

C I R C U L A R

Sub: Indian Stamp Act - Amendment for levy of stamp duty on market value-Steps for implementation - Instructions - Issued.

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According to the provisions in the Indian Stamp Act, 1899 as extended to this Union Territory, stamp duty is payable on the amount or value of the consideration in the case of conveyances by mortgage, sale, gift etc. The Indian Stamp (Pondicherry Amendment) Act, 1970, which has received the assent of the President has been published in the Extra ordinary Gazette No. 71, dated 5.8.1970 and it came into force from the date of its assent by the President on 9.7.70.

According to the Amendment Act, the Stamp duty will be levied on the market value of the property, instead of on the value of the consideration noted in the document. As per section 47-A of the above Act, if the registering authority has reason to believe that the market value of the property conveyed has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for the determination of the market value and proper duty paid thereon.

Under this provision, a reference will be made to the concerned Deputy Collectors (Revenue), who have been appointed to perform all the functions of the Collector under the Act, vide the notification published at page 636 of the Gazette No.33, dated 18.8.1970. In order that the Sub-Registrars may resort to a reference to the Collector only in deserving cases, it has been decided to prepare and furnish to the Sub-Registrars certain guidelines with reference to which they would be in a position to find out whether the valuation made in a particular document is correct. The following instructions are issued for the guidance of the Sub-Collector and Deputy Collectors in implementing the Scheme:-

PROGRAMME OF IMPLEMENTATION

The first step in the scheme is to assemble the Tahsildars, Deputy Tahsildars, Revenue Inspectors and Karnams for issuing instructions to them and for drawing up a programme. In respect of Pondicherry, this may be taken up for each Taluk/Sub-Taluk. The scheme should be explained in detail to the Officers and clear instructions should be given as to what should be done at each stage. This may be completed in a week.

(a) PREPARATION OF GUIDELINES:

The Scheme consists of the preparation of detailed valuation lists for each village and their over check.

For the guidance of Sub-Registrars, it is necessary to furnish to them a list for each Revenue Village containing the average valuation of different categories of lands. These valuation particulars, which will no doubt, represent the minimum value, should be furnished separately for dry and wet lands for the different classes in each village. In regions where there are other classification of lands like manavari, garden etc., as per the Revenue Records, similar particulars

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should be furnished like-wise. The valuation arrived at will have to be compared and finalised with the sales statistics to be obtained from the Sub-Registrars' Offices. For this purpose, the District Registrar has already been requested to arrange to keep the necessary particulars ready.

With the help of these valuation lists to be prepared by the Revenue Department, the Sub-Registrars must be in a position to find out, on production of a document, to which class or group, the lands in such document belong and find out the average value for that class. By the comparison of that value with that noted in the document, he can decide whether there has been any undervaluation.

(b) PREPARATION OF VALUATION LISTS FOR AGRICULTURAL LANDS:

For each Revenue village, a list has to be prepared showing the market value of the various classes of each category of lands dry wet etc. The details of classes found in the Revenue records of the village should form the basis for the preparation of lists. The lists should show the values for each class such as 1st, 2nd etc.,. In the case of dry and similar category of lands, the values will have to be furnished for each class and also separately for rainfed dry land, lands irrigated from well and dry lands irrigated from Government sources etc.,.

It is likely that even within the same class, there are wide differences in valuation between lands lying in different parts of the same village. Nearness of some lands to the irrigation sources and sluices, to the roads and markets etc., obviously account for this difference. It is therefore, necessary to further classify the lands under a particular class into groups based on the valuation of the lands ascertained by detailed enquiry in the village. The valuation lists should be prepared in the manner indicated below:-

1) The Karnam of the village should first prepare a list showing all the patta survey numbers included in each class, separately for wet, dry and similar category of lands. He should, then, classify the lands in a particular class (Such as 1, 2, 3 etc.,) into various groups such as group I, Group II etc., according to the prevailing market value of the lands.

