IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 16.02.2026

Pronounced on: 27.03.2026

CORAM

THE HONOURABLE MRS.JUSTICE K.GOVINDARAJAN THILAKAVADI

C.M.A.No. 1447 of 2024 and C.M.P. No.12658 of 2024

Adit Bafna ... Appellant

vs.

1. The Chief Controlling Revenue Authority and Inspector General of Registration,
No.100, Santhome High Road, Mylapore,
Chennai 600 028.

2. District Revenue Officer (Stamps),
5th Floor, M. Singaravelar Maaligai,
32, Rajaji Salai, Chennai 600 001.

3. The Sub Registrar,
Thirukazhikundram,
No.35, Kammala Street,
Thirukazhikundram 603 109. …Respondents

Prayer: This Civil Miscellaneous Appeal is filed under Section 47A(10) of the Indian Stamp Act, against the order dated 03.04.2024 passed in

Na.Ka.No.15360/N1/2017 by the Chief Controlling Revenue Authority and Inspector General of Registration, Chennai.

For Appellant	:	Mr.Jayesh B. Dolia, Senior Advocate for Mr. V.P. Mohammed Moin of M/s. Aiyar and Dolia
For Respondents	:	Mr.P. Gurunathan, Additional Government Pleader.

JUDGMENT

The appeal is directed against the against the order dated 03.04.2024 passed in Na.Ka.No.15360/N1/2017 by the Chief Controlling Revenue Authority and Inspector General of Registration, Chennai.

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

2.1. The appellant purchased agricultural land measuring 1 acre 20.20 cents located in Vazhuvadhur Village, Thirukazhukundram Taluk, Kancheepuram District, comprised in S.No.252/1 through a sale deed dated 10.03.2016. The property was bought for Rs.4,80,800/-, calculated according to the guideline value of Rs.4,00,000/- per acre. Before registering the document, the Sub-Registrar verified the parent documents, patta, chitta, and other revenue records and confirmed that the guideline value matched the value mentioned in the sale deed. After this verification, the document was registered and a registration receipt was issued.

2.2. When the appellant later went to collect the registered document, the Sub-Registrar informed him that the document might be sent for fixation of a higher guideline value because the authority believed that the property was undervalued. The appellant argued that he had already paid the stamp duty and registration fees according to the official guideline value and the actual market value. He also alleged that the Sub-Registrar was unnecessarily withholding the document.

2.3. After some time, the appellant received a letter in Form-I dated 11.08.2016 from the 2nd respondent / District Revenue Officer (Stamps). In that notice, the authority stated that the 3rd respondent / Sub-Registrar had classified the land as a house-site property instead of agricultural land and proposed fixing the value at Rs.120/- per square foot, demanding Rs.4,06,523/-as deficit stamp duty. The appellant immediately submitted his objections. He explained that the property is agricultural wet land, has no proper access road, and water stagnates during the rainy season. According to him, the value mentioned in the sale deed was correct and consistent with the guideline value.

2.4. Despite these objections, the 2nd respondent / District Revenue Officer on 08.02.2017, issued Form II fixing the value at Rs.100/- per square foot and demanded Rs.3,33,156/- as additional stamp duty. The appellant claims that this order was passed without conducting a proper enquiry or giving him an adequate opportunity to present his case.

2.5. Challenging the order of the 2nd respondent dated 08.02.2017, the appellant preferred an appeal on 29.03.2017 before the 1st Respondent / Inspector General of Registration and Chief Revenue Authority under Section 47A(5) of the Stamp Act and submitted representations and documents to show that nearby properties were valued much lower. However, after a long delay of several years, the authorities rejected his explanation and confirmed the higher valuation and by order dated 03.04.2024 the 1st respondent / Inspector General of Registration and Chief Revenue Authority determined the market value of the property at Rs.100/- per square foot and directed the appellant to pay the deficit stamp duty of Rs.3,33,156/-.

2.6. Aggrieved over the abovesaid order of the 1st respondent, the present Civil Miscellaneous Appeal has been filed by the appellant.

3. The learned counsel for the appellant would submit as follows:

3.1. The authorities below had not followed Rules 4(2) and 11 A of the Tamil Nadu Stamp (Prevention of Undervaluation of Instrument) Rules 1968 (for brevity "Tamil Nadu Stamp Rules") while dealing and disposing of the reference as well as the appeal respectively in determining the market value of the property and that they had completely ignored Rule 5 of the Tamil Nadu Stamp Rules, which provides the guidelines for determining the market value of the property.

