

# **COMMERCIAL TAXES AND REGISTRATION DEPARTMENT**

## **DEMAND No.11**

### **STAMPS AND REGISTRATION**

#### **POLICY NOTE 2011-12**

##### **Introduction**

Registration Department of Government of Tamil Nadu was formed in the year 1864, and has been providing yeomen service to the people for the last 147 years. The Department had a humble beginning by administering two Acts viz. the Stamp Act and the Registration Act, and undertook registration of 1,26,373 documents involving a revenue of ₹ 1,42,671 during the year 1865-1866. The activities of the Department have grown manifold over the years and today it fully administers five Acts and partially administers nine Acts. During 2010-2011, the Department registered more than 32.80 lakh documents, issued more than 31.64 lakh encumbrance certificates and

earned revenue of more than ₹ 5,020 crore. The public reach of the Department can be gauged by the fact that about 2 crore persons visited its various offices during the last year. Today, the Department stands third among the departments of Government of Tamil Nadu in terms of revenue generation, thereby making its contribution in implementation of various developmental and welfare schemes of the Government.

Due to the economic downturn, there was slight decrease in the revenue earned during the years 2008-2009 and 2009-2010, but since then revenue earned has again shown a healthy growth trend. In the first four months of the current financial year till July 2011, the revenue earned by the Department is ₹ 1835.66 crore, thereby indicating a growth of 17.75% over the corresponding period of the previous year.

## **2. Administrative Structure**

The Registration Department is headed by the Inspector General of Registration (IGR) who is assisted by three Additional Inspector Generals of Registration, one Additional Registrar of Chits, Personal Assistant (General), Personal Assistant (Chits), one Assistant Inspector General for Computerisation and one Accounts Officer.

Registration Department has more than 700 field offices spread across the State, which makes it one of the topmost in terms of interaction with the general public.

### **2.1 Zonal Offices:**

The State is divided into 9 registration zones and each zone is headed by a Deputy Inspector General of Registration. These 9 registration zones are headquartered at Chennai, Vellore, Cuddalore, Salem, Tiruchirapalli, Thanjavur, Coimbatore, Madurai and Tirunelveli. The Deputy

Inspector General of Registration is responsible for overall administration of the zone, monitoring of revenue collection, surprise inspections of registration offices in his/her jurisdiction, conduct of enquiries, etc. Under the Chit Funds Act, 1982, he/she acts as Joint Registrar of Chits.

## **2.2 Regional Offices:**

In order to assist the Deputy Inspector Generals of Registration of the five bigger zones at Chennai, Tiruchirapalli, Coimbatore, Madurai and Tirunelveli, there are five regional offices manned by Assistant Inspector Generals of Registration (AIGs) at these locations. These AIGs undertake surprise inspections of Sub Registrar Offices, enquire into petitions, test check the work of District Registrars (Audit), conduct inspections of societies and chits, etc.

## **2.3 District Offices:**

The State has been divided into 50 Registration Districts and each of these

Registration Districts is headed by a District Registrar (Administration). Among these 50 Registration Districts, 13 with more work load are manned by Assistant Inspector Generals of Registration and the remaining 37 are manned by District Registrars. The heads of these 50 Registration Districts also act as Registrars of Societies, Deputy Registrars of Chits, Registrars of Marriages and Registrars of Partnership Firms in their jurisdiction. They are also license issuing authorities for the stamp vendors.

#### **2.4 Audit Units:**

A sound system of internal audit is critical for a department like Registration. There are 45 audit units headed by District Registrars (Audit) who undertake cent percent audit of all the accounts in the Registration offices in their jurisdiction.

#### **2.5 Sub Registrar Offices:**

There are 578 Sub Registrar Offices across the State of which 575 are regular offices and 3 are camp offices. While

registration of documents is the most important activity undertaken in these offices, the Sub Registrar also acts as Registrar of Marriages under the Hindu Marriages Act, 1955, Registrar of Marriages under the Tamil Nadu Marriage Registration Act, 2009, the Marriage Officer under the Special Marriages Act, 1954, custodian of birth and death records for town panchayat and village panchayat areas and Assistant Registrar under the Chit Funds Act, 1982.

