
**Tamil Nadu Stamp (Prevention Of Undervaluation Of
Instruments) Rules, 1968**

[22 April 1968]

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**Tamil Nadu Stamp (Prevention Of Undervaluation Of
Instruments) Rules, 1968**

[22 April 1968]

S.R.O. No. A-262 of 1968.- In exercise of the powers conferred by sections 47-A and 75 of the Indian Stamp Act, 1899 (Central Act II of 1899), the Governor of Madras hereby makes the following rules:-

1. Short Title :-

These rules may be called the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968.

2. Definitions :-

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Indian Stamp Act, 1899 (Central Act II of 1899);
- (b) "authorised agent" means
 - (i) a person holding a power of attorney authorising him to act on behalf of his principal; or
 - (ii) an agent empowered by written authority under the hand of his principal;
- (c) "form" means a form appended to these rules;
- (d) "registering officer" means the registering officer appointed under the Indian Registration Act, 1908 (Central Act XVI of 1908);
- (e) "section" means a section of the Act.

3. Furnishing Of Statement Of Market Value :-

(1) If an instrument relates to a number of items of property, the market value of each of the items shall be specified separately. For this purpose, the party executing the document or his legal representative, assignee or authorised agent shall attach a separate statement to the instrument, ¹[duly signed by the party executing the instrument] furnishing therein information about the various items of properties involved in the transaction and his own assessment of the market value of each of those items separately. Explanation I:- If an instrument covers lands, comprising several survey numbers or subdivision numbers, the market value shall be specified for the land covered by each survey number or subdivision number, as the case may be, separately. Explanation II:- The statement of market value as required in this rule shall apply only to the instruments of conveyance, exchange or gift, ¹[release of benami right or settlement] as mentioned in section 47-A.

(1-A) If an instrument relates to only one item of property and that property is a building, or if an instrument relates to more than one items of property and one or more such items is or are a building or buildings, the following particulars shall be specified in respect of the building or each of such buildings:-

- (i) the type of building i.e., whether tiled or reinforced concrete roofed or Madras Terraced or otherwise;
- (ii) the number of storeys in the building;
- (iii) the plinth area of each floor or storey in the building with area of each storey or floor of storey;
- (iv) the nature of structure of the building specifying whether the

walls are built in brick and cement, brick and lime mortar or otherwise;

(v) the year of construction of the building;

(vi) the kind of materials used in the construction of the building;

(vii) a brief description of the nature of the sanitary, electrical and other fittings in the building and their quality;

(viii) the size and depth of the well if any in the property; and

(ix) any other special feature affecting the value of the building.

For this purpose, the party executing the document shall attach a separate statement to the instrument ¹[duly signed by the party executing the instrument] furnishing the particulars specified above and his own assessment of the market value of each such building.

(2) The registering officer shall, before registering an instrument, satisfy himself that the party or his legal representative, assignee or authorised agent has attached with the instrument a statement, ² [attached with the instrument duly signed by the party executing the instrument] giving the market value for each of the properties separately as required by sub-rules (1) and (1-A).

(2-A) If the market value of the property as required by section 27 of the Indian Stamp Act, 1899 (Central Act II of 1899) is not set forth in the instrument where the property dealt with therein is a single item or the statement giving the market value of each property separately as required by sub-rules (1) and (1-A) above is not attached to the instrument ¹[duly signed by the party executing the instrument] the registering officer shall refuse the registration of the document.

