



C.M.A.No.2572 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 10.12.2025

Pronounced on: 18.12.2025

CORAM

THE HONOURABLE MRS.JUSTICE K.GOVINDARAJAN THILAKAVADI,J.

C.M.A.No. 2572 of 2025

1.A. Mohamed Ismail

2.M. Sharmila Banu

... Appellants

vs.

1. Inspector General of Registration

No.100, Santhome High Road,

Pattinampakkam, Santhome,

Raja Annamalaipuram,

Chennai 600 028

2. The Special Deputy Collector (Stamps)

Chennai-District Revenue Officer (Stamps)

Singaravelar Maligai 5th Floor,

Rajaji Road, George Town,

Chennai.

3. The District Registrar,

Chennai South,

Fanepet, Nandanam, Chennai 600 015.

4. The Sub Registrar,

Office of the Sub Registrar,

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No.45 A, Arcot Road, Virugambakkam
Chennai 600 092

..Respondents

Prayer: This Civil Miscellaneous Appeal is filed under Section 47A(10) of the Indian Stamp Act, 1899, praying to set aside the order of the 1st respondent dated 15.07.2025 passed in Na.Ka.No.44160/IN/2024 confirming the order of the 2nd respondent dated 27.09.2024 in Na.Ka.No.A3/3324/2023.

For Appellant : Mr. A. Mohamed Ismail
(party in person)
For Respondents : Mr. P. Gurunathan
Additional Government Pleader.

JUDGMENT

The appeal is directed against the order of the 1st respondent / Inspector General of Registration, dated 15.07.2025 passed in Na.Ka.No.44160/IN/2024 confirming the order of the 2nd respondent / The Special Deputy Collector (Stamps), dated 27.09.2024 in Na.Ka.No.A3/3324/2023.

2. The facts leading to the filing of this appeal are as follows:

2.1. The appellants have purchased the property to an extent of 1023.30 sq. ft of undivided share of land along with built up are of 2062.09 sq. ft being

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an apartment situate at Dr. Banumathi Ramakrishnan Street, Bharani Colony,

Saligramam, Chennai, comprised under S.No.213/1A1 (part) T.S. No. 6/1

Saligramam Village, vide sale deed dated 27.07.2023 and registered as Doc

No. 6078/2023 with the office at the Sub Registrar, Virugambakkam. The sale

consideration for the said purchase was Rs.82,04,000/-. The appellants are

husband and wife. The Sub Registrar, Virugambakkam, had refused to accept

the transaction value which was commensurate to the market and guideline

value and had proposed an exorbitant value and therefore, he referred the

subject matter to the Collector of Stamps for fixation of value under Section

47A of the Indian Stamps Act. The Collector of Stamps had, by his order

dated 27.09.2024, passed an order, adopting a value of Rs.8,000/- per sq. ft of

land and Rs.30,47,632/- as value for building and had further demanded a sum

of Rs.3,56,471/- as deficit stamp duty. The appellants had preferred an appeal

to the 1st respondent under Section 47A(5) of the Indian Stamp Act. The 1st

respondent after hearing the matter had rejected the appeal in Na.Ka.

No.44160/IN/2024 by an order dated 15.07.2025 confirming the order of the

2nd respondent, aggrieved by the said order, this appeal has been preferred.



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3. The learned counsel appearing for the appellants would submit that without proper appreciation of facts, the respondents have fixed the value of the subject property at Rs.8,000/- per sq. ft., which is illogical and deserves to be set aside. It is submitted that only after taking into consideration the prevailing advantages and disadvantages of the location of the property, that is to say the guideline value maintained by the Sub Registrar, Virugambakkam, is commensurate to the market value of the property and therefore, there is no reason why an additional value more and above the said guideline value is adopted by the respondents. It is submitted that the guideline value of the property for Arcot Road is Rs.12,000/- and for the subject property is Rs.6,000/- and the same is not disputed by the authorities. While so, the authorities cannot enhance the value for the reason that the said guideline value itself has been arrived based on the market value. Even after purchase of the subject property by the appellants, and even after revising the guideline value, the guideline value for the disputed area was fixed only at Rs.6,600/- with effect from 01.07.2024. This enhancement was done only after considering the prevailing market condition of the locality and the developments made in the vicinity. Therefore, the respondents cannot take a different stand and fix an enhanced value for the purchase made much prior to



