

**DEMAND NO.11**  
**COMMERCIAL TAXES AND**  
**REGISTRATION DEPARTMENT**  
**STAMPS AND REGISTRATION**  
**POLICY NOTE 2006-2007**

Registration Department is one of the oldest departments functioning from the year 1865. It is the third largest revenue earning department to the exchequer. The main objective of the department is to register the instruments of property transactions such as Sale, Gift, Mortgage, Lease, Settlement etc., and to collect stamp duty on them. Computerisation of the department has thrown a whiff of fresh air and has paved way for speedy, transparent and hassle free service, earning the accolades of the public. During the year 2005-06, a sum of Rs.2349 crore has been earned by the Department. In the current year 2006-07, from April 2006 to July 2006 a sum of Rs. 959 crore has been earned, which is 36.77% more than the Rs.701 crore earned in the corresponding period in the previous year (i.e.)April to July 2005.

**1.a) ACTS ADMINISTERED BY THE DEPARTMENT**

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

**b) ACTS PARTIALLY ADMINISTERED BY THE DEPARTMENT**

1. Indian Christian Marriages Act, 1872 (Central Act 15/ 1872)
2. The Births, Deaths and Marriages Act, 1886 (Central Act 6 /1886)
3. The Indian Partnership Act, 1932 (Central Act 9/1932)
4. The Parsi Marriage and Divorce Act, 1932 (Central Act 3/ 1936)

5. The Special Marriages Act, 1954.  
(Central Act 43 / 1954)
6. The Hindu Marriages Act, 1955  
(Central Act 25/ 1955)
7. The Dowry Prohibition Act, 1961 (Central  
Act 28/1961)
8. The Births and Deaths Act, 1969 (Central  
Act 18/1969)

## **2. ORGANISATIONAL SET UP**

The Registration Department is headed by the Inspector General of Registration and the following officials are assisting him in the head office:-

- i. Additional Inspector General of  
Registration (Stamps and  
Registration)
- ii. Additional Inspector General of  
Registration (Guidelines)
- iii. Additional Inspector General of  
Registration (Intelligence)
- iv. Additional Registrar (Chits & Societies)
- v. Personal Assistant (General)

- vi. Personal Assistant (Chits)
- vii. District Registrar (Guidelines)
- viii. District Registrar (Inspection)
- ix. Accounts Officer

The Inspector General of Registration functions as the Chief Controlling Revenue Authority under the Indian Stamp Act, 1899, Registrar of Chits under the Chit Funds Act, 1982, Registrar under the Tamil Nadu Societies Registration Act, 1975 and Registrar under the Tamil Nadu Non Trading Companies Act, 1972.

With a view to effectively administer this huge revenue earning department, the entire State has been divided into 9 Registration Zones and 50 Registration Districts. The details are as below:

### **Zonal Offices**

The nine Registration zones are functioning under the Deputy Inspectors General of Registration with offices at Chennai, Vellore, Cuddalore, Tiruchirappalli, Coimbatore, Madurai, Tirunelveli, Salem and Thanjavur. The functions of the Deputy Inspector General of Registration are administration of the zone, surprise inspection of

registration offices in the zone and conducting enquiries. He is the Joint Registrar of Chits under the Chit Funds Act, 1982 and he is also the appellate authority against the order of the Asst. Inspector General of Registration or the District Registrars in respect of appointment of Stamp Vendors.

### **Regional Offices**

There are 5 regional Assistant Inspectors General of Registration at Chennai, Tiruchirappalli, Madurai, Tirunelveli and Coimbatore attached with the Deputy Inspector General of Registration offices concerned. Surprise Inspection of Sub Registrar Offices, enquiries on petitions, test check of the audit work of District Registrar (Audit) are the primary functions of the Assistant Inspectors General of Registration. They also inspect societies and chits. They are also the appellate authorities in the issue of licenses to Stamp Vendors.

### **District Level Offices**

The State is divided into 50 Registration Districts for the sake of administrative convenience, each headed by a District Registrar (Administration). Twelve registration districts, where volume of workload is heavy and the nature of work is complicated, are manned by Assistant Inspector General of Registration cadre officers. The District

Registrars also act as Registrar of Societies, Deputy Registrar of Chits, Registrar of Marriages and Registrar of Firms and they are also the appointing authority for stamp vendors.

### **Audit Units**

In order to check whether the stamp duty has been properly collected on documents and whether the documents are properly classified, 45 Audit units, each headed by a District Registrar is functioning in the Department to conduct cent per cent audit.

### **Sub Registrar Offices**

There are 558 Sub Registrar Offices in the State. In addition to registration of documents, the Sub Registrar acts as the Registrar of Marriages under the Hindu Marriages Act and the Marriage Officer under the Special Marriages Act. The Sub-Registrar also acts as Assistant Registrar under the Chit Funds Act, 1982.

