

COMMERCIAL TAXES AND
REGISTRATION DEPARTMENT
DEMAND NO.11
STAMPS AND REGISTRATION
POLICY NOTE 2007-2008

Introduction

Registration Department is providing a valuable and important service to the public in registering documents of sale, lease, mortgage, will etc involving transfer of immovable properties like land and buildings. The registration of the documents gives legal status for the transactions. The department is functioning from the year 1865. The department is levying and collecting stamp duty on the market value of the immovable property involved in the transaction. Registration fee is also collected for the services rendered by the department in the registration of the documents. The department has earned a revenue of Rs.2349 crores during 2005-06. During 2006-07, it has registered a total revenue of Rs.2914.31 crores up to February, 2007. The growth rate of revenue is about 45% over the revenue of the previous year 2005-2006. By the end of the financial year 2006-

07(i.e. by 31st March, 2007), it is expected that there will be a net increase of Rs.1000 crores over the previous year's revenue. The revenue contribution to the State by this department is next only to Commercial Taxes and Prohibition and Excise Departments.

The revenue of the department is derived by the levy of 6% stamp duty, 2% transfer duty (surcharge) and 1% registration fee on the market value of the property involved in the document. The transfer duty is levied only in documents of sale, exchange, gift, mortgage with possession. This transfer duty is assignable to the local bodies at 95% in urban areas and 97% in rural areas.

Revenue collection and Number of Documents registered during the past five years

Year	No. of Documents registered	Percentage of increase	Revenue Collected (Rs in crores)	Percentage of increase
2001-2002	1390394	0.49%	1264.20	15.54%
2002-2003	1581764	13.76%	1648.86	30.43%
2003-2004	1592934	0.71%	1732.91	5.10%
2004-2005	1761696	10.59%	1881.53	8.58%

2005-2006	2011566	14.18%	2348.64	24.83%
2006-2007 (upto Feb 2007)	2188773	22.11%	2914.31	43.98%

Both in terms of the number of documents registered and the revenue collected, the department has shown an impressive growth of **22.11%** and **43.98%** respectively in the year 2006-07, due to the strenuous efforts of the Government.

Tax Laws administered by the Department

The Department administers the following tax laws:

1. The Indian Stamp Act, 1899 (Central Act II/1899)
2. Registration Act, 1908 (Central Act XVI/1908)
3. The Tamil Nadu Societies Registration Act, 1975(Tamil Nadu Act 27/1975)
4. The Chit Funds Act, 1982 (Central Act 40/1982)
5. The Tamil Nadu Non-Trading Companies Act, 1972(Tamil Nadu Act 16/1972)

Limited functions of the Department in the following Social Laws:

The department performs certain limited functions under the following social laws:

1. The Births, Deaths and Marriages Act, 1886(Central Act 6/1886)
2. The Births and Deaths Act, 1969(Central Act 18/1969)
3. The Hindu Marriages Act, 1955(Central Act 25/1995)
4. Indian Christian Marriages Act, 1872 (Central Act 15/1872)
5. The Parsi Marriage and Divorce Act, 1932(Central Act 3/1932)
6. The Special Marriages Act, 1954(Central Act 43/1954)
7. The Dowry Prohibition Act, 1961(Central Act 28/1961)
8. The Indian Partnetship Act, 1932(Central Act 9/1932)

Department's Organisational set up

Inspector General of Registration

The Inspector General of Registration is the head of the department at Santhome, Chennai. He is statutorily the Chief Controlling Revenue Authority under the Indian Stamp Act, 1899. He is

also the Registrar under the Chit Funds Act, 1982, Tamil Nadu Societies Registraton Act, 1975 and Tamil Nadu Non-Trading Companies Act, 1972. He is empowered to suo-motu review the orders passed under section 47-A(1) and 47-A(3) of the Indian Stamp Act, 1899.

Officials assisting the Inspector General of Registration at Headquarters

The following officials at the headquarters assist the Inspector General of Registration at the headquarters to discharge his duties:

1. Additional Inspector General of Registration (Stamps and Registration)
2. Additional Inspector General of Registration (Guidelines)
3. Additional Inspector General of Registration (Intelligence)
4. Additional Registrar of Chits
5. Personal Assistant (General)
6. District Registrar (Guidelines)
7. District Registrar (Inspection)
8. Personal Assistant (Chits)
9. Accounts Officer

Registration Zones headed by Deputy Inspector General of Registration

There are nine registration zones in the State with headquarters at Chennai, Vellore, Cuddalore, Tiruchirappalli, Thanjavur, Salem,

Coimbatore, Madurai and Tirunelveli. The Zone heads supervise the functions of the District Registrars and Sub Registrars. They are the Joint Registrars under the Chit Funds Act, 1982.