The list should be in the form given in Annexure-I. The value to be noted in Col.4 should be carefully fixed with reference to the prevailing market value of the different lands falling within the group. In the case of dry and similar category of lands, the list should show valuation of:-

- a) rainfed lands;
- b) lands irrigated from a Government source under each class;

The Karnam should prepare the list, filling in Col.1 to 5 and send it to the Revenue Inspector. On receipt of the list, the Revenue Inspector should visit the village, assemble the local municipal Councillor, members of the agricultural syndicate and other leading ryots. He should overcheck the valuation given in the lists, by discreet and careful enquiry of these persons. The District Registrar will make available to the Revenue Inspectors, through the concerned Tahsildars and Deputy Tahsildars, a list of all transactions relating

to each village during the last 2 years. The Revenue Inspectors should take this list with him to the village and he should classify the land found in this list into the various groups that have been formed by the Karnam in his valuation list. He should make out the sale value per hectare, according to the registration statistics and note the highest valuation against each group in column 6 of the Karnam's valuation list for the purpose of comparison. He should also note, in column 7, the final valuation which in his opinion should be adopted for that group of lands. It is well known fact that the Registration figures are clearly undervalued and hence the final figure to be adopted by the Revenue Inspectors should be with reference to the searching enquiries to be made from the village by themselves. In any case, it should be understood that the figures in column 7 cannot be less than that in column 6. Column 5 should show briefly the nature of lands forming the group in question such as double crop wet, single crop wet, nearness to the road, industrial area, house sites etc., The Revenue Inspectors should record a certificate of verification at the bottom of the list and send to the Tahsildar or Deputy Tahsildar who will undertake a percentage check in not less than 25% in each village. The Tahsildar or Deputy Tahsildar should also record a certificate of verification, sign the lists and arrange them in separate files for the jurisdiction of each Sub-Registrar and send them to the concerned Sub-Collector/Deputy Collector. The Sub-Collector/Deputy Collectors are requested to undertake an intensive tour and review the progress of work and issue suitable instructions. They will also visit a fair percentage of the villages and verify and watch whether the work of valuation has proceeded on proper lines.

After overcheck by the Tahsildar or Deputy Tahsildar, as the case may be, 2 copies of the lists should be prepared in the concerned Taluk or Sub-Taluk Office, (omitting columns 4 and 6) and sent to the Sub-Collector/Deputy Collectors. The Sub-Collector/Deputy Collectors will retain one copy of the list with them and hand over the other list to the Sub-Registrar concerned. The final list to be handed over to the Sub-Registrar and kept in the Sub-Collector/Deputy Collector's Office should show only the details in columns 1 to 3, 5 and 7 (as columns 4 and 6 are required only at the initial stages and need not appear in the final lists).

(c) MARKET VALUE:

According to the Amendment Act, the market value of the property shall be the price, which such property would have fetched or would fetch, if sold in the open market on the date of execution of the document. The prevailing market rates of various classes and groups in a village should be very carefully ascertained by the Karnam while preparing the list. During overcheck, the Revenue Inspector should make detailed enquiries from the Karnam and the villages and finalise the valuation with reference to his enquiries and the registration statistics made available to him.

The following factors should be taken into consideration in preparing the valuation lists:-

WET LANDS:

- (a) The source under which the land is irrigated;
- (b) The number and type of crops usually raised on the land;
- (c) the sluice, its level and its proximity to the land in question;
- (d) the level of the land as compared to the level of sluice and the feeding channel;
- (e) nearness to village habitations and markets and transport facilities available;
- (f) introduction of new schemes such as package programmes, intensive agricultural development schemes etc., to the area; and
- (g) improvements and development, if any, effected, particularly from the point of view of industrialisation.

DRY, UNIRRIGATED AND GARDEN LANDS ETC.,

- (a) Irrigation facilities from a Government source or a well with or without pumpset;
- (b) the number and type of crops raised on the land;
- (c) new irrigation projects, if any constructed, benefiting the land;
- (d) nearness to the village site and market;
- (e) transport facilities available; and
- (f) improvements and development effected, particularly from the point of view of industrialisation.

(d) HOUSE SITES:

It is not likely that in villages there will be many sales of house-sites. But in towns, there will be sales of house sites which will be very valuable. In the case of towns, the karnams themselves under the direct guidance of the Revenue Inspector, shall be asked to prepare detailed lists of valuation for each portion of the town, such as important streets, and group of streets etc., . In the case of bigger towns like Pondicherry and Karaikal, the Revenue Inspectors themselves should contact the concerned authorities and prepare valuation list of house sites in different localities.

