival submissions. In the light of the contentions raised on behalf of the rival parties, it would be appropriate to refer to the relevant statutory provisions. Section 17 of the Registration Act pertains to documents of which registration is compulsory. Sub-section (1) enumerates the documents that are

compulsorily required to be registered and sub-section (2) gives the details of documents that are exempted from such compulsory registration. Section 89 of the Registration Act pertains to those orders, certificates and instruments, copies of which are only required to be sent to the registering officers and filed.

13. Section 17(1)(g) of the Registration Act, as per the Maharashtra Amendment No.X of 2012, copy of which is tendered in a compilation of documents by the learned counsel for the petitioner; Sections 17(2)(xii) and 89 thereof, read as follows:

> '17. Documents of which registration is compulsory.—
> (1) The following documents shall be registered, if the property to which they relate is situate in a district in which, and if they have been executed on or after the date on which, Act No. XVI of 1864, or the Indian Registration Act, 1866, or the Indian Registration Act, 1871, or the Indian Registration Act, 1877, or this Act came or comes into force namely:-
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> xxx xxx xxx
>
> (g) sale certificate issued by any competent officer or authority under any recovery Act;'

> '(2) Nothing in clauses (b) and (c) of sub-section (1) applies-
>
> xxx xxx xxx
>
> (xii) any certificate of sale granted to the purchaser of any property sold by public auction by a Civil or Revenue Officer.'

> '89. Copies of certain orders, certificates and instruments to be sent to registering officers and filed.—
> (1) Every officer granting a loan under the Land Improvement Loans Act, 1883 (19 of 1883), shall send a copy of his order to the registering officer within the local limits of whose jurisdiction the whole or any part of the land to be improved or of the land to be granted as collateral security, is situate, and such registering officer shall file the copy in his Book No. 1.

(2) Every Court granting a certificate of sale of immovable property under the Code of Civil Procedure, 1908 (5 of 1908), shall send a copy of such certificate to the registering officer within the local limits of whose jurisdiction the whole or any part of the immovable property comprised in such certificate is situate, and such officer shall file the copy in his Book No. 1.

(3) Every officer granting a loan under the Agriculturists' Loans Act, 1884 (12 of 1884), shall send a copy of any instrument whereby immovable property is mortgaged for the purpose of securing the repayment of the loan, and, if any such property is mortgaged for the same purpose in the order granting the loan, a copy also or that order, to the registering officer within the local limits of whose jurisdiction the whole or any part of the property so mortgaged is situate, and such registering officer shall file the copy or copies as the case may be, in his Book No. 1.

(4) Every Revenue Officer granting a certificate of sale to the purchaser of immovable property sold by public auction shall send a copy of the certificate to the registering officer within the local limits of whose jurisdiction the whole or any part of the immovable property comprised in the certificate is situate, and such officer shall file the copy in his Book No. 1.'

14. Section 2(g) of the Stamp Act states that the conveyance includes conveyance on sale, every instrument, every decree or order of a Civil Court and every order, *inter alia*, made by the NCLT under specific provisions of the Companies Act and the IBC by which property whether movable or immovable, is transferred to any person. Section 2(l) of the Stamp Act defines instrument as including every document by which any right or liability is created, transferred, limited, extinguished, etc. or purports to do so. Section 3 of the Stamp Act pertains to an instrument chargeable with duty and it specifically refers to instruments mentioned in Schedule I. Article 16 of Schedule I of the Stamp Act refers to a certificate of sale issued in the context of the property sold in a public auction by Civil or Revenue court, with the extent of stamp duty payable thereon.

15. In the impugned order passed by respondent No.1, while rejecting the contentions of the petitioner, reference is made only to Article 16 of Schedule I of the Stamp Act and it is held that stamp duty is payable on sale certificate issued to the petitioner. It is significant to note that in the impugned order, there is no reference to Section 17(1)(g) of the Registration Act, introduced by way of Maharashtra Amendment. In other words, respondent Nos.1 to 3 have sought to defend and justify the impugned order in their affidavit on reasons and grounds not found in the impugned order itself. As per settled law, the impugned order could be defended only on the reasons found therein.

