

C.M.A. (MD)No.649 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
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Reserved on : 07.04.2026

Pronounced on : 12.06.2026

CORAM:

THE HON'BLE MR.JUSTICE K.MURALI SHANKAR

C.M.A.(MD)No.649 of 2025
and
C.M.P.(MD)No.10284 of 2025

S.Balakrishnan

... Appellant

Vs.

1.The Chief Controlling Authority cum
The Inspector General of Registration,
120, Santhome High Road,
Santhome, Chennai.

2.The Special Deputy Collector (Stamps),
Collector Office Building (3rd Floor),
Thoothukudi @ Tirunelveli,
Tirunelveli.

3.The Sub Registrar,
Kovilpatti Sub-Registrar Office,
Kovilpatti,
Thoothukudi District.

... Respondents



C.M.A. (MD) No. 649 of 2025

Prayer : This Civil Miscellaneous Appeal filed under Section 47(A)(10) of Indian Stamp Act, 1899 to set aside the order passed by the first respondent in Na.Ka.No.45670/N4/2017 dated 03.12.2024 and the order passed by the second respondent in Si.Pa.No.306/2016 dated 11.08.2017.

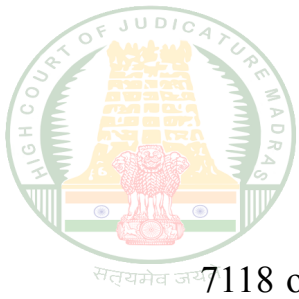
For Appellant : Mr.B.Vinoth Kumar
for Mr.R.Karthick Rajan

For Respondents : Mr.A.Baskaran
Additional Government Pleader

JUDGMENT

The Civil Miscellaneous Appeal is directed against the order passed in Na.Ka.No.45670/N4/2017 dated 03.12.2024 by the Chief Controlling Authority cum Inspector General of Registration, Chennai, confirming the order made in Si.Pa.No.306/2016 dated 11.08.2017 by the Special Deputy Collector (Stamps), Thoothukudi @ Tirunelveli.

2. The case of the appellant is that he purchased the properties comprised in (i) Survey No.306/4C measuring 0.62.0 Hectares and (ii) Survey No.306/4A measuring 0.01.75 Hectares, situated at Ayyaneri Village, Kuruvikulam Panchayat Union, Kovilpatti Taluk, Thoothukudi District, under a sale deed dated 16.10.2015 registered as Document No.

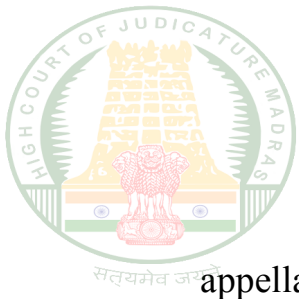


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7118 of 2015, from one M. Balamurugan. The said M. Balamurugan had, in turn, purchased the very same properties under a sale deed dated 06.04.2009 registered as Document No.2696 of 2009. According to the appellant, at the time of purchase by the said Balamurugan as well as at the time of purchase by the appellant, the subject properties stood classified as punja lands (agricultural lands). It is his further case that Patta No.1558 was also issued in the name of the appellant's father, wherein the properties were specifically classified as punja lands.

3. The appellant would further contend that immediately after the registration of the sale deed dated 16.10.2015, the document was not released but was impounded by the third respondent and referred to the second respondent under Section 47-A(1) of the Indian Stamp Act for determination of the market value of the properties. According to the appellant, the second respondent, without following the procedure contemplated under the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968 (hereinafter referred to as "the Rules, 1968"), passed an order dated 11.08.2017 fixing the market value of the subject properties at Rs.800/- per sq. metre. Aggrieved by the said order, the

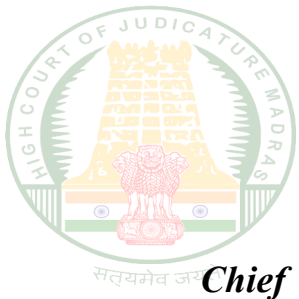


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appellant preferred a statutory appeal before the first respondent under Section 47-A(5) of the Indian Stamp Act. It is his grievance that the first respondent, without conducting a proper enquiry and without independently considering the materials available on record, mechanically confirmed the order passed by the second respondent. Contending that the orders passed by respondents 1 and 2 are illegal and unsustainable in law, the appellant has filed the present appeal challenging the same.