## **2.6 Registration Training Institute:**

In a department like Registration which administers many different Acts, it is important that the officers of the department are well versed with the provisions of these Acts and relevant Rules. In order to ensure this, Registration Training Institute has been functioning since 1996. This Institute is headed by a Director at the level of Deputy Inspector General of Registration. In view of the importance given to use of Information Technology, this Institute also plays a useful role by imparting training to the staff

in software application packages of the department.

Following Cells discharging specialized responsibilities are located in the Office of the Inspector General of Registration at the Head Quarters:

### **2.7 Intelligence Cell:**

The building portion of an immovable property being conveyed is also liable for payment of stamp duty and registration fees while registering the document. In order to ensure that there is no suppression of information with regard to buildings while registering the documents, an Intelligence Cell headed by an Additional Inspector General of Registration is functioning in the Department. There are 8 District Registrars, 4 Sub Registrars and 2 Assistant Executive Engineers in this Cell.

### **2.8 Vigilance Cell:**

Since 2002, the Department has an Internal Vigilance Cell consisting of an

Assistant Inspector General of Registration and a Sub Registrar. This Cell conducts inquiries into the complaints regarding corruption, malpractices and irregularities received from the public.

### **3. Acts administered by the Department**

As on date, the department is administering 14 Acts, 5 fully and 9 partially, as detailed below:

#### **3.1 Acts Fully Administered**

- (i) **The Indian Stamp Act, 1899 (Central Act 2 / 1899):** This Act promulgated by Government of India enables collection of Stamp Duty on various transactions. An instrument that does not bear the Stamp Duty as provided in the Act is not admissible as evidence in the Court of Law.
- (ii) **The Registration Act, 1908 (Central Act 16 / 1908):** This is a consolidated Act containing provisions relating to registration of documents.

The objective of the Act is to provide procedures that have to be followed before and after the registration of a document. A registered document takes precedence over an unregistered document in the eyes of law.

(iii) **The Tamil Nadu Non-Trading Companies Act, 1972 (Tamil Nadu Act 16 / 1972):**

Companies that are of non-profit or non-trading nature are required to be registered under this Act.

(iv) **The Tamil Nadu Societies Registration Act, 1975 (Tamil Nadu Act 27 /1975):**

In order to regulate the functioning of various associations and unions of people, they are required to be registered under this Act.

(v) **The Chit Funds Act, 1982 (Central Act 40 /1982):**

This Act regulates the functioning of Chit companies in the State. The registered Chit companies are also required to furnish information regarding chit groups formed by them.

### **3.2 Acts partially administered**

(i) **Indian Christian Marriage Act, 1872 (Central Act 15 / 1872):**

This Act regulates registration of marriages between Christians.

(ii) **The Births, Deaths and Marriages Act, 1886 (Central Act 6 / 1886):**

This Act provides for registration of Births, Deaths and Marriages and providing certified copies of them.

(iii) **The Parsi Marriage and Divorce Act, 1932 (Central Act 3 / 1932):**

Marriages held between Parsis and their divorces are registered under this Act.

**(iv) The Special Marriage Act, 1954  
(Central Act 43 / 1954):**

A marriage when the bride and the bridegroom belong to different religions is solemnized and registered under this Act.

**(v) The Hindu Marriage Act, 1955  
(Central Act 25 / 1955):**

Registration of marriages already solemnized between Hindus is done under this Act. Extracts of registered marriages are also issued by the Sub Registrars.

**(vi) The Tamil Nadu Registration of  
Marriages Act, 2009 (Tamil  
Nadu Act 21 / 2009):**

Through this Act, the registration of all marriages in the State has been made compulsory in Tamil Nadu after 24.11.2009, irrespective of religion.

