

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. OF 2026
(arising out of SLP(C) Nos. 10522-10523/2026)

THE CHIEF CONTROLLING REVENUE APPELLANTS
AUTHORITY CUM-INSPECTOR GENERAL OF
REGISTRATION & ORS.

VERSUS

C. VASANTHA RESPONDENT

O R D E R

1. Leave granted.
2. The issue that arises in these appeals is with regard to the time frame for determining the stamp duty payable on an instrument, upon a reference under Section 47-A(1) of the Indian Stamp Act, 1899. By way of the impugned judgment that was affirmed thereafter in review, a learned Judge of the High Court of Judicature at Madras¹, opined that the time frame of three months mentioned in the rules was mandatory and set aside the determination of the stamp duty payable by the respondent, C. Vasantha, on that short ground. Aggrieved thereby, the State authorities are in appeal.
3. The respondent, C. Vasantha, purchased an extent of agricultural land with a farm house under registered sale deed dated 10.06.2009. The said sale deed was referred to the

Signature Not Verified
Digitally signed by
Deepak Guptha
Date: 2026.10.26
18:16:20 IST
Reason: 

1 “High Court”, for short

District Revenue Officer (Stamps)² under Section 47-A(1) of the Indian Stamp Act, 1899, to assess whether the stamp duty paid thereon, in terms of the market value of the property, was accurate. The DRO(S) issued her a notice on 21.08.2009 in Form-I, under Rule 4 of the Tamil Nadu Stamp (Prevention of Undervaluation Of Instruments) Rules, 1968³. The respondent replied thereto and the DRO(S) then issued her a notice on 11.01.2010 in Form-II, under Rule 6 of the 1968 Rules, provisionally determining the market value of the property. The same was confirmed by him, thereafter, by way of the final order dated 11.02.2010, and the deficit stamp duty payable by the respondent was determined as ₹3,70,272/- (Rupees three lakh seventy thousand two hundred seventy two only). The appeal of the respondent against the said order came to be dismissed by the Inspector General of Registration on 29.11.2012.

4. Assailing these orders, the respondent approached the High Court by way of CMA No. 3645/2013. By judgment dated 18.08.2017, a learned Judge of the High Court opined that Rule 7 of the 1968 Rules required the exercise to be completed within three months from the date of the first notice, that is, the notice in Form-I dated 21.08.2009 and, therefore, the final order passed beyond 21.11.2009 was liable to be set aside on that short ground. Further, the learned Judge noted in the order to the effect that he did not think it necessary to go into the merits in view of the fact that the time frame

2 “DRO(S)”, for short

3 “1968 Rules”, for short

prescribed under Rule 7 of the 1968 Rules had been breached by the authorities.

5. Aggrieved by this order, the State authorities filed a review application on 27.11.2017. However, this review application came to be numbered only on 24.08.2024 as Review Application No. 232/2024. During the interregnum, this Court had occasion to deal with the 1968 Rules and delivered its decision in *Inspector General of Registration, Tamil Nadu vs. K. Baskaran*⁴. The same was relied upon by the State authorities before the learned Judge. However, the learned Judge refused to take note of the said decision on the ground that it amounted to a subsequent change in law, as it was delivered after the judgment was passed by him on 18.08.2017, and did not constitute a ground for review. Stating so, the learned Judge dismissed the review application, vide order dated 04.07.2025.
6. The judgment dated 18.08.2017 and the order dated 04.07.2025 are presently called in question.
7. We may first note the scheme of the 1968 Rules. Rule 4 is titled "Procedure on receipt of reference under Section 47-A" and provides that, upon receipt of such a reference from the registering officer, the Collector shall issue a notice in Form-I, informing every person by whom and to every person in whose favour the instrument has been executed, of the receipt of the reference and asking them to submit to him their representations, if any, in writing to show that the market value of the property has been truly set forth in the

4 (2020) 14 SCC 345

instrument, and also to produce all evidence that they have in support of the representation, within 21 days from the date of service of the notice. After considering the representations, if any, received from the persons to whom the notice was issued and after examining the records and evidence before him, the Collector is to pass a provisional order, determining the market value of the property and the duty payable. Rule 5 details the principles for determination of the market value.