### **Registration Training Institute, Chennai**

The Registration Training Institute is providing training since 1996 to the officers and the staff of the department in order to enrich their functional knowledge on the provisions of the Indian Stamp Act, the Registration Act and other Acts administered by the department. The Institute is

headed by a Director in the cadre of Deputy Inspector General of Registration. Two lecturers, one in the cadre of Assistant Inspector General of Registration and another in the cadre of District Registrar, impart training. The institute also imparts training to staff in STAR (Simplified and Transparent Administration of Registration) & REGiNET - IT initiatives.

### **3. FUNCTIONS OF THE DEPARTMENT**

#### **Chief Controlling Revenue Authority (CCRA)**

The Inspector General of Registration is the Chief Controlling Revenue Authority (CCRA) under the Indian Stamp Act, 1899 and has the powers of control and revision over the functions of Collectors under the Indian Stamp Act, 1899. He is the appellate authority against the orders of the District Revenue Officer (Stamps) / Special Deputy Collector(Stamps) under section 47(A)(1) of the Indian Stamp Act, 1899. The power of suo motu revision against their orders is also vested with him.

#### **Rationalisation of Guideline values**

According to the Indian Stamp Act, 1899, stamp duty is chargeable on the market value of the property under transaction. To have a fair idea about the market value, all the Sub-Registrars have

been provided with guideline value registers, which indicate the probable market value, villagewise.

To make the guideline values public, copies of guideline value registers are supplied to Chambers of Commerce, Agriculturist Associations and Village Panchayats. The guideline values for all the areas are also available on the Registration Department web site (<http://www.tnreginet.net>).

Representations received from various quarters revealed that there are a lot of anomalies in the guideline values. To set right this, rationalization of guideline values for the entire State has been taken up and Taluk level Committees, District level Committees and State level Central Valuation Committee have been formed to accomplish the task. The process of revamping the guideline values is going on and the rationalized guideline values are to be implemented shortly.

### **Intelligence Cell**

During property transactions, if building is also transferred, the value for the building has to be determined and stamp duty has to be collected on the value of the building also. In order to determine the value of the building and the proper stamp duty payable thereon, an Intelligence Cell headed by an Additional Inspector General of Registration and comprising 8 District Registrars, 4 Sub-Registrars and 2 Assistant Executive Engineers is functioning

in the department. In order to ensure quick return of documents, all the registering officers have been authorised to take up field inspection for determining the value of building.

### **Vigilance Cell**

A Vigilance Cell consisting of an Assistant Inspector General of Registration and a Sub-Registrar is functioning in the department to conduct enquiries on the complaints received from the public against the personnel of the department on their malpractice.

## **4.REVENUE**

Registration Department is the third highest revenue earning department in the State, next to Commercial Taxes and Prohibition and Excise Departments. A sum of Rs.2348.64 crore was earned during 2005-06. In the current financial year 2006-07, upto July 2006 a sum of Rs. 959.26 crore has been earned.

## **5. DETERMINATION OF MARKET VALUE**

According to the Indian Stamp Act, stamp duty has to be collected on the market value of the property which is the subject matter of conveyance. To enable the registering officers to decide on the market value of the properties, villagewise guideline value registers have been supplied to the registering officers. If the market value of the

property has not been truly set-forth in the document presented for registration, such document is referred to the District Revenue Officer(Stamp)/Special Deputy Collector(Stamp) for determination of the market value under section 47A(1) of the Indian Stamp Act. They determine the market value of the property and the proper duty payable thereon. There are 2 District Revenue Officers(Stamps) one at Chennai and another at Coimbatore and 9 Special Deputy Collectors (Stamps) stationed at Tiruchirappalli, Madurai, Salem, Vellore, Cuddalore, Thanjavur, Tirunelveli, Tuticorin and Virudhunagar to determine the market value of the documents referred under section 47A(1).

## **6.TRANSFER DUTY COLLECTED ALONG WITH STAMP DUTY**

Transfer duty in respect of instruments of sale, exchange, gift, and leases in perpetuity, at the rate of 2% and 1% in respect of Mortgage with possession is collected in addition to stamp duty. In the case of Municipalities and Corporations, out of the amount collected as transfer duty, 5 % is retained as collection charges by the department and the remaining 95% of the transfer duty is allocated to the Corporations and Municipalities concerned. In respect of Special Grade Panchayats and Village Panchayats, 3% is taken as collection charges by this department and 97% is allocated

to the Town Panchayats and Village Panchayats concerned.