The officials of the department are also empowered to discharge certain limited functions under following Acts:

(i) **The Indian Partnership Act, 1932  
(Central Act 9 / 1932):**

This Act provides for registration of Partnership firms that are formed between partners to share the profits of business done by them.

(ii) **Dowry Prohibition Act, 1961  
(Central Act 28 / 1961):**

Under this Act, the Sub Registrars can prefer complaint with the local police station, if instances of dowry harassment come to their knowledge.

(iii) **Births and Deaths Act, 1969  
(Central Act 18 / 1969):**

According to provisions of this Act, the records relating to births and deaths maintained by the revenue department officials in Town Panchayat and Village Panchayat areas are sent to the concerned Sub Registrar for safe custody after a period of 5 years.

#### 4. Revenue Earned and Documents Registered

The details of the documents registered and the revenue earned by the Department over last ten years are detailed below:

Year	Revenue (₹ in Crore)	Growth Rate	Documents Registered	Growth Rate
2001-02	1264.20	15.54%	13,90,394	0.49%
2002-03	1648.86	30.43%	15,81,764	13.76%
2003-04	1732.91	5.10%	15,92,934	0.71%
2004-05	1881.53	8.58%	17,61,696	10.59%
2005-06	2348.64	24.83%	20,11,566	14.18%
2006-07	3407.50	45.08%	24,92,294	23.90%
2007-08	4232.36	24.21%	26,91,002	7.97%
2008-09	4099.54	-3.14%	28,32,686	5.27%
2009-10	3818.25	-6.86%	27,31,026	-3.59%
2010-11	5020.50	31.49%	32,80,503	20.12%

## **5. Valuation by Special Deputy Collector (Stamps) / District Revenue Officer (Stamps) under section 47-A of the Indian Stamp Act**

While registering a transaction, the executant is required to indicate the true market value of the property. To ensure that the market value of the property has been truly indicated in the document, Guideline Value Registers have been made available to the Registering Officers. In case the value indicated in the document is lower than the value arrived at by following the guideline values, the registering officer is required to refer the document to the Special Deputy Collector (Stamps) under section 47-A of the Indian Stamp Act, 1899, for determining the market value of the property. The SDC (Stamps) inspects the property and conducts local inquiry to fix the market value. There are eleven Special Deputy Collector (Stamps) units in the State at Chennai, Coimbatore, Tiruchirapalli, Madurai, Salem, Vellore, Cuddalore, Thanjavur, Tirunelveli, Tuticorin and Virudhunagar. Of these, due to higher

workload, Chennai and Coimbatore are manned by officers in the rank of District Revenue Officers (DROs) and the remaining nine units are manned by Deputy Collectors. The Inspector General of Registration is the appellate authority against the orders of the District Revenue Officer (Stamps) / Special Deputy Collector (Stamps). The IGR can also take up suo moto revision of the orders passed by DRO (Stamps) / SDC (Stamps).

The details of revenue realized over last six years are as follows:

Year	Number of Documents Disposed	Amount Collected (₹ in Lakh)
2005-06	6,715	3414.61
2006-07	5,862	2548.24
2007-08	7,800	2885.08
2008-09	6,800	3091.08
2009-10	5,734	2192.06
2010-11	4,890	2271.57

## **6. Samadhan Scheme**

A large number of registered documents that have been referred under sections 47A(1), 47A(3) and 19B(4) of the Stamp Act are pending for inspection and fixation of market value by the District Revenue Officers (Stamps) / Special Deputy Collectors (Stamps). As a result, the concerned persons are not able to get back their documents and also the revenue due to the Government is locked up. In the Budget Speech, it has been announced that a Samadhan Scheme will be introduced to realize the locked up revenue and also to benefit the people by enabling them to get back their documents. A notification to this effect will be issued soon. It is expected that this initiative will enable the Government to mobilize additional revenue of about ` 125 crores during the current financial year.