(3) The registering officer may, for the purpose of finding out whether the market value has been correctly furnished in the instrument, make such enquiries as he may deem fit. He may elicit from the parties concerned any information bearing on the subject and call for and examine any records kept with any public officer or authority. ³ [(4) The registering officer may also look into the

"Guidelines Register" containing the value of properties supplied to them for the purpose of verifying the market value. Explanation.- The "Guidelines Register" supplied to the officers is intended merely to assist them to ascertain prima facie, whether the market value has been truly set forth in the instruments. The entries made therein regarding the value of properties cannot be a substitute for market price. Such entries will not foreclose the enquiry of the Collector under section 47-A of the Act or fetter the discretion of the authorities concerned to satisfy themselves on the reasonableness or otherwise of the value expressed in the

documents.] Footnote: 1. Inserted by G.O. Ms. No. 1317, CT & RE, dated 27.11.1982. 2. Inserted by G.O. Ms. No. 1317, CT & RE, dated 27,11.1982. 3. Sub-rule (4) & explanation was added by G.O. Ms. No. 1192, CT & RE, dated 21.11.1986.

4. Procedure On Receipt Of Reference Under Section 47-A :-

(1) On receipt of a reference under subsection (1) of section 47-A, from a registering officer, the Collector shall issue a notice in Form I,

(a) to every person by whom, and

(b) to every person in whose favour the instrument has been executed, informing him of the receipt of the reference and asking him to submit to him his representations, if any, in writing to show that the market value of the property has been truly set forth in the instrument, and also to produce all evidence that he has in support of his representation, within 21 days from the date of service of the notice.

(2) The Collector may, if he thinks fit, record a statement from any person to whom a notice under sub - rule (1) has been issued.

(3) The Collector may for the purpose of his enquiry-

(a) call for any information or record from any public office, officer or authority under the Government or any local authority;

(b) examine and record statements from any member of the public, officer or authority under the Government or the local authority; and

(c) inspect the property after due notice to the parties concerned.

(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.

5. Principles For Determination Of Market Value :-

The Collector shall, as far as possible, have also regard to the following points in arriving, at the provisional market value,-

(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 accounts;

(iii) the rate of revenue assessment for each classification;

- (iv) other factors 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 ¹[(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.]

(b) In the case of house sites-

- (i) the general value of house sites in the locality;
- (ii) nearness to roads, railway station, bus route;
- (iii) nearness to market, shops and the like;
- (iv) amenities available in the place like public offices, hospitals and educational institutions;
- (v) development activities, industrial improvements in the vicinity;
- (vi) land tax valuation of sites with reference to taxation records of the local authorities concerned;
- (vii) any other features having a special bearing on the valuation of the site; and
- (viii) any special feature of the case represented by the parties.

(c) In the case of buildings-

- (i) type and structure;
- (ii) locality in which constructed;
- (iii) plinth area;
- (iv) year of construction;
- (v) kind of materials used;
- (vi) rate of depreciation;
- (vii) fluctuation in rates;
- (viii) any other features that have bearing on the value;
- (ix) property tax with reference to taxation records of local authority concerned;
- (x) the purpose for which the building is being used and the income if any, by way of rent per annum secured on the building; and
- (xi) any special feature of the case represented by the parties.

(d) Properties other than lands, house sites and buildings-

- (i) the nature and condition of the property;
- (ii) purpose for which the property is being put to use; and
- (iii) any other special features having a bearing on the valuation of

the property. Footnote: 1. Item

(ix) "m rule 5(a) was added by G.O. Ms. No. 1192, CT & RE, dated 21.11.1986.

6. Procedure After Arriving At Provisional Market Value :-

The Collector shall communicate a copy of his order provisionally determining the market value of the properties and the duty payable, to all the persons who are liable to pay the duty along with the notice in Form II and call upon the parties to lodge their objections, if any, to such determination of the market value within the time specified in the notice. The Collector shall also hear the parties on the date specified in the notice or on such other day as may be fixed by him.

7. Final Order Determining The Market Value :-

(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 with him ¹[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.

(2) A copy of the order shall be communicated to the registering officer concerned for his record. ² [(3) The difference in the amount of duty determined by the Collector shall be paid within two months from the date of final order passed under sub-section (2) or sub-section (3) of section 47-A.

(4) The Collector shall, after collecting the difference in amount of stamp duty and interest, if any, under section 47-A, give a certificate in Form III by endorsement on the instrument.]

