

VALUATION OF SUIT FOR SPECIFIC PERFORMANCE OF CONTRACT OF IMMOVABLE PROPERTY

Sec.39 of A.P.C.F. and S.V. act 1956 deals with mode of valuation of the suits for specific performance purpose relating to immovable property. Sec.39 says in a suit for specific performance with or without possession the value of the suit is the total consideration computed in contract of sale and fee shall be paid on the total consideration agreed between the parties under the contract of sale.

For Example:- Vendee entered into an agreement to purchase the immovable property for Rs.1,75,000/- from Vendor. Vendee paid Rs.1,25,000/- to the Vendor. Since the Vendor refused to receive the balance sale consideration of Rs.50,000/- and refused to register the property in favour of Vendee, hence the Vendee intends to file a suit for specific performance.

In the present problem, the total consideration for the immovable property agreed between the vendor and Vendee is Rs.1,75,000/- and whether any advance amount paid by the Vendee is not relevant for the purpose of valuation of suit. Whatever may be the advance paid by the Vendee and whatever balance is payable is not necessary and not relevant. It is only the total agreed sale consideration is the value of the suit U/Sec.29 of A.P.C.F. and S.V. Act. Therefore, the value of suit is Rs.1,75,000/- and since the value is below Rs.20,00,000/- the Junior Civil Judge is competent to entertain the suit.