4. The learned counsel appearing for the appellant would submit that as per Rule 4(3)(c) of the Rules 1968, while the inspection is made in the subject properties, the parties shall be issued with notice and in presence of the parties only inspection shall be conducted and failure in following the said procedures would become an empty formality and it would render the whole enquiry as illegal. He would further submit that as per Rule 4(4) of the Rules 1968, the second respondent ought to have passed provisional order determining the market value of the properties and the duty payable, but in the case on hand, the second respondent did not pass any provisional order and as such, the same is illegal and he placed reliance on the decision of this Court in ***M.Chinnasamy Vs. The***



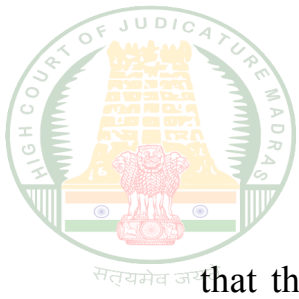
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Chief Revenue Control Officer and others reported in **2015 (2) MWN (Civil) 200** and the decision of the Hon'ble Supreme Court in **Chief Revenue Controlling Officer-cum-Inspector General of Registration and others Vs. P.Babu** reported in **2025 (1) CTC 759**.

5. The learned counsel appearing for the appellant would submit that as per Rule 6 of the Rules 1968, the second respondent shall communicate copy of the provisional order to the party concerned along with Form-II notice to call upon them to lodge their objections if any and thereafter only, the second respondent shall conduct enquiry; that as per Rule 7 of the Rules 1968, the second respondent shall pass final orders and in the present case, the second respondent neither passed provisional order nor issued Form-II notice and that therefore, the whole exercise being followed by the second respondent is totally illegal.

6. The learned counsel appearing for the appellant would further submit that the second respondent passed the order fixing the value of the subject properties as Rs.800/- per sq.m. by treating the subject properties as housing plot; that the second respondent, in his order, has clearly stated

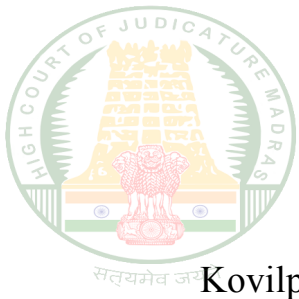


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that the subject properties were even in ploughed condition and that the nature of the property at the time of purchase is the material for consideration for fixing valuation of property and future development of the property shall not be taken into account while valuing the property and he would rely on the decision reported in **2011 (4) LW 86** and **2012 (2) LW 336** and also the judgment passed in ***C.M.A.(MD)No.896 of 2022 dated 13.02.2023.***

7. The learned Additional Government Pleader appearing for the respondents would submit that, since the document in question had been registered by paying stamp duty on a lesser valuation, proceedings under Section 47-A(1) of the Indian Stamp Act, 1899 were initiated by the third respondent by fixing the value of the land at Rs.1,200/- per sq. metre (Rs.111.48 per sq. foot). Aggrieved by the said proceedings, the appellant preferred an appeal before the second respondent and, upon consideration of the materials available on record, the second respondent revised the market value and fixed the same at Rs.800/- per sq. metre. The learned Additional Government Pleader would further submit that the subject property is situated in Ayyaneri Village, about 3.5 kilometres from the



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Kovilpatti–Madurai National Highway and that several residential plots are located on the southern and eastern sides of the property. It is his further contention that the property enjoys road access on its eastern and northern boundaries, that new houses have been constructed and layouts have been developed in the surrounding areas and that the market value was fixed only after conducting a proper inspection, verifying the relevant records and taking into consideration comparable documents previously registered in the locality. According to him, the valuation was arrived at by assessing the prevailing market value of the property and, therefore, there was neither any arbitrariness nor any violation of the principles of natural justice. Hence, the appellant is liable to pay stamp duty on the basis of the market value fixed at Rs.800/- per sq. metre.