8. Rule 6 of the 1968 Rules is titled "Procedure after arriving at provisional market value" and states that the Collector shall communicate a copy of his provisional order, determining the market value and the duty payable, to all the persons who are liable to pay such duty along with a notice in Form-II and call upon such parties to lodge their objections, if any, to such determination of the market value within the time specified in the notice. The Collector is also required to hear the parties on the date specified in the notice or on such other date, as may be fixed by him.
9. Rule 7 is titled "Final order determining the market value". Sub-Rule (1) thereof is of relevance. It reads as under: -

“(1) The Collector shall, after considering the representations received in writing and those urged at the time of hearing or in the absence of any representation from the parties concerned or their failure to appear in person at the time of hearing in any case after careful consideration of all the relevant factors and evidence available within him pass

an order within three months from the date of first notice determining the market value of the properties and the duty payable on the instrument, and communicate the order so passed to the parties and take steps to collect the difference in the amount of stamp duty, if any."

10. A plain reading of the aforestated Rule 7(1) makes it clear that the time frame of three months therein is to be counted from the date of the first notice in Form-II under Rule 6 of the 1968 Rules. It is not relatable to the first notice in Form-I under Rule 4. This is apparent as there is no determination of the market value and the duty payable at the stage of issuance of a notice in Form-I. It is only thereafter that the Collector is to consider the representations received in writing and make a provisional determination. Pursuant thereto, the Collector is to then issue the notice in Form-II and after considering the objections to the provisional determination and upon hearing the parties, as provided in Rule 6, the Collector is to pass the final order. This exercise, therefore, does not hinge on the notice issued in Form-I under Rule 4, as the said notice merely culminates in a provisional order of determination, which is then made the subject matter of the later notice in Form-II under Rule 6 of the 1968 Rules. The words "first notice" in Rule 7(1) only indicate that Rule 6 contemplates the possibility of more than one notice in Form-II being issued, as the hearing of the parties may not only be on the date specified in the first Form-II notice but may also be

on such other date as may be fixed by the Collector. The learned Judge, therefore, committed a patent error in opining that the use of those words indicated that they were in the context of the Form-I notice and not the Form-II notice.

11. This aspect has been clarified by this Court in *K. Baskaran (supra)*. The said decision merely clarified the position obtaining under the 1968 Rules and did not bring about a change in law, as understood by the learned Judge. Further, as rightly noted in the aforestated decision, Rule 7 cannot be held to be mandatory, as the time frame fixed thereunder is for the purpose of facilitating early recovery of stamp duties, payable to the Government, and as delay in that regard would have an adverse impact on the exchequer. It is not to benefit a party to a document, who is found to have under-valued the property so as to escape the obligation of paying higher stamp duty. That, clearly, could not have been the intention of the law makers while fixing a time frame in Rule 7(1) of the 1968 Rules.
12. Applying the aforestated principles, we find that the adjudication by the DRO(S) of the market value, *vide* his final order dated 11.02.2010, was obviously within a period of three months, reckoned from the Form-II notice that was issued on 11.01.2010. Therefore, even on facts, there was no reason to interfere with the said order on this inapplicable technical ground.
13. However, as already noticed *supra*, the learned Judge did not go

into the merits of the matter to verify whether the determination of the market value and stamp duty was valid and justified on facts, as the appeal was disposed of on a technical ground. As we find that such ground was without legal and factual basis, the respondent would be entitled to have her appeal decided on merits.

14. The impugned judgment dated 18.08.2017 and the order dated 04.07.2025 are, accordingly, set aside. CMA No. 3645/2013 is restored to the file of the High Court for consideration on merits. The High Court shall endeavour to dispose of the appeal in accordance with law as expeditiously as possible.

15. The appeals are allowed to the extent indicated above.

Pending application(s), if any, shall stand disposed of.

Parties shall bear their own costs.

.....J.
(SANJAY KUMAR)

.....J.
(SANJEEV SACHDEVA)

NEW DELHI;
OCTOBER 16, 2026.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (C) Nos. 10522-10523/2026

[Arising out of impugned final judgment and order dated 18-08-2017 in CMA No. 3645/2013 AND 04-07-2025 in RA No. 232/2024 in CMA No. 3645/2013 passed by the High Court of Judicature at Madras]

**THE CHIEF CONTROLLING REVENUE AUTHORITY
CUM-INSPECTOR GENERAL OF REGISTRATION & ORS. Petitioner(s)**

VERSUS

C. VASANTHA Respondent (s)

Date : 16-10-2026 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJAY KUMAR
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

For Petitioner(s) :

Ms. Rupali Francesca Samuel- 4335, AOR
Mr. Aradhya Trivedi, Adv.

For Respondent(s) :

Ms. Madhusmita Bora, AOR
Ms. Pavithra V., Adv.

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeals are allowed to the extent indicated in the signed order.

Pending application(s), if any, shall stand disposed of.

(DEEPAK GUGLANI)
DEPUTY REGISTRAR

(PREETI SAXENA)
COURT MASTER (NSH)

(signed order is placed on the file)