There are five Assistant Inspectors General of Registration in the Offices of the Deputy Inspector General of Registration at Chennai, Tiruchirappalli, Madurai, Tirunelveli and Coimbatore. Their functions are to conduct surprise inspection of the sub-registrar offices and make enquires on petitions from the public, test checking the audit work of the District Registrar (Audit) etc.

Registration Districts

There are 50 Registration districts each headed by a District Registrar (Administration). They are the Registrar of Societies, Deputy Registrar of Chits, Registrar of Marriages and Registrar of Firms.

Audit units

There are 45 audit units headed by District Registrar. They conduct 100% audit of all registered documents to ensure that market value of properties are correctly determined and stamp duty thereon is collected properly.

Sub Registrar Offices

There are 558 Sub-Registrar Offices in the State. The primary function of the Sub Registrar is to register the documents after verifying the market value and payment of proper stamp duty and registration fee on the property involved in the documents. He also functions as Registrar of Marriages and Assistant Registrar under the Chit Funds Act, 1982.

Training Institute

A training institute of the Department is functioning at Chennai. Officers and staff of the department are given intensive training in the administration of the Stamp Act, Registration Act and other Acts administered by the department. Training is also provided to them in handling the IT enabled operations.

Intelligence Cell

In transactions involving transfer of immovable properties of buildings, stamp duty has to be paid on the true value of the buildings. To detect any under valuation of buildings, an Intelligence Cell headed by an Additional Inspector General of Registration, eight District Registrars, four Sub-Registrars and two Assistant Executive

Engineers is functioning in the department with headquarters at Chennai.

Vigilance Cell

A Vigilance Cell headed by an Assistant Inspector General of Registration assisted by a Sub-Registrar, is functioning for conducting enquires into complaints received from the public against personnel of the Registration Department.

Guideline Values

Indian Stamp Act, 1899 provides for collection of stamp duty on the market value of the property, which is the subject matter of the transaction. To judge the market value of the property, all the registering officers are provided with guideline value registers, villagewise, indicating the probable market value. These guideline values are also available in the department's web site for the benefit of the public.

It has been brought to the notice of the Government that there are a lot of anomalies in the guideline values. With a view to set right the anomalies and with a goal to make the guideline values reflect the real market value, Taluk level committees, District level committees and Central Valuation committee have been formed to rationalize the guideline values. These committees have taken up the task of revamping the guideline

values and have almost completed the task. The rationalized guideline values are to be implemented soon.

Special Deputy Collectors (Stamps)

In cases of documents where the properties are valued by the parties less than the guideline value, and if the party refuses to pay duty on the guideline value, the Registrar, after registering the document, refers it under section 47-A of the Stamp Act to the Collector for determination of the correct market value and the property duty payable on the document. 9 Deputy Collectors (Stamps) at Vellore, Cuddalore, Tiruchirappalli, Thanjavur, Salem, Madurai, Tirunelveli , Virudunagar and Tuticorin and 2 District Revenue Officers (Stamps) at Chennai and Coimbatore have been appointed to discharge the functions of the Collector under section 47-A of the Stamp Act. They inspect the properties and after making necessary enquiries determine the true market value and proper duty payable on the registered documents referred by the registrar.

Prevention of under valuation of documents

An amendment to section 47-A of the Indian Stamp Act, 1899 has been passed in the last session of the State Legislature to amend the

section 47-A of the Indian Stamp Act, 1899 and is awaiting the assent of the President of India. On being brought into force, the amended Act will provide for registration of documents only when stamp duty is paid on the guideline value. If not, the document will be kept pending and the same will be referred to the District Revenue Officer (Stamps) / Special Deputy Collector (Stamps) for determination of market value and the duty payable thereon. It has also been decided to give statutory backing to the guideline values.

Samadhan Scheme

As announced in the Budget Speech 2007-08, action is being taken to introduce a new Scheme to enable the Government to receive without delay the revenue of Rs.400 crores blocked in the 27,000 documents pending for determination of market value of the properties. The parties will also get back the registered documents after paying the concessional stamp duty in such pending documents.

As announced in the Budget Speech 2007-2008, action is being taken to create a separate 'Document Writers Welfare Fund' with a view to promote the welfare of document writers engaged in document writing associated with the various registration offices in the State.

Stamp papers (Non judicial)

Non judicial stamp papers in the denominations of Rs.2, 10, 20, 50, 100, 500, 1000, 5000, 10000 and 25000 are printed at Nasik Security Press and procured by the Assistant Superintendent of Stamps who distributes these papers to the District Treasuries for sale to the public through stamp vendors. The Sub Registrars are also authorized to sell stamp papers to the public. The stamp papers are used to write documents of sale, exchange, mortgage, gift, lease etc. There are 2,376 licensed stamp vendors in the State. Their accounts are regularly checked by the officials of the Registration Department.

In case of non-availability of stamp papers, stamp duty can be paid in cash or by bank draft to the Sub Registrar. Ultra Violet lamps have been provided to all the registering officers to detect fake stamp papers.