8. The learned Additional Government Pleader would further submit that, prior to passing the impugned order, the second respondent had issued a notice in Form-I under Rule 4 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968 and that the said notice was duly received by the appellant. However, the appellant failed to submit any objections to the proposed valuation. It is his further



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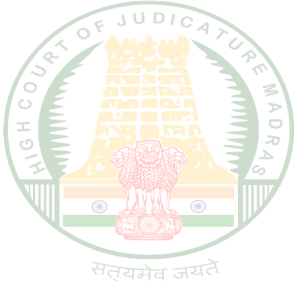
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contention that the second respondent, along with the Tahsildar, inspected the subject property on 14.06.2017 and found that there was a residential house situated on the southern side of the property and that several houses had been constructed in the nearby lands. Based on the inspection and the report obtained, it was found that the highest market value in the locality was Rs.1,700/- per sq. metre and the lowest market value was Rs.800/- per sq. metre. According to the respondents, the subject property cannot be treated as a punja agricultural land, but is in the nature of a plot fit for residential use. Therefore, the fixation of the market value at Rs.800/- per sq. metre cannot be found fault with.

9. At this juncture, it is necessary to refer the report of the second respondent submitted to the first respondent, referred in the impugned order passed by the first respondent,

“தனித்துணை ஆட்சியர் (முத்திரை)யின் அறிக்கை:

ஆவண சொத்து குறித்து தூத்துக்குடி
தனித்துணை ஆட்சியர் (முத்திரை) தனது தலப்பார்வை
குறிப்பில், ஆவண சொத்து கோவில்பட்டி மதுரை
புறவழிச்சாலையில் அய்யனேரி கிராமமாலில்
புறவழிச்சாலையிலிருந்து சுமார் 3கிலோ மீட்டர் மேற்காக
சென்று பின்னர் தெற்கு நோக்கி சுமார் 1/2 கிலோ மீட்டர்



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தொலைவில் அமையப்பெற்றுள்ளது எனவும், ஆவண சொத்து தற்போது உழுதுபோடப்பட்டுள்ளது எனவும், பொட்டல்மண் பூமியாக உள்ளதாகவும், மேற்படி சொத்திற்கு கிழக்கேயும் தெற்கேயும் மனைப்பகுதிகள் அமைந்துள்ளது எனவும், சொத்து அமைந்துள்ள பகுதிகள் மனைப்பிரிவுகளாக பிரிக்கப்பட்டு ஆங்காங்கே புதியதாக வீடுகள் கட்டப்பட்டுள்ளன எனவும், மேற்படி இடமானது காலியிடமாக உள்ளது எனவும், கட்டிடங்கள் எதுவும் கிடையாது எனவும், மேற்படி சொத்திற்கு தெற்கே வீடு ஒன்று கட்டப்பட்டு வருகிறது எனவும், ஆவண சொத்திற்கு மேற்குபக்கம் தரிசாகவும் வேலிக்கருவை செடிகள் முளைத்து காடாக உள்ளது எனவும், கிரைய சொத்திற்கு வடக்கே அய்யனேரி கிராமபஞ்சாயத்து பாதைக்காக நிலம் கொடுக்கப்பட்டு மேற்படி நிலம் பதிவு செய்யப்பட்டுள்ளது எனவும், மேற்படி நிலத்திற்கு அருகாமையில் ஆங்காங்கே வீடுகள் கட்டப்பட்டு வருவதாலும் மனையாகத்தான் கருத இயலும் எனவும், கிரைய நிலமானது பொட்டல் மண் தரையாக உள்ளதாலும், அதனடிப்படையில் மேற்படி சொத்திற்கு ச.மீ 1க்கு ரூ.800/- என்ற மதிப்பை நிர்ணயம் செய்துள்ளார்.”