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01.07.2024. As far as the value of the building is concerned, no reason has been adduced for enhancing the value of the building, the value adopted in the sale consideration reflects the correct value of the building, considering the depreciation for about two decades old building and therefore, the same is liable to be set aside. He would further submit that the determination of market value of the property in question by the 2nd respondent / Special Deputy Collector was only in pursuance of the reference made by the 4th respondent / Registering Authority under Section 47A of the Stamp Act, without following the procedure laid down under the Act and without performing the statutory obligation cast on the above respondents and the impugned order of the 1st respondent / Inspector General of Registration, and the 2nd respondent / The Special Deputy Collector (Stamps) in enhancing the market value and demanding the additional stamp duty, based enhancement, are without any basis and based on irrelevant consideration and assumption and presumption and without application of mind. He would further submit that the onus to prove that the instrument was under valued, is on the department and the same has not been satisfactorily discharged by the respondents, the impugned order of the 1st and 2nd respondent is liable to be set aside. To support his contentions he has relied upon the decision of the



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Hon'ble Apex Court in the case of Chief Revenue Controlling Officer cum
Inspector General of Registration and ors. vs. P. Babu reported in
MANU/SC/0042/2025.

4. On the other hand, the learned counsel appearing for the 4th
respondent/ Sub Registrar, Virugambakkam, would submit as follows:

4.1. The sale deed of the appellants was found to be undervalued.
Hence, the document was impounded and was referred to the 2nd respondent
under Section 47A(1) of the Indian Stamp Act, 1899 for determination of
market value of the instrument. The 2nd respondent after issuing Form-I and
Form-II Notice has passed final order under Section 47A (3) of the Indian
Stamp Act, 1899 in his Proceedings vide Na. Ka.No.A3/3324/2023 dated
27.09.2024 and fixed the land value as Rs.8000/- per sq.ft and has demanded
the Petitioner to pay the deficit stamp duty of Rs.3,56,471/- and the same has
been communicated to the Appellant through a Registered Post. The
calculation arrived by the 2nd respondent are as follows:

Land value mentioned in the document	Rs.82,04,000/-
Stamp duty paid by the petitioner for Doc.	Rs.4,29,912/-



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No.1708/2007

Guideline for the land value fixed by the 2nd respondent is Rs.580/- per sq. ft.

Rs.7,86,383/-

Deficit Stamp duty should be paid by the petitioner for Doc. N. 6078/2023

Rs.3,56,471/-

4.2. As against the order passed by the 2nd respondent, the appellants have preferred an appeal before the 1st respondent under Section 47A(5) of the Indian Stamp Act, 1899. After considering all the facts, the 1st respondent, has passed an order under Section 47 A(5) of the Stamp Act, 1899 vide Proceedings Na.ka.No. 1800/N1/2023 dated 31.02.2024 by stating that the Appellant land is situated 200 metres from Arcot Road. The property is having easy access from the Arcot Road and most of the properties are used as commercial property in that Dr. Banumathi Ramakrishna Road. The Property is located near Vadapalani bus depot, Appasamy orchards apartment, then Citilets business hotel and Surya Hospital, then Sri Vishnu Maha and the land is located Opposite to Sri Vishnu Mahal. A temple is situated at the end of this Dr.Banumathi Ramakrishna Road. Adjoining the temple, in western side of the subject property Ranjana's Park apartment is located.



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4.3. The total value fixed by DRO(stamps) (2nd Respondent) to this property including land and building is Rs. 1,12,34,032/ which is around Rs.5,450/- per square feet per plinth area of the building. It is impossible to purchase any flat in this apartment at the rate of Rs. 5450/- per square feet per plinth area of the building (Composite Value). So the rate fixed to the land by DRO (Stamps) ie Rs.81,86,400/- and building Rs.30,47,632/- is highly justifiable. The appellant says the building value is high. But comparing to the plinth area of the building AEE calculated only Rs.30,47,632/- (Rs.1478/- per square feet) building is having all facilities like lift, internal water supply, drainage facilities, covered car parking etc. Although the building is 22 years old it is well maintained. Considering facilities in the building, maintenance etc., the rate fixed by Asst Executive Engineer seems to be correct. Considering all the above statements as well as location of the property and age of the building, the 1st Respondent has confirmed the order passed by the 2nd Respondent by confirming the fixation of guideline value for the land as Rs.8000/- per sq.ft. and valuation of the building as Rs.30,47,632/-. Thus, the market value fixed by the authorities is proper and just in the eyes of law.