Footnote: 1. The above expression was substituted by G.O. Ms. No. 69, CT&RE, dated 26.2.1997. 2. Sub-rules (3) & (4) of Rule 7 were substituted by G.O. Ms. No. 35, CT, dated 9.3.2001.

8. Appearance Through Advocate Or Authorised Agent :-

In an enquiry under the foregoing rules any party to an instrument may appear either in person or through an advocate or an authorised agent.

9. Appeals :-

(1) The appellate authority for the purpose of sub-section (5) of section 47-A shall be the Chief Controlling Revenue Authority (hereinafter referred to as appellate authority). Such an appeal shall be preferred within two months from the date of Collectors order determining the market value under sub-rule (1) of rule 7: Provided that in so far as an order passed by the Collector between the commencement of the Indian Stamp (Tamil Nadu Amendment) Act, 1998 (Tamil Nadu Act 1 of 2060) and ending with the 9th March 2001 is concerned the said period of two months shall be reckoned from the 9th March 2001.

(2) An appeal shall be made in duplicate and shall contain the following particulars namely:-

(a) full name, fathers name or husbands name, occupation and address of the appellant;

(b) full name, fathers name or husbands name, occupation and address of every person executing the instrument;

(c) full name, fathers name or husbands name, occupation and address of every person claiming under the instrument;

(d) date and nature of the instrument;

(e) registration number, date of registration and name of office where the instrument was registered;

(f) name of town or village in which the property is situated together with the name of the taluk and the registration sub-districts;

(g) number and date of the Collectors order which is appealed against;

(h) market value of the property as set forth in the instrument;

(i) market value of the property as determined by the Collector.

(3) Every appeal shall be accompanied by:-

(a) the original or certified copy of the order appealed against;

(b) the original or a certified copy of the instrument; and

(c) memo of grounds of appeal.

(4) Every appeal shall be presented in person or by an advocate or by an authorised agent or sent by registered post to the appellate authority having jurisdiction, which shall endorse the date of receipt.

(5) (a) An appeal under sub-section (10) of section 47-A shall be preferred within two months from the date of final order passed under sub-section (5) or sub-section (6) of section 47-A: Provided that in so far as an order passed under subsection (6) of section 47-A between the commencement of the Indian Stamp (Tamil

Nadu Amendment) Act, 1998 (Tamil Nadu Act 1 of 2000) and ending with 9th March 2001 is concerned, the said period of two months shall be reckoned from the 9th March 2001.

(b) such appeal shall be made in duplicate and shall contain the following particulars, namely:-

(i) full name, fathers name or husbands name, occupation and address of the appellant;

(ii) full name, fathers name or husbands name, occupation and address of every person executing the instrument;

(iii) full name, fathers name or husbands name, occupation and address of every person claiming under the instrument;

(iv) date and nature of the instrument;

(v) registration number, date of registration and name of office where the instrument was registered;

(vi) name of town or village in which the property is situated together with the name of the taluk and the registration sub-district;

(vii) number and date of the order of the authority which is appealed against;

(viii) market value of the property as determined by the authority;

(ix) in respect of matters not provided for in these rules, the appeal shall be preferred in the manner prescribed in the Code of Civil Procedure, 1908 (Central Act V of 1908).

(c) Every appeal under sub-section 10 of section 47-A shall be presented in person or by an advocate duly authorised.] Footnote:

1. Rule 9 was substituted by G.O. Ms. No. 35, CT (J1), dated 9.3.2001.

10. Procedure For The Disposal Of Appeals :-

(1) If the appellate authority admits the appeal, a date shall be fixed for hearing the appellant. The appellate authority shall issue a notice to the appellant informing him of the date on which and the time and place at which the appeal shall be heard. Such notice shall also state that if the appellant does not appear on the day so fixed or any other day to which the hearing may be adjourned, the appeal shall be liable to be dismissed for default or disposed of on merits ex parte.