10. The first respondent, in the impugned order, has also referred about the report of the enquiry officer and the same is also extracted hereunder for better appreciation;

“**விசாரணை அலுவலரின் அறிக்கை:**

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ஆவணச்சொத்து குறித்து பாளையங்கோட்டை
மாவட்டப்பதிவாளர் (நிர்வாகம்) தனது இட
ஆய்வறிக்கையில் பிரஸ்தாப இடம் கோவில்பட்டி
சார்பதிவாளர் அலுவலகத்திலிருந்து மேற்கே கோவில்பட்டி
மதுரை நெடுஞ்சாலை தாண்டி சுமார் 3 கி.மீ. மேற்காக
சென்று சுபா நகர் மனைப்பிரிவு கடந்து சுமார் 1/2 கி.மீ
சென்றால் ஆவணத்தில் உள்ள இடம் உள்ளது எனவும்,
ஆவணத்தில் உள்ள இடமானது தற்போது தரிசாக
உள்ளது எனவும், மேற்படி இடத்திற்கு தெற்கில் தற்போது
கட்டப்பட்ட ஒரு வீடு உள்ளது எனவும், தெற்கில் -
மனைப்பிரிவு மேற்கில் - தரிசு கிழக்கில் - மனைப்பிரிவு
வடக்கில் - தரிசு என உள்ளதாகவும், பிரஸ்தாப சர்வே
எண் தரிசாக இருந்து தற்போது உழவடை
செய்யப்பட்டுள்ளது எனவும், பிரஸ்தாப நிலம், அருகில்
உள்ள மனைப்பிரிவினை கடந்து கடைசியில் உள்ள
நிலமாக காணப்படுவதாகவும், மேற்படி நிலத்தின் மேற்கு
பக்கங்களில் தரிசுநிலம் தொடர்ச்சியாக அமைந்துள்ளது
என தனது இடஆய்வு அறிக்கையில் தெரிவித்துள்ளார்.”

11. It is necessary to refer the judgment of the Hon'ble Supreme Court in *State of U.P. and others Vs. Ambrish Tandon and another* reported in *2012-2-L.W. 336*, relied on by the learned counsel appearing for the appellant, wherein, the Hon'ble Apex Court has specifically observed that merely because the property is being used for commercial



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purpose at the later point of time, may not be a relevant criterion for assessing the value for the purpose of stamp duty and nature of user is relatable to the date of purchase and it is relevant for the purpose of calculation of stamp duty and the relevant portion is extracted hereunder:

“We have already held that it is the grievance of the respondents that the orders were passed by the Additional Collector on a public holiday. Regarding the merits though the Collector, Lucknow made a surprise site inspection, there is no record to show that all the details such as measurement, extent, boundaries were noted in the presence of the respondents who purchased the property. It is also explained that the plot in question is not a corner plot as stated in the impugned order as boundaries of the plot mentioned in the freehold deed executed by Nazool Officer and in the sale deed dated 16.04.2003 only on one side there is a road. It is also demonstrated that at the time of execution of the sale deed, the house in question was used for residential purpose and it is asserted that the stamp duty was paid based on the position and user of the building on the date of the purchase. The impugned order of the High Court shows that it was not seriously disputed about the nature and user of the building, namely, residential purpose on the date of the purchase. Merely because the property is being used for commercial purpose



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at the later point of time may not be a relevant criterion for assessing the value for the purpose of stamp duty. The nature of user is relatable to the date of purchase and it is relevant for the purpose of calculation of stamp duty.”