3.2. The impugned order of the 1st respondent clearly shows that he had only considered the Inspection Report of the District Registrar (Admin) regarding the location of the property and no other material was sought for.

As per Rule 11 A(c) of the Tamil Nadu Stamp Rules, the Chief Revenue Authority has to personally inspect the property after due notice to the parties concerned and has no right to delegate this function to any subordinate officer and act on their report. The Chief Controlling Revenue Authority had neither called for any information or record from any public Office or officer or authority or examined and recorded any statement as contemplated by the Tamil Nadu Stamp Rules.

3.3. The guideline value of the property at the time of registration was only Rs.4,000/- per cent and the appellant has paid necessary stamp duty and registration fees and there was no undervaluation in the document and the 3rd respondent registered the document without 47 A endorsement. After a period of 3 weeks, the 3rd respondent referred the document to 47 A for fixation of guideline value based on value of nearby village.

3.4. The authorities below failed to note that the land is still used as agricultural land and there is no proper access road, which was also established by the findings of the District Registrar Stamps, and erred in fixing the market value of the property at Rs.100/- per square foot, by classifying the land as house site.

3.5. The appeal before the 1st respondent was filed in 2017 and after 8 years, the same was taken up for hearing after repeated reminders and a mechanical order without any application of mind is passed. The appellant has produced copies of the Sale Deed in respect of the two adjacent properties, which were also registered around the same time, which clearly demonstrate that the value demanded by the respondents are totally arbitrary.

3.6. Hence, the learned counsel for the appellant prayed for setting aside the order dated 03.04.2024 passed in Na.Ka.No.15360/N1/2017 by the Chief Controlling Revenue Authority and Inspector General of Registration, Chennai.

4. On the other hand, the learned counsel appearing for the 3rd respondent/ Sub Registrar, Thirukazhukundram, would submit as follows:

4.1. The 1st Respondent, the Chief Controlling Revenue Authority and Inspector General of Registration, passed the impugned order strictly in accordance with law and the procedure prescribed under the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968 and that the statutory provisions including Rules 4(2), 5 and 11-A of the said Rules were duly followed while determining the market value. The authorities had considered all the relevant factors prescribed under Rule 5, including the location of the property and its proximity to public amenities such as roads, railway stations, bus routes, markets, shops, hospitals and educational institutions.

4.2. The 1st Respondent carefully examined the entire records relating to the determination of market value made by the 2nd Respondent (District Revenue Officer – Stamps), the inspection report submitted by the District Registrar, Chengalpattu, the grounds raised in the appeal, and the written statement submitted by the appellant during the course of personal hearing. Only after considering all these materials, the impugned order confirming the market value was passed.

4.3. With regard to the inspection conducted through the District Registrar, Chengalpattu, the respondents submit that such inspection is legally permissible and does not amount to unlawful delegation of powers. In support of this contention, reliance is placed on the judgment of the Supreme Court in the case of ***Inspector General of Registration v. K. Baskaran (Civil Appeal No.2586 of 2020 @ SLP (C) 15790/2019 dated 15.06.2020)***, wherein it was held that seeking assistance or reports from subordinate officers to aid the appellate authority in discharging its functions does not invalidate the exercise of power by such authority.

4.4. It is further submitted that the subject property cannot be treated as agricultural land as claimed by the appellant. According to them, the vendor had already developed the land into a layout consisting of seven plots and had formed a 30-feet wide road to provide access to those plots. Therefore, the guideline value applicable to agricultural land could not be adopted. Considering the nature and location of the property, the local enquiry conducted, and other relevant circumstances, the 2nd Respondent determined the market value of the property at Rs.100/- per square foot.

4.5. It is also stated that although the guideline value fixed for the survey numbers concerned is Rs.120/- per square foot, the respondents have adopted a lower value of Rs.100/- per square foot considering the circumstances, and the property has been classified as “House Site – Class I”, which itself is a lower classification. Hence, the respondents contend that the valuation fixed is fair, reasonable and not excessive.

4.6. With regard to the allegation of delay in disposal of the appeal, the respondents state that the 1st Respondent acts as the appellate authority under the stamp laws and also performs several other statutory and administrative functions including those under the Indian Stamp Act, 1899, and therefore some delay in hearing appeals is unavoidable.

4.7. On these grounds, the respondents contend that the determination of market value and the order passed by the 1st Respondent confirming the order of the 2nd Respondent are legally valid and proper. Hence, prays that the Civil Miscellaneous Appeal filed by the appellant be dismissed as devoid of merits.