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4.4. Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968, contemplates the principles for determination of market value. Accordingly, the 2nd Respondent shall, as far as possible, have also regard to the following points in arriving at the provisional market value. Rule 5(a) deals with lands, which enumerates the materials to be taken into consideration by the authorities competent and the same reads as follows:

“5. ... (a) In the case of lands

- (i) classification of the land as dry, manavari, wet and the like;*
- (ii) classification under various tarams in the settlement register and account;*
- (iii) the rate of revenue assessment for each classification;*
- (iv) other facts which influence the valuation of the land in question;*
- (v) points, if any, mentioned by the parties to the instrument or any other person which requires special consideration;*
- (vi) value of adjacent lands or lands in the vicinity;*
- (vii) average yield from the land, nearness to road and market, distance from village site, level of land, transport facilities, facilities available for irrigation such as tank, wells and pumpsets;*
- (viii) the nature of crops raised on the land; and*



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[(ix) the use of land, domestic, commercial, industrial or agricultural purposes and also the appreciation in value when an agricultural land is being converted to a residential, commercial or an industrial land.]”

Sub-Clause (ix) of Rule 5(a) denotes the use of land, domestic, commercial, industrial or agricultural purposes and also the appreciation in value when an agricultural land is being converted to a residential, commercial or an industrial land.”

4.5. This Court in C.M.A. No.234 of 2015 dated 16.03.2021 has passed the following order:

“10. Therefore, Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968, enumerates the guiding factors and the authorities are bound to protect the revenue of the State. Once the guiding factors under Rule 5 stated above are followed, then there is no reason to interfere with the order passed by the authorities by the Courts. Certain discrepancies regarding the facts deserve no merit consideration in view of the fact that certain registrations, if any, not identified by the authorities cannot be cited for the purpose of comparison so as to undermine the value. In each case, the authorities are competent to



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make assessment by complying with the guiding factors as contemplated under Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968. In some cases, the authorities could not have noticed certain discrepancies or factors suppressed by the parties, however, relying on those factors, the order passed otherwise in accordance with Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968, cannot be interfered with. Thus, what is necessary for the authority is to follow the guidelines stipulated under Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968, and once the factors stipulated are followed and assessment is made, the same becomes final and the Courts are expected to slow in interfering in such orders passed on merits.”

4.6. The 1st respondent having considered the surrounding circumstances as well as the market value prevailing in the locality passed the final order based on well settled legal principles. There is no misconception in facts or law and the appellant has not raised any new ground against the order of the Inspector General of Registration in support of this case and hence, prayed for dismissal of the above appeal.



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5. Heard on both sides. Records perused.

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6. In the present appeal, the question arises for determination is whether the impugned order pertaining to determination of market value of subject property warrant any interference. The subject matter of this litigation is the valuation shown in the sale deed registered as Doc. No.6078/2023 dated 27.07.2023. The appellants are the purchasers. They got the sale deed executed through the original owner of the property in question. The sale consideration in the above sale deed is shown as Rs.82,04,000/-. It appears that the Sub Registrar, Virugambakkam, on receipt of the sale deed, refused to accept the transaction value on the premise that the sale consideration shown in the sale deed was undervalued.

7. The matter was referred to the 2nd respondent / Collector of Stamps for fixation of value under Section 47A of the Indian Stamps Act for the purpose of determining the correct market value of the property. The Collector of Stamps, by his order dated 27.09.2024 passed an order adopting a value of Rs.8,000/- per sq. ft of land and Rs.30,47,632/- as value for building and demanded a sum of Rs.3,56,471/- as deficit stamp duty. The appellants

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being dissatisfied with the order passed by the Special Deputy Collector (Stamps), preferred a statutory appeal before the Inspector General of Registration. The appeal came to be dismissed. In such circumstances, the appellants are before this Court.

8. It cannot be disputed that the duty is cast upon the 3rd respondent / Registering Officer, to record such reasons to arrive at a decision that the document is under valued and the same is required to be referred to the authority concerned to determine the actual market value of the property. Admittedly, there is nothing on record to show that the 3rd respondent / Registering Authority, on the basis of such material, arrived at the conclusion that the true value is not set forth in the document. He had simply stated in the Inspection Report that he had verified the market value of the property in the vicinity by examining one Iron Shop owner and a person doing Real Estate business for which there is no evidence on record. It is also not substantiated that the market value of the properties situate around the subject property is Rs.8,000/- per sq. ft. without producing any documentary evidence. Further, the valuation of building was arrived by the above authority, simply stating that the building is in good condition and well maintained with all amenities,



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though admittedly the subject building is 22 years old. The authority failed to substantiate his Report by producing expert opinion. In the absence of such materials, the proceedings initiated under Section 47A is legally unsustainable, as such, the proceedings initiated for determination of market value and the outcome of such proceedings, fixing the value of the property covered under Doc. No.6078/2023 at Rs.8,000/- per sq. ft. for the land and Rs.30,47,632/- as value for building and demanding additional stamp duty, is arbitrary.