16. Nonetheless, this Court has considered the rival submissions made in that regard. Since the petitioner heavily relies upon judgements of the Supreme Court and this Court in the context of the question of liability to pay stamp duty on a sale certificate only sought to be entered in Book No.1 under Section 89(4) of the Registration Act, it would be appropriate to refer to the said judgements.

17. In the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*), the Supreme Court considered the earlier judgements and found that it was already a settled position of law that a sale certificate does not require registration under Section 17(2)(xii) of the Registration Act and that it also does not attract stamp duty. A copy of the sale certificate is simply required to be entered in Book No.1, as per Section 89(4) of the Registration Act, so long as the sale certificate remains as it is. It was further held in the said judgement that only when the auction

purchaser uses the certificate for some other purpose, that stamp duty would be payable.

18. The relevant portion of the judgement of the Supreme Court in the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*), reads as follows:

> '13. The short question that falls for our consideration in this appeal is whether it is mandatory for the successful auction purchaser to deposit the stamp duty for the sale certificate to be issued to it in view of the provisions of the Stamp Act and the Registration Act.
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> 14. This Court in Municipal Corporation of Delhi v. Pramod Kumar Gupta, (1991) 1 SCC 633 : AIR 1991 SC 401, after examining the relevant provisions of Order XXI of the Code of Civil Procedure, observed that the title to the property put on auction sale passes under the law when the sale is held. The owners and certain other interested persons are afforded opportunity under the CPC to assail the sale and make a prayer for setting aside the sale on certain enumerated grounds. However, once such objections are disposed of without disturbing the sale, the sale stands confirmed under Order XXI Rule 92 of the CPC. Thereafter, the sale certificate is issued under Order XXI Rule 94. The Court observed that this chronology of events made it clear that the transfer becomes final when an Order under Rule 92 of Order XXI is made and the issuance of a sale certificate under Rule 94 is only a formal declaration of the effect of such confirmation. Such issuance of certificate does not create or extinguish any title and thus would not attract any stamp duty which is applicable qua an instrument of sale of immovable property.
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> 15. In Smt. Shanti Devi L. Singh v. Tax Recovery Officer, (1990) 3 SCC 605 : AIR 1991 SC 1880, this Court observed that since the certificate of sale is not a compulsorily registrable document in lieu of Section

17(2)(xii) of the Registration Act, the transfer of title in favour of the auction purchaser would not be vitiated on account of non-registration of the sale certificate.

16. In B. Arvind Kumar v. Govt. of India, (2007) 5 SCC 745, this Court observed that when a property is sold by public auction in pursuance of an order of the court and the bid is accepted and the sale is confirmed by the court in favour of the purchaser, the sale becomes absolute and the title vests in the purchaser. A sale certificate is issued to the purchaser only when the sale becomes absolute. The sale certificate is merely the evidence of such title. It is well settled that when an auction-purchaser derives title on confirmation of sale in his favour, and a sale certificate is issued evidencing such sale and title, no further deed of transfer from the court is contemplated or required. Although in the said case, the sale certificate was registered yet this Court proceeded to observe that a sale certificate issued by a court or an officer authorized by the court, does not require registration. Section 17(2)(xii) of the Registration Act, 1908 specifically provides that a certificate of sale granted to any purchaser of any property sold by a public auction by a civil or revenue officer does not fall under the category of non-testamentary documents which require registration under sub-section (b) and (c) of Section 17(1) of the said Act.

17. The position of law is thus settled that a sale certificate issued to the purchaser in pursuance of the confirmation of an auction sale is merely evidence of such title and does not require registration under Section 17(1) of the Registration Act. It is not the issuance of the sale certificate which transfers the title in favour of the auction purchaser. The title is transferred upon successful completion of the sale and its confirmation by the competent authority after all the objections against the sale have been disposed of.

18. Recently, a three-Judge Bench of this Court in Esjaypee Impex Private Limited v. The Asst. General

Manager and Authorized Officer Canara Bank, (2021) 11 SCC 537 observed that the mandate of law that flows from a combined reading of Sections 17(2)(xii) and 89(4) of the Registration Act respectively is that the auction purchaser is entitled to receive the original sale certificate and a copy of the same is required to be forwarded to the Sub-Registrar for the purpose of filing in Book 1 as per the Registration Act.