12. In ***M/s.Thyrocare Technologies Limited by Director A.Sundararaju Vs. The Sub Registrar, Madukkarai, Coimbatore and others*** reported in ***2011-4-L.W. 86***, the Hon'ble Supreme Court has observed that mere fact that the land is in close proximity to a residential land will not make an agricultural land into a residential land, nor can the Authority determine the stamp duty of an agricultural land treating the said land as a house site and the relevant passage is extracted hereunder:

“The Honourable Supreme Court held that whether in future the purchaser would use the land for other purpose or change the character of the land was immaterial for the payment of stamp duty on the date when the land was purchased. The stamp duty can only be determined on the basis of the land use recorded by the State in the revenue records and the mere fact that the land is in close proximity to a residential land will not make an agricultural land into a residential land nor can the Authority determine the stamp duty of an agricultural land treating the said land as a house site.”

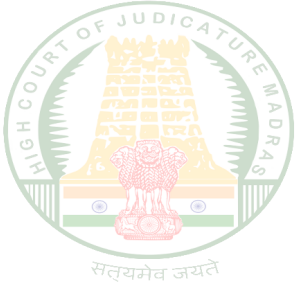


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13. I have also had an occasion to deal with a similar situation in ***S.R.Ravindran Vs. The Tamil Nadu Principal Revenue Controller cum Inspector General of Registration, Chennai and others*** in C.M.A. (MD) No. 896 of 2022 dated 13.02.2023, after referring to the decisions reported in ***2009 (1) CTC 698 (Ezhilarasi and another Vs. The Inspector General of Registration and others)*** and ***2014 5 LW 280 (M/s.Karpagavinayaga Associates represented by its partners Vs. The Inspector General of Registration of Tamil Nadu and others)***, has observed as follows;

“16. Considering the above, the legal position is very clear that the market value of the property has to be determined with reference to the date on which the document is executed and the nature of the user is relatable to the date of purchase and that the usage of the land in future cannot be a basis for assessing the value. No doubt, the market value as such keeps on varying and changing, but any subsequent change in the nature or use of the land, which may result in the enhancement of the market value of the property is not to be taken into account and it is only the value of the property on the date of execution of the document that is to be considered for the purpose of determination of the proper stamp duty payable on the document.”



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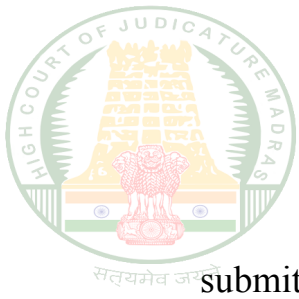
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14. In the case on hand, as already pointed out, the second respondent, in the impugned order, has specifically observed that the land in question is an agricultural land and that at the time of inspection, it was found to be in a ploughed condition and the relevant observation reads as follows;

“ஆவண சொத்து தற்போது உழுதுபோடப்பட்டுள்ளது
எனவும், பொட்டல்மண் பூமியாக உள்ளதாகவும்”

15. Even according to the second respondent, only a few houses were found to exist here and there in the locality. It has also been recorded that a house was under construction on the southern side of the subject property and that karuvelam trees were found on the western side. More importantly, the second respondent has specifically observed that the area lacks basic infrastructural facilities and that the locality is yet to be developed.

16. As rightly pointed out by the learned counsel appearing for the appellant, Patta No.1558 had been issued in favour of the appellant's father classifying the property as punja land. Moreover, even in the report



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submitted by the second respondent and the Enquiry Officer to the first respondent, it has been specifically stated that the land in question was found to be in a ploughed condition at the time of inspection.

17. Considering the above facts and circumstances, and taking note of the legal principles referred to supra, this Court is of the view that merely because certain neighbouring lands have been converted into house plots and a few residential buildings have come up in the vicinity, the subject property, which continues to be classified and used as a dry agricultural land, cannot be treated as a house site for the purpose of valuation. Consequently, the market value cannot be determined on the footing that the property is a residential plot, ignoring its actual nature and classification as an agricultural land.

