IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.11.2025

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The HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

Writ Petition No.34996 of 2025
and
WMP.No.39137 of 2025

1. Ramesh
2. Babu
3. Suresh
4. Gokul

... Petitioners

...Vs...

1. The Sub-Registrar,
Pammal SRO, Pammal,
Kancheepuram District.

2.M/s Evp Housing Chennai Pvt Ltd
Rep. by its Director
Mr. E.V. Perumalasamy Reddy,
No 23, Sir Thiyagaraya Road,
Pondy Bazaar, T. Nagar,
Chennai - 600 017.

... Respondents

Writ Petition filed under Article 226 of the Constitution of India, for issuance of Writ of Certiorarified Mandamus to call for the entire records of the respondents relating to the impugned notice in L.No. / 2025 issued by the 1st Respondent dated 25.06.2025 and quash the same as illegal and consequently forbearing the 1st Respondnet from demanding deficit stamp duty based on the market value of the property as claimed instead of the stamp duty already paid by the petitioner on the date of registration on the highest value of the property in the Exchange Deed dated 18.12.2024 and direct the respondent to forbearing to conduct any proceedings under Section 47-A of the India Stamp Act.

For Petitioners	:	Mr.K.Om Prakash Senior Counsel for Ms.Gunasri
For Respondents	:	Mr.Abishek Murthy Government Advocate (R1)

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O R D E R

This Writ Petition has been filed challenging the impugned notice in L.No. / 2025 issued by the 1st Respondent dated 25.06.2025 and quash the same as illegal and consequently forbear the 1st Respondent from demanding deficit stamp duty based on the market value of the property as claimed, instead of the stamp duty already paid by the petitioner on the date of registration on the highest value of the property in the Exchange Deed dated 18.12.2024 and direct the Respondents to forbear to conduct any proceedings under Section 47-A of the India Stamp Act.

3. The facts giving rise to the Writ Petition, in a nutshell are as follows:

(i) The Petitioners and the 2nd Respondent executed an Exchange Deed dated 18.12.2024, transferring 18,698 sq.ft. in Tharapakkam (Schedule 'A' property) to the petitioners in exchange for 0.76 cents in Kolapakkam (Schedule 'B' property) to the 2nd Respondent. The said Document was registered as Doc.No.158/2025 on 08.01.2025, with Stamp Duty at Rs.38,27,800/- and Registration Fee at Rs.10,93,488/-, which was equally borne by both parties. While so, the 1st respondent, based on the

Audit Objections issued a notice dated 25.06.2025 demanding deficit Stamp Duty and Registration fee at Rs.22,62,671/- citing a guideline value of Rs.4,269/sq.ft. for Schedule 'A' property in the Exchange Deed. That apart, in the impugned notice, it is stated that if the deficit Stamp Duty and Registration Fee is not paid within 15 days from the receipt of the notice, a proceedings under Section 47-A of the Indian Stamp Act, 1899 (in short 'the Act') will be inititated. Thereafter, the petitioners sent a representation dated 14.07.2025 to the respondents, refuting the demand as illegal and unjustified. However, no action has been taken on the same till date. Hence, this petition.

4. The learned Senior Counsel appearing for the Petitioners would submit that Sub Registrar has no jurisdiction to issue preemptive demands merely based on the Audit Objection. Further, he would submit that in case of any Audit Objection, the 1st Respondent has to make reference to the Collector as per Section 47 -A of the Act and the said Authority will determine the Stamp Duty and Registration Fee payable by the Petitioner, after providing an opportunity of hearing to the petitioner and thereafter

demand can be raised in case of deficit payment. But without doing so, the 1st respondent without any Authority and without following the mandates of Section 47-A has directly issued the impugned demand notice. Further, he would submit that once the registration is complete, the Sub-Registrar becomes functus officio and cannot reopen or reassess Stamp Duty unilaterally. He therefore prays to allow this Writ Petition.

5. The learned Government Advocate appearing for the 1st Respondent would submit that since Audit Objection was raised by the Department, after the registration of the Exchange Deed, with respect to deficit collection of Stamp Duty and Registration Fee, the 1st Respondent issued the Demand Notice to the Petitioners calling upon them to pay the deficit Stamp Duty and Registration Fee. Further, he would submit that in case of any default on the part of the petitioner in payment of the deficit Stamp Duty and Registration Fee, the Exchange Deed would be referred to the Collector for further action under Section 47-A(3) of the Act, which empowers the Collector of Stamps to recover deficit Stamp Duty and Registration Fee and examine the correctness of the market value, after

providing an opportunity of hearing to the petitioner and therefore the action of the 1st Respondent, in issuing the demand notice should not be faulted. Hence, he prayed for dismissal of the Writ Petition.

6. I find force in the submissions made by the learned Senior Counsel appearing for the Petitioners for the reason that when an Audit Objection was raised, after the registration of the any document the right course available to the 1st Respondent is to refer it to the Collector under Section 47-A of the Act and the said Authority will follow the procedures prescribed under Section 47-A of the Act, after affording due opportunity to the Petitioners. After determining the correct value, Demand Notice will be issued. But without doing so, the 1st Respondent straight away issued the demand notice. This shows that there was fault in decision making process on the part of the 1st respondent. Such being the case, the notice dated 25.06.2025 issued by the 1st respondent is liable to be set aside and accordingly the same is set aside. It is open to the 1st respondent to refer the Exchange Deed to the Collector, if so advised. In the event, if the Exchange Deed is referred to the Collector under Section 47-A of the Act, within the

period of limitation, this order will not stand in the way of the Collector to decide the same as per law, if it is otherwise in order.

7. Accordingly, this Writ Petition is disposed of. No costs.

8. WMP.No.39137 of 2025 filed to permit the petitioners to file single writ petition is allowed subject to payment of separate Court fee.

10.11.2025

Index : Yes / No
Neutral Citation : Yes / No
Speaking Order : Yes / No
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Note: Registry is directed to issue the order copy after ensuring the payment of Court fee as ordered by this Court.

To

1. The Sub-Registrar,
Pammal SRO, Pammal,
Kancheepuram District.

2.M/s Evp Housing Chennai Pvt Ltd
Rep. by its Director
Mr. E.V. Perumalasamy Reddy,
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KRISHNAN RAMASAMY, J.

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