## **7. PROCUREMENT AND SUPPLY OF STAMP PAPERS**

Documents are written on Stamp papers. These Stamp papers are printed in the India Security Press at Nasik in Maharashtra and in the Security Printing Press at Hyderabad in Andhra Pradesh. Quarterly indents are prepared and the stamp papers are procured from these presses. The Treasuries and Accounts Department is doing this work. The procured stamp papers are supplied to Stamp vendors through the District Treasuries and Sub-Treasuries for selling them to the Public.

As on 31.3.2006, there are 2754 stamp vendors in the State. The activities of the stamp vendors are periodically checked by the Sub-Registrars/District Registrars by checking their accounts.

All the Sub Registrars act as ex-officio Stamp Vendors. They are also empowered to affix adhesive Stamps on instruments. They are authorized to accept cash under section 41 of the Indian Stamp Act, in lieu of non-judicial stamps without any monetary ceiling in respect of major instruments. Due to this, difficulties in getting Stamp Papers have been reduced. In order to check and

detect fake stamp papers, Ultra Violet lamps have been provided to all Sub Registrar Offices.

## **8. SECURITY MEASURES**

a) Forged documents and certificates pose a threat to the innocent public. In order to differentiate between original and fake documents and certificates, Government have ordered to affix holographic stickers on the registered documents and the certificates issued by the Department.

b) To avoid fraudulent and benami transactions, affixing photographs of the registrants on the documents has been made compulsory and this is implemented in the State with effect from 1.7.2006. This has been widely welcomed by the public.

## **9. DOCUMENT WRITERS AND COPY WRITERS**

Document writers are appointed to write the documents presented for registration. Examination is conducted on the Indian Stamp Act, 1899 and Registration Act, 1908 and the candidates who pass the exam are given document writer's license. There are three types of licenses viz., State Level, Registration District level and Sub-District level. As on 31.3.2006, there are 9000 licensed document writers.

As per the Indian Registration(filing of true copies) Rules, 1967, every document presented for registration in non-computerised offices has to be accompanied with a copy of the document. Hence to take copies of the document and to take typewritten copies of the document, copy writer's license is issued. As on 31.3.2006, there are 5275 copy writers license holders in the State.

## **10.SOCIETIES**

The Inspector General of Registration and all District Registrars are the Registrars under the Tamil Nadu Societies Registration Act, 1975 within their jurisdiction. The Inspector General of Registration has power of superintendence over the Registrars and to hear and pass final orders on appeals. There are 1,26,136 Societies registered in the State as on 31.3.2006.

## **11.CHITS**

Conduct of chits in Tamil Nadu is governed by the Chit Funds Act, 1982 and the Tamil Nadu Chit Fund Rules, 1984. The Inspector General of Registration is the Registrar of Chits. Additional Registrar of Chits in the cadre of Additional Inspector General of Registration and Personal Assistant (Chits) in the cadre of District Registrar assist the Inspector General of Registration in monitoring the activities of Chits.

The Deputy Inspectors General of Registration and District Registrars act as Joint Registrar of Chits and Deputy Registrar of Chits in their respective jurisdiction. In addition, there are 47 Sub Registrars working as Inspector of Chits to attend the work relating to chits in the districts. There are 3 Special Chit Arbitrators for disposal of arbitration cases at Chennai (North), Chennai (South and Central) and Coimbatore.

To protect the innocent public against cheating by unscrupulous Chit conducting entities, Government have issued instructions to have the chit groups audited at least once in the currency of the chit. The officials of the Registration Department are keeping strict vigil against running unauthorised chits. A "Chit Vigilance Cell" headed by the Additional Registrar of Chits has been formed to detect unauthorised chits and other irregularities in Chennai. The cell is functioning with the Personal Assistant (Chits), Chit Inspectors of Chennai – North, South and Central as members.

## **12. PARTNERSHIP FIRMS**

All the District Registrars are Registrar of firms under the Indian Partnership Act, 1932. A firm can be registered by filing a statement in Form-I. Any change in the constitution of the firm should also be filed under this Act. The Registrar files the

statement after making necessary entries in the Register of Firms. The firms have to compulsorily file declarations of "satisfactory functioning" every year.

There are 4,76,080 registered Firms in the State as on 31-3-2006.

### **13. REGISTRATION OF MARRIAGE**

#### **a) Hindu Marriage Act, 1955**

Registration of Marriages already solemnized between Hindus is done under the Hindu Marriage Act, 1955. Extracts of registered marriages are issued by the Sub Registrars. All Sub Registrars are designated as Registrars of Marriages under this Act.

As per the directions of the Supreme Court of India, Government is examining to amend the Tamil Nadu Hindu Marriage Rules suitably to make compulsory registration of all the Hindu marriages.