18. Now turning to the contention of the appellant that the second respondent before passing the final order neither passed a provisional order nor issued a notice in Form-II as contemplated under the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968, it is necessary to refer the decision reported in **2025 (1) CTC 759** referred above, relied upon by the learned counsel appearing for the appellant and



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the relevant passages are extracted hereunder:

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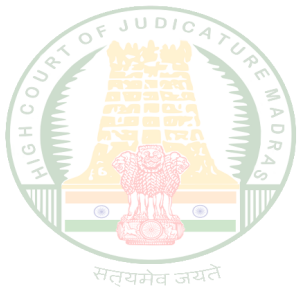
“Tamil Nadu (Prevention of Undervaluation of Instruments) Rules, 1968, Rules 6 & 7 - Determination of Market Value - Enquiry by Collector - Procedure on receipt of Reference - Issuance of Final Order without passing Provisional Order - Propriety - Form II-Notice issued to Executant - Provisional Order not served along with Form II - Deprivation of reasonable opportunity to object provisional determination of Market Value - Issuance of Final Order without communicating Provisional Order, held, illegal and fatal.

29. It appears from the aforesaid that the second respondent i.e. the Special Deputy Collector (Stamps) failed to pass any provisional order as contemplated in Rule 4(4) of the Rules 1968. Rule 4(4) of the Rules 1968 reads as follows:-

“4. Procedure On Receipt Of Reference Under Section 47-A:-

x x x x x

(4) After considering the representations, if any, received from the person to whom notice under sub-rule (1) has been issued, and after examining the records and evidence before him, the Collector shall pass an order in writing provisionally determining



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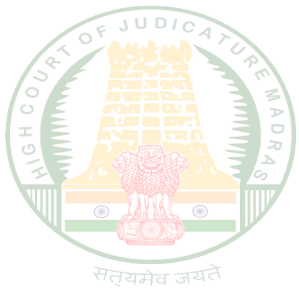


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the market value of the properties and the duty payable. The basis on which the provisional market value was arrived at shall be clearly indicated in the order.”

30. As per Rule 6 of the Rules 1968, after passing the provisional order, it is obligatory on the part of the Collector to communicate the market value of the property and the duty payable by the parties concerned in Form II. On receipt of the Form II as contemplated under Rule 7 of the Rules 1968, the Collector shall have to pass the final order. It appears that in the case on hand, without following the Rules 4 and 6 respectively, the Collector (Stamps) directly passed the final order under Rule 7 of the Rules 1968.

31. The scheme of the Stamp Act and the relevant rules makes it abundantly clear that the Collector is obligated to communicate the provisional order to the parties concerned in respect of fixation of the correct value of the property and also the duty payable in Form II. In the case on hand, Form II was issued. To that extent, there is no dispute. However, after the issue of Form II, the parties concerned have to be given an opportunity to submit their representation in respect of determining the market value of the subject property. Thereafter, as contemplated in Rule



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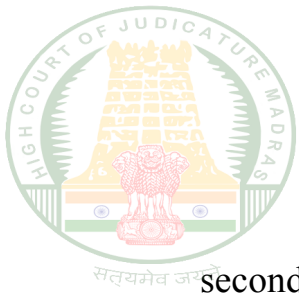


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7 of the Rules 1968, the Collector, after considering the representation if received in writing and the submissions that might have been urged at the time of hearing or even in the absence of any representation from the parties concerned, proceed to pass the final order. It appears from the material on record that in the case on hand, the Collector (Stamps) directly issued the final order without complying with sub-rules (2), (3) and (4) respectively of Rule 4 and also without following Rule 6 of the Rules 1968. This could be said to be in violation of the Rules 4 and 6 respectively of the Rules 1968.”

19. In the case on hand, it is not the specific case of the respondents that a provisional order was passed and communicated to the appellant. The second respondent has also not produced any material to show that such a provisional order was passed in accordance with the procedure contemplated under the Rules, 1968.