9. Even on a perusal of records, the order of the 2nd respondent / Special Deputy Collector (Stamps) dated 27.09.2024 did indicate the basis on which the value mentioned in the document in question was enhanced. The reading of the same would reveal that his valuation was based on spot inspection and local enquiry. The 2nd respondent / Collector of Stamps had taken into consideration that Metro Rail is coming up nearby the subject property and therefore, the property value would increase in the future. Further he had considered the functioning of car service centres nearby the subject property. This consideration by the respondents cannot be accepted for the reason that the stamp duty has to be paid on the value of the property as on the date of registration and not on the expected future appreciation of value. Therefore,

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the observation made by the authorities that the property would become more valuable in future for the purpose of fixing the value on the date of registration is unsustainable.

10. Nothing on record to show that the appellants were given notice for spot inspection or for local enquiry as contemplated under the relevant Rules and their failure to do so is contrary to the procedure laid down under law and is in violation of principles of natural justice. Under Section 47-A(1) and under Section 47-A(3), if the Registering Authority has reason to believe that the instrument of conveyance did not reflect the correct market value of the property, then the Registering Authority has the power to refer the same to the Collector for determination of market value of the property and the Collector, on reference, under Section 47-A(1), may determine the market value of such property in accordance with the procedure prescribed. Enquiry by the Registering Authority is a pre-condition for making reference to the Collector for determination of market value of the property. The determination of market value without Notice of hearing to parties is liable to be set aside. When the Registering Authority finds that the value set forth in an instrument was less than the minimum value determined in accordance with the Rules, in that



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event, the Registering Authority is empowered to refer the instrument to the Collector for determination of market value of such property and the Stamp Duty payable thereon.

10.1. Availability of material is the foundation or the basis, for any authority to arrive at any decision whatsoever. The basis of a thing is that on which it stands, and on the failure of which it falls and when a document consisting partly of statements of fact and partly of undertakings for the future is made the basis of a contract of insurance, this must mean that the document is to be the very foundation of the contract, so that if the statements of fact are untrue, or the promissory statements are not carried out, the risk does not attach. This has been interpreted in the case of *Dawsons Ltd. v. Bonnin, 1922 (2) AC 413*.

10.2. Therefore, without following the procedure laid under the Act and without performing the statutory obligation cast upon the 3rd respondent / Registering Authority and the impugned orders of the 1st and 2nd respondents in enhancing the market value and demanding the additional stamp duty are without any basis and it is only based on irrelevant consideration, assumption



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and presumption. Further, the onus to prove the instrument was undervalued,

is on the department and the same has not been satisfactorily discharged by the

respondents. The Hon'ble Supreme Court in the case of **Chief Revenue**

Controlling Officer cum Inspector General of Registration and Ors. Vs. P.

Babu reported in **MANU/SC/0042/2025** held as follows:

“27. We are in complete agreement with the view taken by the Full Bench of the High Court. It is not permissible for the Registering Officer to undertake a roving enquiry for the purpose of ascertaining the correct market value of the property. If the Registering Officer is bona fide of the view that the sale consideration shown in the sale deed is not correct and the sale is undervalued, then it is obligatory on the part of the Registering Authority as well as the Special Deputy Collector (Stamps) to assign some reason for arriving at such a conclusion. In such circumstances, if the document in question is straightway referred to the Collector without recording any prima facie reason, the same would vitiate the entire enquiry and the ultimate decision. In the case on hand, it is not in dispute that the Form I notices did not contain any reason. It also appears that the Collector (Stamps) in his order also failed to indicate the basis on which the sale consideration shown in the two sale deeds was undervalued.



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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 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.*



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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 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.”*

11. In view of the aforesaid discussions, the impugned orders of the respondents are liable to be set aside.



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12. In the result,

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i.The Civil Miscellaneous Appeal is allowed. No costs.

ii.The order of the 1st respondent dated 15.07.2025 passed in Na.Ka.No.44160/IN/2024 confirming the order of the 2nd respondent dated 27.09.2024 in Na.Ka.No.A3/3324/2023, is set aside.

iii.The respondents are directed to return the original documents to the appellants immediately.

18.12.2025

bga

Internet:Yes/No

Index:Yes/No

Speaking/Non-speaking order

To

1. Inspector General of Registration

No.100, Santhome High Road, Pattinampakkam, Santhome,
Raja Annamalaipuram, Chennai 600 028

2. The Special Deputy Collector (Stamps)

Chennai-District Revenue Officer (Stamps)

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Pre-delivery Judgment made in

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