IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated :24.03.2025

CORAM:

THE HONOURABLE MR.JUSTICE S.SOUNTHAR

CMA No.2839 of 2021 and
C.M.P.No.16277 of 2021

M/s.Jain Housing
Rep.By Its Partner Mr. Sandeep Mehta,
No.98/99 Habibullah Road,
Near Pasumpon Devar Mandapam,
T.Nagar, Chennai- 600 017. ... Appellant

Vs.

The Inspector General Of Registration
And Chief Controlling Revenue Authority,
No.120 Santhome High Road,
Chennai- 600 028. ... Respondent

Prayer: Civil Miscellaneous Appeal filed under Section 173 of Motor Vehicle Act, to set aside the order No.1106/உ1/2018 dated 20th April 2021 passed by the Inspector General of Registration, Tamil Nadu passed relating to the Document Nos.4033,4034 and 4035/2003, SRO, Pallavaram.

For Appellants : Mr.S.Bala Subramaniam
For Respondent : Mr.C.Sathish
Government Advocate

JUDGMENT

The Civil Miscellaneous Appeal has been preferred challenging the order passed by the Inspector General of Registration and Chief Controlling Revenue Authority, Tamil Nadu in a *Suo Motu* revision initiated under Section 47-A(6) of Indian Stamp Act, 1899.

2. The appellant herein purchased three parcels of land through three separate sale deeds dated 04.12.2003 totally measuring about 11 acres and 14 cents from its vendor namely M/s.Gordon Woodroffe Limited. In the sale deeds, the property purchased by the appellant was described as vacant land situated in Zamin Pallavaram, Tambaram Taluk, Kanchipuram District. The property was valued at Rs. 45,000/- per cent. When the document was presented for registration, the registering authority objected to the valuation adopted by the appellant and the matter was referred for decision of Collector under Section 47-A(1) of Indian Stamp Act. The Collector determined the market value at Rs.55,000/- per cent and directed collection of deficit stamp duty. The said order passed by the collector was sought to be revised by the

Chief Controlling Revenue Authority by exercising its power under Section 47-A(6) of Indian Stamp Act on the ground that the value determined by the Collector did not represent the true market value. In the *Suo Motu* Revision, the Chief Controlling Revenue Authority fixed market value at Rs.374/- per square feet and directed payment of deficit stamp duty. The said order was challenged by the appellant herein in CMA.No. 526 of 2008. The said CMA was allowed and the matter was remanded back to the file of Chief Controlling Revenue Authority with direction to pass a speaking order keeping in mind the definition of market value in the light of explanation of Section 47-A of Indian Stamp Act. Thereafter, the Chief Controlling Revenue Authority passed the impugned order determining the market value at Rs. 300/- per square feet. Aggrieved by the same, the present appeal has been filed by the appellant.

3. Mr.S.Bala Subramaniam, the learned counsel for the appellant submitted that at the time of purchase by the appellant in the year 2003, the subject land was classified as agricultural and industrial zone and it was not classified as a residential zone. Therefore, the Chief

Controlling Revenue Authority committed an error in adopting guideline value fixed for the residential zone as a factor to determine the market value of the subject property. He further submitted that the property purchased by the appellant was a larger extent of land which had to be accessed only through a narrow railway gate and therefore, the value of the property in the nearby locations cannot be taken into consideration for the purpose of fixing the market value of the subject property which is situated in a disadvantageous location. The learned counsel further submitted that the Chief Controlling Revenue Authority committed a serious error in taking into consideration the development that had occurred in the locality due to the purchase of the property by the appellant and the development made by it.

4. Mr.C.Sathish, the learned Government Advocate for the respondent submitted that the impugned order was passed based on the field inspection report submitted by a team headed by Deputy Inspector General of Registration, Chennai and the subject property is situated within 1.75 km from GST Road. The learned counsel further submitted that Rs.300/- per square feet fixed by the Chief Controlling Revenue

Authority is very well below the market value of Rs.374/- fixed for Dharka Main Road in which the subject property is located. The learned counsel, by relying on Rule 5 of Tamil Nadu Stamp(Prevention of Undervaluation of Instruments) Rules, 1968, submitted that while fixing the value of the house sites, the authority can take into consideration the general value of the house sites in the locality and the nearness to the road, railway station, bus route, etc.

5. It is seen from the records that the appellant purchased 11.14 acres of vacant land in Zamin Pallavaram, Tambaram Taluk, Kanchipuram District under 3 sale deeds dated 04.12.2003. Though it was stated by the learned counsel for the appellant that the property was classified as agricultural and industrial zone at the relevant point of time, there is no evidence available on record to show that it was used for agriculture or industrial purpose at the time of purchase by the appellant. In fact, even in the sale deed of the appellant, the property was not described as an agricultural property or property meant for industrial use. It was described only as a vacant land. The appellant has not produced any documentary evidence like payment of kist to

establish that the property at the relevant point of time was used as an agricultural property. Likewise, there is nothing on record to suggest that the property was used for industrial purpose at that time of purchase.

6. It is settled law that classification of land in the revenue records is not a conclusive proof for determination of market value of the property. In order to assess the market value of the property, the nature and the value of the property located in the nearby area and also the other attendant locational advantages can be taken into consideration.

7. It is seen from the impugned order that the guideline value for Dharka main road in which the subject property is situated was Rs.374/- per square feet even in the year 2003(year of purchase by the appellant). It was contended by the appellant that Rs.374/- was fixed as guideline value for the property situated in the residential zone and the same cannot be taken into consideration for the purpose of determining the market value for the subject property which was not classified as a residential zone. Based on the field inspection report submitted by the

team headed by Deputy Inspector General of Registration, the Chief Controlling Revenue Authority found that the subject property is situated at Dharka main road within 1.75 km from GST road. It is also recorded that within 1.5 km from the subject property, an university is located. Based on the field inspection report, the Chief Controlling Revenue Authority found that even on the date of purchase by the appellant, there were residential apartments in the nearby streets. It was also noted that the subject property is located very near to the GST road and the railway track. Taking into consideration the locational advantage of the subject property, the Chief Controlling Revenue Authority fixed the market value at Rs.300/- less than the guideline value of Rs.374/- in the year 2003. A lesser value was fixed by the Chief Controlling Revenue Authority to the subject property only on the ground that at the relevant point of time, the subject property was not classified as a residential zone.

8. While passing the impugned order, the Chief Controlling Revenue Authority observed that after purchase by the appellant, it had put up residential complex and sold the subject property at the rate of

Rs.374/- per square feet based on the guideline value fixed in the year 2003. Taking into consideration the sale by the appellant subsequent to the development made by it, the Chief Controlling Revenue Authority fixed a lesser value of Rs.300/- per square feet. It was specifically noted by him that even at the time of purchase by the appellant, there were residential complexes in and around the subject property. In these circumstances, a sum of Rs.300/- per square feet fixed by the Chief Controlling Revenue Authority which is less than the then prevailing guideline value fixed for Dharka Main Road cannot be said to be not representing the correct market value of the subject property. Hence, I do not find anything to interfere with the conclusion reached by the Chief Controlling Revenue Authority and accordingly, the Civil Miscellaneous Appeal stands dismissed. Consequently, the connected miscellaneous petition is closed. No costs.

24.03.2025

Index:Yes/No
Internet:Yes/No
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To

1.The Inspector General Of Registration
And Chief Controlling Revenue Authority,
No.120 Santhome High Road,
Chennai- 600 028.

2. The Section Officer,
VR Section,
High Court, Madras.

S.SOUNTHAR, J.

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