20. In the order passed by the second respondent, though both the Form-I notice and the Form-II notice were referred in reference column, they have not produced the copies of the said notices and proof to show that the same were served on the appellant. Moreover, in the order of the



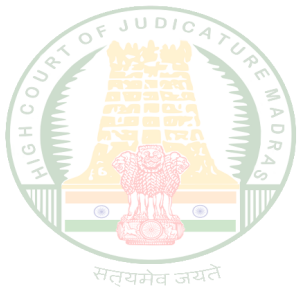
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second respondent, Serial No.7 of the reference column, an objection petition of the appellant dated 25.07.2017 has been specifically referred to, but in the first paragraph of the said order, it has been stated that the appellant did not file any objections. Notably, the second respondent has nowhere whispered about the objections raised by the appellant nor has he assigned any reason for accepting or rejecting the same. The order is conspicuously silent on the consideration of the appellant's objections, thereby raising serious doubt as to compliance with procedural requirements and the principles of natural justice.

21. As observed by the Hon'ble Supreme Court, in the present case also, the second respondent passed the order dated 11.08.2017 without complying with the sub rules 2, 3 and 4 respectively of Rule 4 and Rule 6 of the Rules, 1968. It is also necessary to refer the following passage in ***M.Chinnasamy's*** case, relied on by the learned counsel appearing for the appellant,

“24. Rule 6 speaks about procedure to be adopted after arriving at provisional market value of the property and enables the Collector to communicate the order provisionally determining the market value of the property



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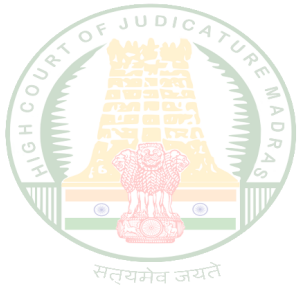


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and the duty payable to the person concerned in Form No.II and call upon him to lodge his objections within the time specified in the notice. It has been held in the case of A.R.Narayanan v. Special Deputy Collector (Stamps) [AIR 2003 Madras 266] that the order determining final market value without following mandatory provision of affording post-decisional hearing being illegal is set aside.”

22. In view of the above discussion, this Court is of the considered view that the order passed by the second respondent dated 11.08.2017 is vitiated by non-compliance with the mandatory procedure prescribed under the Rules, 1968 and is therefore legally unsustainable. Consequently, the impugned order passed by the first respondent dated 03.12.2024, confirming the order of the second respondent, is also legally unsustainable and both orders are liable to be set aside.

23. In the result, this Civil Miscellaneous Appeal is allowed and the impugned order passed by the first respondent dated 03.12.2024 in Na.Ka.No.45670/N4/2017 as well as the order passed by the second respondent dated 11.08.2017 in Si.Pa.No.306/2016 are set aside. Consequently, connected Miscellaneous Petition is closed. No costs.



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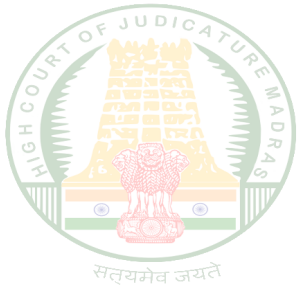
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12.06.2026

NCC :yes/No
Index :yes/No
Internet:yes/No
csm

To

1. The Chief Controlling Authority cum
The Inspector General of Registration,
120, Santhome High Road,
Santhome, Chennai.
2. The Special Deputy Collector (Stamps),
Collector Office Building (3rd Floor),
Thoothukudi @ Tirunelveli,
Tirunelveli.
3. The Sub Registrar,
Kovilpatti Sub-Registrar Office,
Kovilpatti,
Thoothukudi District.
4. The Record Keeper,
Vernacular Section,
Madurai Bench of Madras High Court, Madurai.



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C.M.A. (MD)No.649 of 2025

K.MURALI SHANKAR,J.

csn

Pre-Delivery Judgment made in
C.M.A.(MD)No.649 of 2025
and
C.M.P.(MD)No.10284 of 2025

Dated : 12.06.2026