19. In Inspector General of Registration v. G. Madhurambal, 2022 SCC OnLine SC 2079, a two-Judge Bench of this Court observed that the consistent position of law is that a certificate of sale cannot be regarded as a conveyance subject to stamp duty. The Court further observed that once a direction is issued for the duly validated certificate to be issued to the auction purchaser with a copy forwarded to the registering authorities to be filed in Book I as per Section 89 of the Registration Act, it has the same effect as registration and requirement of any further action is obviated.

20. The position of law discussed above makes it clear that sale certificate issued by the authorised officer is not compulsorily registrable. Mere filing under Section 89(4) of the Registration Act itself is sufficient when a copy of the sale certificate is forwarded by the authorised officer to the registering authority. However, a perusal of Articles 18 and 23 respectively of the first schedule to the Stamp Act respectively makes it clear that when the auction purchaser presents the original sale certificate for registration, it would attract stamp duty in accordance with the said Articles. As long as the sale certificate remains as it is, it is not compulsorily registrable. It is only when the auction purchaser uses the certificate for some other purpose that the requirement of payment of stamp duty, etc. would arise.'

19. The said judgement was followed by this Court in the case of **Vishal Laxman Arkal vs. Inspector General of Registration and others** (*supra*), even when the case arose from auction sale conducted

under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Securitisation Act). The said position was further followed by this Court in the case of **Khush Housing Finance Pvt. Ltd. vs. State of Maharashtra** (*supra*). It is significant to note that when the said judgements were delivered by a Division Bench of this Court, relying upon the position of law clarified by the Supreme Court in the aforementioned judgement in the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*), the respondent – State authorities made no reference to Section 17(1)(g) of the Registration Act (Maharashtra Amendment). As noted hereinabove, even in the impugned order, the respondent No.1 did not refer to and rely upon the same.

20. It is in this backdrop that the true purport of Section 17(1)(g) of the Registration Act (Maharashtra Amendment) will have to be appreciated, in the light of position of law clarified by the Supreme Court. A perusal of the same shows that it refers to a sale certificate issued by any competent authority or officer under any recovery Act. It is to be noted that although this clause pertains to sub-section (1) of Section 17 of the Registration Act pertaining to the documents that are compulsorily registrable, there is no reference to 'auction sale' or 'public auction'. As opposed to this, in clause (xii) of sub-section (2) of Section 17, which pertains to documents exempted from registration, there is a specific reference to public auction and it is specified therein that any certificate of sale granted to a purchaser of any property sold by 'public auction' by a Civil or Revenue officer, is exempted from registration.

21. If this distinction is taken into consideration and applied to the facts of the present case, we find that since the sale certificate in the present case was issued in favour of the petitioner, with regard to the subject property sold by public auction by the liquidator under the provisions of the IBC, Section 17(2)(xii) of the Registration Act squarely applies. Therefore, the position of law clarified by the Supreme Court in the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*) applies in favour of the petitioner, so long as only a copy of the said sale certificate issued to the petitioner, is to be entered in Book No.1, as per Section 89(4) of the Registration Act.

22. The position of law clarified in paragraph No.20 of the above-quoted portion of judgement of the Supreme Court in the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*), clearly applies in favour of petitioner. Therefore, the sale certificate issued in favour of petitioner is not compulsorily registrable. Only a copy of the same is required to be entered in Book No.1, as per Section 89(4) of the Registration Act. So long as the sale certificate remains as it is with the petitioner, it is neither required to be registered, nor does it attract stamp duty. It is only when the petitioner seeks to use the sale certificate for some other purpose, that the requirement of payment of stamp duty would arise.

23. In this context, when the prayer clauses of the present writ petition are perused, it is found that apart from seeking to set aside the said order passed by respondent No.1, the petitioner has sought a direction to respondent Nos.1 and 2 to accept the sale certificate issued by the liquidator and to file the same in Book No.1, as mandated under Section 89(4) of the Registration Act, without

insisting upon payment of stamp duty or registration fee. We find that the said reliefs claimed in the present petition, are in consonance with the law laid down by the Supreme Court in this context.