There are licensed document writers and copy writers to assist the public in writing and copying the documents. Document Writer's license is granted to the persons who come out successfully in the examination conducted in the Indian Stamp Act, 1899 and the Registration Act, 1908. This license is of three types, viz., State level, District level and Sub-District level.

E- Stamping

Circulation of fake stamp papers pose a continuous threat to the economy of the State and collection of stamp duty by alternative means is under the consideration of the Government. To accomplish this, the Government has embarked on a new venture of '**e-stamping**', first of its kind in the country, to collect stamp duty. Once this system is implemented, it is expected that the stamp duty revenue due to the exchequer would be collected without any hassle.

Affixing photographs of parties to the document

As a safety measure, it is mandatory to affix photographs of the registrants on the documents presented for registration.

e-Governance

Out of the 558 Sub Registrar Offices dealing with registration of documents, 450 offices have already been computerized. The remaining 108 offices are being computerized. The following services are given by the department to the public in the 558 Sub Registrar Offices, 50 District Registrar Offices in the State:-

- (a) Scanning and storing on compact disc of documents registered. This enables retrieval of the documents quickly for verification of encumbrances on properties and for furnishing copy of documents to parties concerned.
- (b) Preparation of property valuation statement.
- (c) Registration of marriages / Societies / Firms / monitoring chits.
- (d) Guideline values of all properties in all parts of the State are hosted on the website of the Registration Department for information and verification of the public.
- (e) The Indian Stamp Act, 1899, The Registration Act, 1908, the Rules made under the aforesaid Acts, The Tamil Nadu Societies Registration Act, 1975, The Chit Funds Act, 1982 etc are hosted in the department's website.
- (f) The various forms prescribed under the Stamp Act and Registration Act for reference of the public are also hosted in the website.
- (g) Models draft deeds of sale, lease, mortgage etc. are also available in the department's website.

Societies Registration

Registration of Societies and supervision of the functioning of these societies under the Tamil Nadu Societies Registration Act, 1975 is an important function of the department. There are 1,33,214 Societies registered under the Act as on 28.2.2007 in the State.

Administration of Chits

The Chit Funds Act, 1982 and the Tamil Nadu Chit Fund Rules, 1984 govern the conduct of Chits by Chit companies in the State. Deputy Inspectors General of Registration in the Zones and the District Registrars in the Registration District oversee the conduct of chits by chit funds. 47 Sub-Registrars are exclusively functioning in various districts to supervise the conduct of chits . A 'Chit Vigilance Cell' under an Additional Inspector General of Registration is also functioning to monitor the chit funds. There are three Chit Arbitrators to examine and dispose of arbitration cases.

Registration of Partnership Firms

Registration of Partnership Firms under the Indian Partnership Act, 1932 is another important

function of the department. As on 28.2.2007, there are 4,76,080 registered firms in the State.

Marriage Registration

Hindu Marriages Act, 1955, empowers the Sub-registrars to register the marriages of Hindus, which were already solemnized. Making the registration of marriages compulsory under this Act is under the active consideration of the Government.

Marriages between couples of different religions are solemnized and registered under the Special Marriage Act, 1954. Under this Act, an application for registration of a marriage has to be filed before the registering officer and on expiry of 30 days, the marriage will be solemnized, subject to the condition that no objection is received.

Marriages between Indian Christians are solemnized by licencees under the Indian Christian Marriages Act, 1872 and by priests. Extracts of marriages solemnized under this Act are issued at the office of the Inspector General of Registration, Chennai.

Part II Schemes for 2007-2008

In the year 2007-08, the following schemes under Part-II have been approved:

- (a) Installation of a new lift in the Office of the Inspector General of Registration at a cost of Rs. 10 lakhs.
- (b) Installation of Notice Boards in the form of digital banners at 258 sub-registrar offices at a cost of Rs.10 lakhs.
- (c) Provision of water purifier in 72 upgraded sub-registrar offices at a cost of Rs.5.04 lakhs
- (d) Sanction of 18 driver posts for the District Registrars(Administration) at a cost of Rs.15.12 lakhs per annum
- (e) Sanction of a new 'Bolero' jeep for the Deputy Inspector General of Registration, Chennai zone at a cost of Rs.4 lakhs
- (f) Photo copier machines are to be provided to 250 sub-registrar offices at a cost of Rs.223.80 lakhs, out of which Rs.75 lakhs would be recurring expenditure and

Rs.148.80 lakhs would be a non-recurring one.

- (g) 500 almirahs would be provided to the sub-registrar offices/District Registrar offices/Deputy Inspector General of Registration offices and the Office of the Inspector General of Registration at a cost of Rs.34 lakhs to improve the storage facility.

M.R.K. PANEERSELVAM
Minister for Backward Classes