IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31**-07-2025**

CORAM

THE HONOURABLE MRS.JUSTICE T.V.THAMILSELVI

CMA NO. 167 of 2023

M/s.LSR Properties India Ltd,
Rep. by its Managing Director,
J.N.Ramji @ J.N.Jahatha Ramjee,
New.No.4, Old No.60,
Vekatanarayana Road,
T.Nagar, Chennai-600 017.

Appellant(s)

Vs

1.The Chief Revenue Controlling Authority cum
Inspector General of Registration,
100, Santhome High Road,
Pattinapakkam, Chennai-600 028.

2.The Special Deputy Collector (Stamps),
District Collector Office,
Trichy - 1.

3.The District Registrar,
District Court Campus,
Trichy-1.

4.The Sub-Registrar,
Joint No.3, Sub-Registrar Office,
Trichy-1.

Respondent(s)

PRAYER: Civil Miscellaneous Appeal filed under Section 47A(10) of Indian Stamps Act, praying to set aside the order dated 07.03.2022 in No.27347/E1/2015 passed by the 1st respondent herein.

For Appellant(s):
Mr.K.Puneeth

For Respondent(s):
Mr. J.Ravindran,
Additional Advocate General.

Assisted by Mr.R.Siddharth,
Additional Government Pleader.

JUDGEMENT

The appellant has filed this appeal to set aside the order dated 07.03.2022 in No.27347/E1/2015 passed by the 1st respondent herein.

2. Challenging the impugned order passed by the first respondent in proceedings No.27347/E1/2015, dated 07.03.2022, the appellant was directed to pay a sum of Rs. 1310/- per square feet as stamp duty, which is significantly higher than the prevailing guideline value of Rs. 878/- per square feet for the land purchased during the period 2013–14. The order was passed without affording a proper opportunity to the appellant. Hence, he has approached this Court, challenging the validity of the said impugned order.

3. Brief Facts of the Case: The appellant, along with his wife, in their individual capacities, purchased an extent of 10.00 acres of agricultural land at Survey No.3/1B1,1B2,4/1,3,4,5,5(1)(2),(3),(4),(8),6/1,6/2B and 11/1, situated in JEE City, Kaveri Road, Devadanam Village, Trichy. The said land is located approximately 10 km from Trichy Railway Station and lies on the road leading to Kallanai. The property is situated 10 feet below the road level, covered with thick bushes, and partially used as a burial ground. The land is classified as *tarisu* (wasteland) and lies between Kallanai Road

and the Cauvery River. On 30.10.2013, the entire extent of 10 acres and 6 cents was transferred to M/s. LSR Properties India Ltd., where the appellant and his wife serve as Managing Directors. This was done through the execution of 11 sale deeds, numbered from Document Nos. 3931/2013 to 3941/2013, for which prevailing stamp duty was paid. However, the Joint Sub-Registrar III, Trichy, kept the documents pending under Section 47-A proceedings of the Indian Stamp Act.

4. On 03.03.2014, the Sub-District Collector (Stamps) (R2 herein) passed an order under Section 47A(i), fixing the value of the property at Rs. 310/- per square feet, taking into account the prevailing guideline value. He directed the appellant to pay a differential stamp duty of Rs. 51,94,835/-, which the appellant duly paid, and the 11 sale deeds were subsequently registered. Thereafter, by letter dated 15.06.2015, the District Registrar (R3) recommended to the first respondent that the value be revised to Rs. 520/- per square foot based on the guideline value of the same property. Based on this, the first respondent issued a show-cause notice to the appellant to provide an explanation.