## **7. Updation of Guideline Values**

Last revision of Guideline Values was done in August 2007 and since then there has been a manifold increase in the prices in the real estate sector. In order to ensure that the guideline values are in line with the market rates and also to give statutory backing to the guideline values, steps have been taken to form a Valuation Committee at the State Level and Sub-Committees at the District Level. The State Level Committee is headed by the Inspector General of Registration and the District Level Sub-Committees are headed by the respective District Collectors. The work of preparation of new market value guidelines is under progress in all the 32 districts of Tamil Nadu.

In order to facilitate the work of updation, a sum of `5 crore has been sanctioned for appointment of Data Entry Operators and other related works.

## **8. Transfer Duty for Local Bodies**

The Registration Department collects Transfer Duty in respect of sale, exchange, gift and lease in perpetuity, at the rate of 2% and at the rate of 1% in respect of mortgage with possession. This amount is collected over and above the stamp duty. Out of the amount collected as Transfer Duty, 3% is retained by the Department as collection charges and the balance 97% is allocated to the concerned local bodies. As per G.O. Ms.No. 62, Municipal Administration and Water Supply (Election) Department, dated 28.02.2011, in respect of urban local bodies, half of the amount is allotted to the concerned local bodies and the remaining half is pooled into 'Tamil Nadu Urban Road Infrastructure Fund' for taking up larger projects of common interest in urban local bodies. During the year 2010-11, ₹743.79 crore was collected as Transfer Duty, of which ₹723.05 crore was transferred and ₹20.74 crore was retained as collection charges.

## **9. Miscellaneous Functions**

### **9.1 Societies**

The Tamil Nadu Societies Registration Act, 1975, enables the registration of associations and unions formed by group of people as a 'Society'. The Societies have to be registered with the District Registrar (Administration). The registered societies have to file their annual returns with the District Registrar (Administration) and he is empowered to inquire into complaints regarding the functioning of the Societies. The Inspector General of Registration is the Registrar under the Act and he has the powers to supervise the functioning of the registered societies in the State. As on 31.7.2011, there are 2,37,689 registered societies in the State.

### **9.2 Chits**

As per the provisions of The Chit Funds Act, 1982, the Inspector General of Registration is the Registrar of Chits. The

IGR is assisted by Additional Registrar of Chits in the cadre of Additional Inspector General of Registration and Personal Assistant (Chits) in monitoring the activities of Chits in the State. The Deputy Inspector Generals of Registration and District Registrars act as Joint Registrar of Chits and Deputy Registrars of Chits in their respective jurisdictions. In addition, 47 Sub Registrars are working as 'Inspector of Chits' to attend to the work related to Chits in the districts. There are 3 Special Chit Arbitrators for disposal of arbitration cases at Chennai (North and South), Chennai (Central) and Coimbatore. In other areas, the District Registrars (Administration) discharge the duties of the Chit Arbitrator. Appeal against the orders of the Chit Arbitrators lies with the State Government.

As on 31.7.2011, there are 1630 Chit Companies functioning in Tamil Nadu and 41,960 chit groups are conducted by these companies.

### **9.3 Partnership Firms**

As per the provisions of the Indian Partnership Act, 1932, the partnership firms are required to be compulsorily registered. All the District Registrars (Administration) of Registration Department are Registrars under this Act. Any change of constitution of the firm also has to be filed under this Act. As on 31.7.2011, there are 5,19,777 registered partnership firms in Tamil Nadu.

### **9.4 Marriage Registration**

After the enactment of Tamil Nadu Registration of Marriages Act, 2009, with a provision for compulsory registration of marriages, the ancillary function of Registration Department of registration of marriages has become an important activity in the Department. Details of the implementation of important Acts in this regard are as follows:

### **9.4.1 The Tamil Nadu Registration of Marriages Act, 2009**

The Supreme Court of India in its judgment dated 14.2.2006 (AIR 2006 SC 1158) directed that “marriages of all persons who are citizens of India belonging to various religions should be made compulsorily registerable in their respective States, where the marriage is solemnized” and instructed the State Governments to make relevant provisions for the same. In deference to the orders of the Supreme Court, the Tamil Nadu Registration of Marriages Act, 2009 was enacted. Through this Act, registration of all marriages in Tamil Nadu has been made compulsory after 24.11.2009, irrespective of the religion of the bride and the bridegroom. During the year 2010-11, 78,323 marriages have been registered under this Act.