In valuing the vacant house sites and sites occupied by houses, the following points should be taken into account:-

- (a) Location of the site, distance from the main street, main road, bazaar, market etc.
- (b) extent conveyed purpose for which it can be used such as house site, factory site, shop etc.
- (c) amenities that are available in the locality

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(d) development that have taken place in neighbourhood, particularly from the point of view of industrialisation.

In the case of suburbs to a town:-

(a) proximity to the town;

(b) amenities available such as roads, drains, lighting, water supply etc.

(c) location of the site in the lay-out-nearness to mainstreet, bus stand, railway station etc. and

(d) improvements effected in the locality.

(e) VALUATION OF SUPERSTRUCTURES:

It will not be practicable to prepare any detailed list of valuation of houses since the valuation of a house will depend on various factors, such as the locality in which it is situated, the amenities that are available, as light, road, drainage etc - the size of the house, type of construction, the date of construction etc. The Sub-Collector/Deputy Collectors will however contact the Public Works Department authorities and ascertain from them sufficient data for valuation of super structure on the basis of plinth areas. They should also obtain the rates to be adopted in the valuation for the different types of construction and the rates of depreciation to be allowed on the number of years that have elapsed since the construction of the structure. The principles generally adopted by the Public Works Department authorities for valuation of buildings in different localities of a town should be ascertained and furnished to the Sub-Registrars.

(f) TIME LIMIT:

The following time limit should be observed in implementing the various stages of the scheme:-

<u>Stage</u>	<u>Time limit for Pondicherry/ Karaikal re- gions</u>	<u>Time limit for other regions</u>
1(a) Issue of instructions to Tahsildars, Dy. Tahsildars, Revenue Inspectors and Karnams.	One week from the date of Circular	One week from the date of Circular
(b) Handing over of registration statistics by Sub-Registrars to Tahsildars and Deputy Tahsildars.		
2. Preparation of valuation lists by Karnams	One month	15 days
3. Overcheck of valuation lists by Tahsildars/Deputy Tahsildars and Sub-Collectors/Deputy Collectors	15 days	7 days

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|--|---|---------|--------|
| 4. preparation of copies of lists | X | 15 days | 7 days |
| and handing over valuation lists to them | X | | |

The above time limit should be strictly kept up and the work completed within 2½ months in Pondicherry and Karaikal regions and 1½ months in Mahe and Yanam regions. A completion report should be submitted at the end of this period.

(g) REVIEW OF PROGRESS:

In order to watch the progress at various stages, the Sub-Collector/Deputy Collectors are requested to send a fortnightly report ~~xxx~~ in the following form:-

- | | Taluk | Sub-Taluk | Sub-Taluk |
|--|-------|-----------|-----------|
| 1. Name of Taluk/Sub-Taluk : | | | |
| 2. No. of revenue villages in each taluk in respect of which the valuation lists has to be completed (taluk-wise): | | | |
| 3. No. of villages for which preparation of valuation lists has been completed (taluk-wise) | | | |
| 4. No. of villages for which lists have been sent to Tahsildars/Deputy Tahsildars (Talukwise). | | | |
| 5. No. of villages for which overcheck has been completed by the Tahsildars/Deputy Tahsildars (Taluk-wise) | | | |
| 6. No. of villages for which preparation of copies has been completed and sent to Sub-Collector/Deputy Collectors (Taluk-wise) | | | |
| 7. No. of cases for which lists have been handed over to the concerned Sub-Registrars (Taluk-wise). | | | |
| 8. Remarks, if any. | | | |

The receipt of this Circular should be acknowledged at once.

M.S. RAJAJEE
SECRETARY TO GOVT

To
The Sub-Collector, Pondicherry.
The Deputy Collectors (Revenue), Karaikal, Mahe and Yanam.
The District Registrar, Pondicherry.

Copy to: The Tahsildars and Dy. Tahsildars (Thro' the concerned Sub-Collector/Deputy Collectors).
The Sub-Registrars (thro' the Dt. Registrar).

Sd/-
(A. SUBBARA PILLAI)
UNDER SECRETARY (REVENUE)

-/ True Copy -/

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ANNEXURE

1. Class
2. Block No.
3. Details of Survey Nos.
4. Prevailing market value per hectare
5. Nature of lands forming the group, such as double crop wet, single crop wet, etc. nearness to the road, house site etc.
6. Highest rate per hectare as per registration statistics
7. Minimum value per hectare.
8. Remarks.