5. On 09.10.2020, the first respondent passed an order arbitrarily fixing the value at Rs. 1310/- per square feet, without giving adequate opportunity for the appellant to be heard. Notably, no personal hearing was afforded during the COVID-19 pandemic. Although 30 days were granted to file an appeal, the appellant preferred an appeal on 14.12.2020, requesting confirmation of the earlier order passed by the Special Deputy Collector (Stamps), which had fixed the rate at Rs. 310/- per square feet. However, the first respondent, without considering the recommendations of the District Registrar and by erroneously comparing the subject property with nearby developed residential areas such as Sanjeevi Nagar, fixed the present guideline value at Rs. 1310/- per square foot. This is incorrect, as the transaction took place in the year 2013, and Sanjeevi Nagar, which is situated approximately 300 meters away from the appellant's land, is a fully developed housing plot area, whereas the appellant's land was undeveloped, covered in bushes, and never promoted for residential use.

6. At the time of argument, the learned counsel for the appellant submitted additional grounds of appeal. He pointed out that nearly two years after the registration of the sale deeds, the first respondent, *suo motu*, reopened the matter and arbitrarily enhanced the value of the subject property, ignoring the fact that the land was classified as agricultural land. The value ought to have been assessed on a per-acre basis. The respondent failed to consider critical factors such as:

- The classification of the land (agricultural),
- Its location and surrounding infrastructure,
- The fiscal nature of the land,
- Whether the land was fit for residential use,
- Absence of conversion approvals for non-agricultural use.

Without assessing these parameters, the respondent fixed the rate at Rs. 1310/- per square feet, which is arbitrary and biased and is therefore liable to be set aside.

7. The learned counsel for the appellant further submitted that calculating Rs. 1310/- per square foot would amount to a total value of Rs.

5.7 crores per acre, which is grossly excessive. The land is a wetland and cannot be used for residential purposes without appropriate conversion approvals. Even if such conversion is permitted, only about 60% of the land would be usable for plotting after leaving space for roads and other necessities. Therefore, fixing Rs. 1310/- per square feet is wholly unreasonable. He prays for the impugned order to be set aside as illegal and arbitrary.

8. To substantiate his arguments, the appellant submitted additional documents, including Encumbrance Certificates and copies of two sale deeds:

(i) Sale Deed dated 10.08.2021: Land measuring 20 cents in Survey No. 5/4 of Devadanam Village was sold for Rs. 31,31,313/-.

(ii) Sale Deed dated 27.09.2021: Another 20 cents of land in Ponmani Nagar of Devadanam Village was sold for Rs. 30,52,000/-.

Relying on these sale deeds, the learned counsel for the appellant contended that even in the year 2021, lands in the vicinity of the subject property were sold at rates significantly lower than the value arbitrarily fixed by the respondent. Therefore, he prayed that the impugned order passed by the first respondent be set aside.

9. By way of reply, the learned Additional Advocate General(AAG) submitted his arguments by relying on the prevailing Guideline Value and Market Value of the property at Devadanam Village, Trichy, for the period from 01.04.2012 to 08.06.2017. According to him, the subject land, namely M/s. JEE City, Kaveri Road, forms part of the land in question. The value per square feet was Rs. 1310/-, and it was classified as a "special category" zone. The adjacent property, namely Sanjeevi Nagar, also carried a value of Rs. 1310/- per square feet and was classified as a "residential special category." At the time of purchase made by the appellant and his wife in their individual capacities through various sale deeds (Document Nos. 3931/2013 to 3941/2013), the land was originally purchased from Ramji and Janath Ramji in the years 2007 and 2008. Thereafter, on 30.10.2013, the appellants jointly sold the said property to M/s. LSR Properties India Ltd., of which both are Managing Directors. On perusal of the sale deed, it is clearly mentioned in the property schedule that the lands are situated in

JEE City, Kaveri Road, Trichy.

10. Hence, the learned Additional Advocate General(AAG) submitted that, as per records, at the time of the purchase made by the appellant company, the prevailing guideline value for JEE City was Rs. 1310/- per square feet. The adjacent Sanjeevi Nagar also had the same valuation. In support, he produced a topographical map of both properties, which shows that in terms of physical and fiscal structure, both properties are located close to each other. Therefore, fixing Rs. 1310/- per square foot as the value for the subject property as on 30.10.2013 by the respondent is legally sustainable, and the learned Additional Advocate General(AAG) prayed for dismissal of the appeal as being devoid of merit.