### **9.4.2 The Special Marriage Act, 1954**

This Act contains provisions for solemnization and registration of marriages

between persons following different religions. The District Registrars and Sub Registrars have been designated as Marriage Officers under this Act. As per the provisions of the Act, notice of the intended marriage has to be filed with the Marriage Officer and on expiry of a 30 days period, the marriage will be solemnized by the Marriage Officer in case no objection to the marriage is received. During the year 2010-11, 4,750 marriages have been solemnized and registered under this Act.

#### **9.4.3 Indian Christian Marriage Act, 1872**

According to the provisions of this Act, the person licensed to conduct Christian marriages, after solemnizing the marriage, should communicate the information to the concerned District Registrar (Administration). In turn, the District Registrar communicates this information to the Inspector General of Registration, who maintains a record of them, and issues extracts from these records when applied for. During the year

2010-11, 2,977 marriages were registered under this Act in Tamil Nadu and extracts were issued in 3,275 cases.

## **10. e-Stamping**

e-stamping is an easy, safe and secure electronic and web based mode of payment of stamp duty which helps in eliminating the bogus stamp papers from circulation. It has following attractive features:

- (i) secure and fast payment of stamp duty
- (ii) prompt receipt in Government account
- (iii) e-Stamping certificate through internet
- (iv) round the clock convenience of purchasing stamp certificate
- (v) Online verification of stamp duty payment via internet

At present e-stamping has been implemented in all the 60 Sub Registrar offices in Chennai Registration zone

through M/s Stock Holding Corporation of India (SHCIL) Ltd. As on 31.7.2011, 2539 e-stamp certificates to a total value of ₹65.27 crore have been issued. Presently four banks, viz. Indian Overseas Bank, Indian Bank, Corporation Bank and Central Bank of India are acting as authorized collection centers for e-stamping.

## **11. Revenue Augmentation**

In order to supplement the State's resources, following measures have been taken by the Department without adversely affecting the interests of the general public.

### **11.1 Revision of charges for registration of agreement for deposit of title deeds:**

Many property transactions are financed by taking loans from banks. While extending loans, banks enter into an agreement with the loatee for deposit of title deeds. Reserve Bank of India has made it mandatory to register these agreements. This helps the bank to secure

the repayment of the loan, as the fact of this agreement for deposit of title deeds is reflected in the encumbrance certificate. A ceiling of ₹5,000 on stamp duty and ₹1,000 on registration fee was fixed in the year 2004 considering the then values of properties and the quantum of loans obtained for purchasing them. As the value of properties and consequential quantum of loan has increased manifold since then, the ceiling limit on the stamp duty and registration fee have been revised to ₹25,000 and ₹5,000 respectively with effect from 12.7.2011.

## **11.2 Revision of Registration Fee on Lease Deeds:**

Lease deeds enable transfer of right to enjoy an immovable property for a certain period of time in consideration of money paid or promised to be paid. A maximum ceiling limit of ₹5,000 was fixed in the year 2004 for registration fee for registering these documents. As the values of the properties have considerably increased since 2004, the maximum ceiling limit on

registration fee on these documents has been revised to ₹20,000 with effect from 12.7.2011.

### **11.3 Revision of Registration Fee on Instruments of Power of Attorney:**

Power of Attorney is an instrument through which an authority is given by the owner of an immovable property to an agent, authorizing him to finalize the sale of the said property / to receive money / to execute a sale deed and register the same, on his behalf. The registration fee chargeable on this instrument was ₹50. But, the power of attorney is often misused to avoid the registration of sale and thereby evading payment of stamp duty and registration fee. In order to make the charges more realistic, the registration fee on instruments of Power of Attorney has been revised as ₹10,000. However, in order to reduce the burden in Power of Attorney transactions within family members, for such cases the registration fee has been fixed as ₹1,000. This change has been implemented with effect from 12.7.2011.