#### **b) Special Marriages Act, 1954**

Marriages of any form are solemnized and registered by Marriage Officers under this Act. All District Registrars and Sub Registrars have been designated as Marriage Officers within their jurisdiction under this Act. Notice of intended marriages has to be filed with the Marriage Officer and on expiry of 30 days, the marriage will be

solemnized by the Marriage Officer within 60 days in case of no objection from any quarters.

### **c) Indian Christian Marriages Act, 1872**

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

## **14. E-GOVERNANCE IN REGISTRATION DEPARTMENT**

With a view to providing quick service and ensuring transparency by suitably harnessing IT enabled operations in Registration Department, Sub-Registrar Offices and District Registrar Offices are computerized in a phased manner. Out of the 558 Sub-Registrar Offices, 450 offices and all the 50 District Registrar Offices have been computerized, so far. To facilitate faster processing of applications submitted by the public, the Registration department has embarked upon the Project **“STAR” (Simplified and Transparent Administration of Registration)**, an IT enabled service.

The salient features of the computerised operations include

- ❖ Archival of Documents –by scanning and storing on Compact Disc

- ❖ Issue of encumbrance certificates including applications submitted online.
- ❖ Issue of certified copies of scanned documents
- ❖ Preparation of property valuation statement
- ❖ Registration of marriages /societies /firms /monitoring chits
- ❖ Guideline values and any information relating to registration are published with periodic updation on the website – <http://www.tnreginet.net>

Commencement of IT enabled operations has brought a sea change in the functioning of the Registration Department and the following stands testimony to this:

<b>Activity</b>	<b>Prior to Computerisation</b>	<b>After Computerisation</b>
Issue of EC	8 Days	5 Minutes
Property Valuation	30 Minutes	5 Minutes

Issue of Certified Copies	4 Days	5 Minutes
Registration	4 Days	60 Minutes
Issue of Marriage Certificate	1 Day	15 Minutes

### **REGINET Services**

REGINET is a step towards harnessing the power of IT and Communication technologies by establishing a dedicated network. As a result, the data available in all the computerised offices will be shared and encumbrance certificate of any property can be obtained from any computerized office. This enables the registrants to approach the nearest Sub Registrar Office and avail the services.

A facility for online submission of application for Encumbrance Certificate / copy of registered document/ copies of returns filed by Societies / Chit Companies/ Extract of Hindu Marriages registered has also been introduced. The information submitted by the applicants is processed at the respective offices and the Encumbrance Certificate is kept ready. The applicants can either collect in person directly by paying required fee or the certificate will be delivered at the doorsteps by private courier /VPP service on collection of fee and delivery charges.

An exclusive website has been launched for ensuring transparency in the registration process, particularly for posting guideline values of all the areas. Besides general information, the website also provides details about registration process and public utility forms and model draft documents as downloads. Latest status of more than one lakh societies can be ascertained by anybody from the site. The web site also provides information about the registered chits, through which public can ascertain whether a particular chit in which they propose to join, is a genuine one.

The future plan of Registration department is to cover the remaining 108 Sub Registrar offices and to extend connectivity across the State, with provision of access to the Revenue records to enable mutations online. The website is also proposed to be improved to include many more public utility value added services through web enabled solutions. The draft proposals submitted by the consultant M/s.Wipro under the NeGAP is under the active consideration of the Government. This proposal include networking of all the registration offices using Tamil Nadu State Wide Area Network(TNSWAN), establishment of data center for Registration Department with State Data Centre (SDC) and capacity building in the Registration Projects.

## **15. ANNOUNCEMENTS MADE IN THE BUDGET SPEECH 2006-2007**

The following announcements have been made in the Budget Speech 2006 - 2007:

1. 108 Sub Registrar Offices will be computerised.
2. Alternative methods for collection of stamp duty will be introduced.
3. Stamp duty in respect of instrument of deposit of title deeds will be exempted to benefit farmers and small entrepreneurs.

Necessary notification under the Indian Stamp Act, 1899 has been issued granting the stamp duty exemption with effect from 22.7.2006

## **16. PART II SCHEMES**

The following new schemes have been approved under Part II Scheme for the year 2006-07:

1. Upgradation of 300 Registration Offices by providing facilities to the public at a cost of Rs. 60 lakhs.

2. Provision of Photo Copier machines to 60 Sub Registrar offices at a cost of Rs.60 lakhs.
3. Provision of 510 almiraahs to various registration offices at a cost of Rs.38.25 lakhs.
4. Provision of generators to the Office of the Inspector General of Registration at a cost of Rs.10 lakhs.
5. Construction of Government buildings to 15 Sub Registrar offices at a cost of Rs.225 lakhs.

**M.R.K.PANEERSELVAM**  
**Minister for Backward Classes**