(2) The appellate authority shall send a copy of the notice to the Collector together with a copy of the appeal and call for and obtain the records of the case from the Collector.

11. Hearing Of Appeal :-

On the date fixed or on any other date to which the case may be adjourned, the appellate authority shall hear the appellant and receive any evidence adduced on his behalf. It shall also hear the person, if any, appearing on behalf of the Collector and receive the evidence, if any adduced in support of the Collectors order.

11A. Decision Of The Appellate Authority :-

The appellate authority may, for the purpose of deciding an appeal,-

- (a) call for any, information or record from any public office, officer or authority under the Government or any local authority;
- (b) examine and record statements from any member of the public officer of authority under the Government or the local authority; and
- (c) inspect the property after due notice to the parties concerned.

12. Order In Appeal :-

After considering all the evidence adduced and representations made on behalf of the appellant and the Collector and examining the records of the case ²[and any other facts considered under rule 11-A] the appellate authority shall decide whether or not the market value of the properties as determined in the order of the Collector under sub-section (2) or sub-section (3) of section 47-A is correct. In case, the appellate authority does not accept the valuation of the properties made by the Collector, it shall determine the correct market value of the properties, and the duty payable on the instrument. The appellate authority shall embody its decision and the reasons thereof in an order and communicate it to the appellant, the Collector and the registering officer concerned. Footnote: 1. Rule 11-A was added by G.O. Ms. No.35, CT (J1), dt. 9.3.2001. 2. The above expression was inserted by G.O. Ms. No.35, CT (J1), dt. 9.3.2001.

13. Return Of Records To Collector :-

As soon as possible after the order is passed the appellate authority shall return the records of the Collector to that officer.

14. Rules Of Procedures :-

(1) The appellate authority may adjourn the hearing of the appeal from time to time, as it thinks fit.

(2) The appellate authority may at any stage call for any information, record or other evidence from the appellant or the Collector.

(3) In the appeal, the appellant may appear either in person or through an advocate, or an authorised agent.

(4) In respect of matters not provided for in these rules, the

provisions of the Code of Civil Procedure, 1908 (Central Act V of 1908), relating to the procedure to be followed by the appellate authority in appeals against the orders of the Civil Court shall, as far as may be, apply to appeals under ¹[sub-section (5)] of section 47-A. Footnote: 1. The expression "sub-section (5)" was substituted for the expression "sub-section (4)" by G.O. Ms. No. 35, CT (J1), dt. 9.3.2001.

15. Manner, Of Service Of Notice And Orders To The Parties

:-

Any notice under rule 4 or order under rule 4 or 7 shall be served in the following manner, namely:-

(a) in the case of any company, society or association of individuals, whether incorporated or not, be served-

(i) on the secretary or any director or other principal officer of the company, society or association of individuals, as the case may be; or

(ii) by leaving it or sending it by registered post acknowledgment due addressed to the company, society or association of individuals as the case may be at the registered office, or if there is no registered office, then at the place where the company, society or association of individuals as the case may be, carries on business.

(b) in the case of any firm, be served-

(i) upon any one or more of the partners; or

(ii) at the principal place at which the partnership business is carried on, upon any person having control or management of the partnership business at the time of service.

(c) in the case of a family, be served upon the person in management of such family or of the property of such family, in the manner specified in clause (d).

(d) in the case of an individual person, be served-

(i) by delivering or tendering the notice or order to the person concerned or his Counsel or authorised agent; or

(ii) by delivering or tendering the notice or order to some adult member of the family; or

(iii) by sending the notice or order to the person concerned by registered post acknowledgment due; or

(iv) if none of the aforesaid modes of service is practicable, by affixing the notice or order in some conspicuous part of the last known place of residence or business of the person concerned.