24. As far as Section 17(1)(g) of the Registration Act (Maharashtra Amendment) is concerned, a perusal of the said provision shows that it pertains to a sale certificate issued by a competent officer or authority under any 'recovery Act'. We find considerable force in the submission made on behalf of the petitioner that the IBC cannot be categorized as a recovery Act, in the light of the objects and reasons for which it was enacted. In the cases of **Glas Trust Company LLC vs. Byju Raveendran and others** (*supra*); **Tottempudi Salalith vs. State Bank of India and others** (*supra*) and **Hindustan Construction Company Limited and another vs. Union of India and others** (*supra*), the Supreme Court has reiterated the position of law with regard to the nature and purpose of enactment of IBC, relying upon earlier judgement in the case of *Swiss Ribbons Private Limited and another vs. Union of India and others*, **(2019) 4 SCC 17** and other judgements, to hold that IBC is not meant to be a recovery mechanism and that it is not a debt recovery legislation. On the other hand, it has been repeatedly held that it is a mechanism for revival of a company fallen in debt. Therefore, the respondents are not justified in relying upon Section 17(1)(g) of the Registration Act, to justify the impugned order.

25. Even otherwise, as noted hereinabove, the said provision does not refer to a sale certificate issued in pursuance of sale of a property by public auction, while the exemption clause i.e. Section 17(2)(xii) of the Registration Act specifically pertains to such a sale certificate

issued to a purchaser of property sold by public auction. Thus, Section 17(2)(xii) of the Registration Act applies in the facts of the present case in favour of the petitioner. The liquidator conducting sale by way of public auction under the provisions of the IBC and on the orders of the NCLT, certainly qualifies to be an officer covered under the said provision i.e. Section 17(2)(xii) of the Registration Act.

26. Thus, viewed from any angle, we find that respondent No.1 could not have passed the impugned order, insisting upon payment of stamp duty on the sale certificate issued in favour of the petitioner. The contentions raised on behalf of the petitioner were not dealt with and respondent No.1 was not justified in ignoring the aforesaid position of law by simply relying upon Article 16 of Schedule I of the Stamp Act.

27. In view of the above, the impugned order deserves to be set aside and the writ petition deserves to be allowed.

28. Accordingly, the writ petition is allowed in terms of prayer clauses (a) to (c), which read as follows:

> ‘a. Issue a Writ of Certiorari or any other appropriate writ, order, or direction calling for the records and proceedings leading to the issuance of the Impugned Order/Letter No.772/2026 dated 16.02.2026 issued by Respondent No. 1, and after examining the legality and validity thereof, be pleased to QUASH and SET ASIDE the same as being illegal, arbitrary, and contrary to the law laid down by the Hon'ble Supreme Court;
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> b. Issue a Writ of Mandamus or any other appropriate writ, order, or direction, directing Respondent Nos.

1 and 2 to forthwith accept the Sale Certificate dated 30.01.2026 issued by the Liquidator (Respondent No. 5) and file the same in Book No. 1 as mandated under Section 89(4) of the Registration Act, 1908, without insisting on the payment of stamp duty or registration fees;

c. Declare that the Sale Certificate dated 30.01.2026 issued by the Liquidator under the Insolvency and Bankruptcy Code, 2016, is not a compulsorily registrable document under Section 17 of the Registration Act, 1908, and is exempt from the payment of stamp duty when filed under Section 89(4) of the said Act;'

29. In accordance with the position of law clarified by the Supreme Court in paragraph No.20 of the said judgement in the case of **State of Punjab and another vs. Ferrous Alloy Forgings P. Ltd. and others** (*supra*), exemption from payment of stamp duty on the sale certificate issued to the petitioner, will continue to apply, so long as the same remains as it is. It is only when the petitioner uses it for some other purpose, that the requirement of payment of stamp duty, will arise.

30. Writ petition is disposed of in above terms. Pending applications, if any, also stand disposed of.

(SHREERAM V. SHIRSAT, J.) **(MANISH PITALE, J.)**