#### **11.4 Revision of Fees under the Tamil Nadu Societies Registration Act, 1975:**

Associations or Unions formed by group of people are registered under the Societies Registration Act in order to regulate / authenticate their functioning. The fees for various types of activities under the Act were last revised during the year 2002. This fee structure which was fixed more than 9 years ago, is not commensurate with the services rendered by the Department during registration and subsequent activities. Accordingly, the Table of Fees prescribed under the Act is proposed to be revised and Amendment Bill to this effect will be introduced in the Assembly.

#### **11.5 Revision of fees under the Chit Funds Act, 1982:**

Chit groups are formed by Chit companies and in order to differentiate

between authorized and unauthorized chits, these chit groups are registered with the Registration Department under the Chit Funds Act. The fees for various activities under the Chit Funds Act were last revised in 2003, which was more than 8 years ago. It is proposed to revise the Table of Fees under the Chit Funds Act, 1982. As the fees under the Chit Funds Act are being paid by the foreman of the chit group, this revision of fee will not affect the members of the general public who join in the chit groups. The revised fee structure has been sent to Reserve Bank of India for its concurrence.

## **12. e-Governance**

Registration Department was one of the first Government Departments to harness the potential of Information Technology to improve the services to the registering public. As a result, all the 578 Sub Registrar, 50 District Registrar (Administration) and 9 Deputy Inspector Generals of Registration offices have been

computerized. The Department is using IT to provide the following services:

- (i) Issue of Encumbrance Certificates
- (ii) Scanning and Archival of Documents
- (iii) Issue of Certified Copies
- (iv) Preparation of Property Valuation Statements
- (v) Registration of Marriages / Societies / Chit Groups
- (vi) Displaying information on Guideline Values to the Public

## **12.1 REGiNET Services**

A dedicated network, REGiNET has been established in the Registration Department which connects all the Sub Registrar Offices across the State. The index II data from the offices spread all over the State is stored at a Central Server. This data can be accessed

from anywhere, thereby enabling issue of EC of any location in any Sub Registrar Office. In order to improve the bandwidth, orders have been issued to provide TNSWAN connectivity to 427 locations at a cost of ₹ 5.64 crore. This will make it possible to store the scanned document images on the Central Server.

The Department has also provided the facility of online application for Encumbrance Certificate / copy of already Registered Document / copy of Return filed by a society or Chit Company / extract of an already registered Hindu Marriage. After the online application is processed, the certificate / document can be either collected in person or will be delivered at the doorsteps of the applicant through private courier / VPP service.

### **13. New Vehicles**

In order to improve the mobility of the officers, 24 vehicles were handed over by Hon'ble Chief Minister to the senior officers of the Department on 4.7.2011. These

vehicles have been purchased at a cost of ₹1.25 crore.

#### **14. Right to Information Act, 2005**

Registration Department with its large number of field offices works in very close association with the general public. As the Department provides many key services, it attaches a lot of importance to queries received under Right to Information Act to ensure transparency in its functioning. During the year 2010 from 01.01.2010 to 31.12.2010, 6183 applications were received and replied to by the Department.

#### **15. Part II Schemes for the Year 2011- 2012**

Under Part II Scheme, following new schemes have been approved for the Registration Department for the current financial year:

- (1) Purchase of Generators at a cost of ₹41.55 lakh for 25 Sub Registrar Offices;

- (2) `5 lakh for providing an Integrated Library in the office of Inspector General of Registration;
- (3) One Normal Projector and one Portable Projector for the office of Inspector General of Registration;
- (4) Internet connectivity to the office of Inspector General of Registration at a cost of `2 lakh.

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