16. Section 16 :-

If the "Collector" determines market value of property under

section 47-A an amount less than the amount for which the parties paid stamp duty under section 41, under protest, to the registering officer, he shall order the refund of excess stamp duty collected from the parties marking copies of such order to the Registering Officer and the Treasury / SubTreasury Officer concerned. The Registering Officer who originally collected the stamp duty shall prepare and endorse the bill and arrange for the refund of the excess amount paid within sixty days from the date on which the orders were passed by the Collector. Footnote: 1. Rule 16 was added by G.O. Ms.No. 1317, CT & RE, dated 27.11.1982. Illustration In an instrument presented for registration by "A", the consideration amount of the transaction was Rs.1000/- and stamp duty was paid accordingly. The Registering Officer suspected undervaluation and arrived at a market value according to guidelines at Rs.3000/- "A" paid full stamp duty therefore under protest, and insisted referring the instrument to "Collector" under sub-section

(1) of section 47-A. The "Collector" determined the market value of the instrument at Rs.2000/- and decided that the stamp duty paid for the excess amount of Rs.1000/- shall be refunded to "A".] Form under Rule 3(1) Of The Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968 Serial No. Survey No. Extent Nature Executants of estimate of Property Market Value Signature of the executant or executants Note:- The particulars in the above form are necessary only in respect of lands.

FORM 1

Form I

[See rule 4] Form of notice prescribed under rule 4 of the Tamil Nadu Stamp (Prevention of Under valuation of Instruments) Rules, 1968 To, Please take notice that under sub-section (1) of section 47-A of the Indian Stamp Act, 1899 (Central Act II of 1899), a reference has been received from the registering officer for determination of the market value of the properties covered by an instrument of conveyance/exchange/gift/ ¹[release of benami right/settlement] registered as document No dated the and the duty payable on the above instrument. A copy of the reference is annexed. 2. You are hereby required to submit your representation, if any, in writing to the undersigned within 21 days from the date of service of this notice to show that the market value of the properties has been truly and correctly set forth in the instrument. You may also produce all evidence in support of your representations within the time allowed. 3. If no representations are received within the time allowed, the matter will be disposed of on the basis of the facts available. Office : Station : Collector Date :

FORM 2

Form II

[See rule 6] Form of notice prescribed under rule 6 of the Tamil Nadu Stamp (Prevention of Undervaluation of Instruments) Rules, 1968 To, Please take notice

that in the matter of the reference under sub-section (1) of section 47-A of the Indian Stamp Act, 1899 (Central Act II of 1899) relating to the determination of the market value of the properties covered by an instrument of conveyance/exchange/gift ¹[release of benami right/settlement] registered as document No dated received from the registering officer. I have passed an order provisionally determining the market value of the properties and the duty payable on the instrument. A copy of the order passed in the matter is annexed.

Footnote:

1. The above expression was inserted by G.O. Ms. No. 1317, CT & RE, dt. 27.11.1982.

2. The matter relating to the final determination of the market value of the properties and the duty payable on the instrument will be taken up for hearing on the (date) ... camp at a.m/p.m. You are hereby required to lodge before the undersigned before the date of the hearing, your objections and representations, if any, in writing as*to why the market value of the properties and the duty as provisionally determined by me, should not be confirmed to adduce oral or documentary evidence and be present at the hearing. If you fail to avail yourself of this opportunity of appearing before the undersigned or adducing such evidence, as is necessary, producing the relevant documents, no further opportunity will be given and the matter will be disposed of on the basis of the facts available. Office: Station: Date : Collector

FORM 3

Form III

[See rule 7 (4)] Form of certificate prescribed under sub-rule (4) of rule 7 of the Tamil Nadu (Prevention of Undervaluation of Instruments) Rules, 1968 To, This is to certify that a sum of Rs (Rupees only) being the difference in amount of duty and a sum of Rs..... (Rupees only) being the interest payable under section 47-A of the Act has been collected and it is held that the instrument has been properly stamped. Collector]

Footnote: 1. Form III was substituted by G.O. Ms. No. 35, CT (J1), dt. 9.3.2001.