

# More clarity on immovable property laws

The revenue department's recent circular clears confusion over property registration

## htestates LEGAL REMEDIES

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The Department of Revenue of Delhi recently issued a circular to all registrars and sub-registrars to bring more clarity to the process of registration and certain other issues, and for the smooth functioning of the departments. Certain matters regarding instruments dealing with immovable property were also clarified.

### Collaboration and builder-buyer agreements

The department has said that a collaboration agreement through which the owner transfers his property for development/construction to the builder under consideration is also compulsorily registrable under Section 17(1-A) of the Registration Act. Stamp duty should also be charged for it under the Indian Stamp Act. Similarly, a builder-buyers agreement in which possession is handed over against consid-

eration, has to be compulsorily registered.

### Agreement to sell

It has been clarified that documents containing a contract to transfer an immovable property for consideration where possession of property is handed over to the buyer, under Section 17(1-A) of the Registration Act, is compulsorily registrable, so as to protect rights of buyer. It is further clarified that such agreements to sell are valid documents and a sub-registrar has to register the same.

### Assignment of lease

Leasehold properties can be duly transferred through agreement for assignment of lease which is compulsorily registrable as per Section 17 of the Registration Act, for which stamp duty can be charged as per the Indian Stamp Act.

### GPA in the nature of sale

The sub-registrars have been directed to look into the contents of documents to ascertain their nature for the purpose of stamp duty. It has been noticed that to avoid stamp duty on conveyance, the documents are prescribed in the form of general power of attorney (GPA).



Therefore, it has been clarified that when the document is prescribed in the form of GPA but contains certain clauses in the nature of conveyance then the same shall be deemed as conveyance and the sub-registrar shall refer it to the collector of stamps.

The few indicative clauses for identifying such documents are as under:

- The consideration has been paid for execution of the power of attorney.

- The power of attorney presented is "irrevocable" in nature.

- The power of attorney empowers the attorney to sell, gift, exchange or permanently alienate the immovable property and the consideration received thereof is receivable in the name of the executants.

### Not authorised

Sub-registrars have been instructed not to register instru-

ments that pertain to immovable properties that have been booked as unauthorised constructions by the Municipal Corporation of Delhi.

### Clarifications

- All compulsorily registrable documents have to be presented for registration within four months of execution of the instrument. If the document is presented beyond the permissible limit, it may be allowed for

registration upon payment of fine upto ten times and in such cases, provided this delay shall not be of more than four months.

Further, such documents are to be presented for registration in the office of the sub-registrar, in whose jurisdiction part or whole of the property is situated.

- The sub-registrar should ensure that the site plan of the property is annexed to the instrument.

- The sub-registrar should ensure that relevant details regarding the property duly filled as per the relevant form is attached to the instrument.

- A will can be registered at any time after its execution. Also, it can be registered in the office of any sub-registrar.

- A sub-registrar cannot withhold the registration due to a complaint by any party regarding title unless there is a stay order issued by a court of law.

- A sub-registrar can demand Aadhar card/enrolment slip for identification of the parties.

This circular will now ease the confusion and accord lucidity to the process of registration in Delhi.

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