5. Heard on both sides. Records perused.

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 appellant purchased agricultural land measuring 1 acre 20.20 cents located in Vazhuvadhur Village, Thirukazhukundram Taluk, Kancheepuram District, comprised in S.No.252/1 through a sale deed dated 10.03.2016. The property was bought for Rs.4,80,800/-, calculated according to the guideline value of Rs.4,00,000/- per

acre. It appears that the Sub Registrar, Thirukazhukundram, 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 2nd respondent / District Revenue Officer (Stamps) sent a letter in Form I dated 11.08.2016, stating that that the 3rd respondent / Sub-Registrar had classified the land as a house-site property instead of agricultural land and proposed fixing the value at Rs.120/- per square foot, demanding Rs.4,06,523/- as deficit stamp duty or sought for objection. After receiving the appellant's objections, the 2nd respondent / District Revenue Officer on 08.02.2017, issued Form II fixing the value at Rs.100/- per square foot and demanded Rs.3,33,156/- as additional stamp duty. The appellant being dissatisfied with the order passed by the 2nd respondent preferred a statutory appeal before the 1st respondent / Inspector General of Registration. The appeal came to be dismissed confirming the order of the 2nd respondent. In such circumstances, the appellant is 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, 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.100/- per sq. ft. without producing any documentary evidence. 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.1173/2016 at Rs.100/- per sq. ft. and demanding additional stamp duty, is arbitrary.

9. Even on a perusal of records, the order of the 2nd respondent / District Revenue Officer (Stamps) dated 08.02.2017 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. Nothing on record to show that the appellant was 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 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.

9.1. 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 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.*

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."

The principles laid down in the above decided case squarely applicable to the facts and circumstances of the present case.

10. In the present case, it is the specific contention of the appellant that the land in question is used only for agricultural purpose; that it is a wet land and there is no proper access road and also during rainy season, water stagnates in the land and that there is no proper approach road and therefore, the value mentioned in the document is as per the market value and guideline value. On perusal of records it is seen that, the District Revenue Officer (Stamps) conceded the same. However, at the time of issuing form II, the land was classified as house site, despite lack of evidence that the land was converted into house site. The authorities failed to act judicially while dealing with the reference under Section 47-A of the Stamp Act and Rule 5 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instrument) Rules, 1968, which provides guidelines for determining the market value of the property. The orders of the Inspector General of Registration and the Chief Revenue Authority, Tamil Nadu, would reveal that they have relied only upon the inspection report of the District Registrar (Admin) regarding the location of

the property and no other material was considered. Rule 11-A(c) of the Tamil Nadu Stamp (Prevention of Undervaluation of Instrument) Rules, 1968, imposes duty on the Chief Controlling Revenue Authority to personally inspect the property after due notice to the parties concerned. Even if he had authority to delegate this function to any subordinate officer, as pointed out by the learned counsel for the respondents, the Chief Controlling Revenue Authority cannot act on their report to fix the market value without any sufficient materials on record. On a perusal of the records it is seen that he had neither called for any information or any record from any public office or officer or authority, nor examined and recorded any statement as contemplated under the Tamil Nadu Stamp (Prevention of Undervaluation of Instrument) Rules, 1968. Moreover, the District Registrar himself had given findings that the land is used as agricultural land and it does not have any water drainage facility. Therefore, it is seen that the authorities have acted without any basis in determining the market value of the property and fixing the same at Rs.100/- per square feet without any reasonable basis.

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

11. In the result,

i.The Civil Miscellaneous Appeal is allowed. No costs. Consequently connected miscellaneous petition is closed.

ii.The order dated 03.04.2024 passed in Na.Ka.No.15360/N1/2017 by the Chief Controlling Revenue Authority and Inspector General of Registration, Chennai, is set aside.

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

27.03.2026

bga

Internet:Yes/No
Index:Yes/No
Speaking/Non-speaking order

To

1. The Chief Controlling Revenue Authority and
Inspector General of Registration,
No.100, Santhome High Road, Mylapore,
Chennai 600 028

2. District Revenue Officer (Stamps)
5th Floor, M. Singaravelar Maaligai,
32, Rajaji Salai, Chennai 600 001.

3. The Sub Registrar
Thirukazhikundram
No.35, Kammala Street
Thirukazhikundram 603 109.

K.GOVINDARAJAN THILAKAVADI, J.

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Pre-delivery Judgment made in

C.M.A.No. 1447 of 2024 and

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