11. Further, the learned Additional Advocate General(AAG) pointed out that as per the Circular dated 08.06.2017, there was a 33% reduction in the guideline value across Tamil Nadu. Based on this reduction, the appellant is now attempting to rely on the current guideline value of Rs. 878/- per square feet. However, the learned A.A.G. contended that the said

circular is prospective in nature and cannot be applied retrospectively to the facts of this case, especially since the subject land was purchased much earlier, in the year 2013.

12. The appellant company purchased 10 acres of land in Devadanam Village, Trichy District, at the rate of Rs. 65,34,000/- per acre, which roughly comes to Rs. 150/- per square feet. The sale deeds were kept pending under Section 47A proceedings. Subsequently, the District Revenue Officer – Stamps, inspected the property and fixed the guideline value at Rs. 310/- per square feet. This amount was paid, and the documents were registered accordingly.

13. However, in 2015, the first respondent recommended the revision of the guideline value to Rs. 520/- per square feet. A show-cause notice was issued to the appellant, who raised objections. After considering the submissions of both parties, the first respondent fixed the value at Rs. 1310/- per square feet, based on the prevailing guideline value as on the date of purchase, i.e., 2013–14. The appellant has challenged this order,

terming it arbitrary and illegal.

14. The appellant contends that nearly two years after registration, the first respondent, *suo motu*, reopened the sale deeds and arbitrarily fixed the land value on a per square feet basis, ignoring the fact that the subject lands are agricultural and should have been valued per acre.

15. However, as rightly pointed out by the learned Additional Advocate General (A.A.G.), even in the appellant's sale deed dated October 2013, it is clearly stated that a portion of the land is located in M/s. JEE City. The property is adjacent to Sanjeevi Nagar, a well-developed residential area with numerous houses.

16. Further, a perusal of the topographical features reveals that the subject land is situated just 500 meters away from National Highway 47 (Chennai Highway). The surrounding area consists predominantly of developed residential plots. Therefore, even at the time of purchase, the land was part of JEE City, and as per the Registration Department's records,

the prevailing guideline value was Rs. 1310/- per square feet for both JEE City and Sanjeevi Nagar.

17. The sale deeds relied upon by the appellant during arguments relate to properties located far away from the subject property and cannot be applied to the facts of this case. Even their own documents reveal that a portion of the land is in JEE City, Kaveri Road, for which the 2013 guideline value was Rs. 1310/- per square feet.

18. Moreover, the recitals of the sale deed show that both the vendor and the purchaser are the same persons, indicating a transaction structured to evade stamp duty. The topographical features also show the subject property is just 500 meters from National Highway 47. The appellant was given adequate opportunity to submit an explanation, and all material records were duly considered.

19. Hence, the first respondent has rightly fixed the value of Rs. 1310/- per square feet, which is fully justified and does not warrant any

interference by this Court. Accordingly, the appeal is **dismissed as devoid of merit**. The impugned order is **confirmed**, and the appellant is **directed to pay the stamp duty within a period of twelve weeks** from the date of receipt of a copy of this order, subject to interest as per rules. There shall be no order as to costs.

31.07.2025

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No
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To:

1.The Chief Revenue Controlling Authority cum
Inspector General of Registration, 100, Santhome High Road,
Pattinapakkam, Chennai-600 028.
2.The Special Deputy Collector (Stamps),
District Collector Office, Trichy - 1.
3.The District Registrar, District Court Campus,
Trichy-1.
4.The Sub-Registrar, Joint No.3, Sub-Registrar Office,
Trichy-1.
5.The Section Officer, VR.Section,
High Court of Madras.

T.V.THAMILSELVI, J.

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