



## IMPROVING EASE OF REGISTRATION SCORES FOR DELHI

### Introduction

Registering a property in India is a notoriously difficult task. According to the World Bank's Ease of Doing Business (EODB) 2018 report, registering a property in Delhi requires eight procedures and the costs amount to an average of 9.1 per cent of the property value (World Bank 2017)<sup>1</sup>. The ease of registering property is a critical component of the EODB index. India ranks 154 amongst 190 countries in the Ease of Registering Property rankings, based on data collected from New Delhi and Mumbai. The indicator measures the complexity of the registration process, including the time and costs involved. As a result, it often depends on the larger system of land administration as reflected in the quality of land and property records and the systems put in place for their regular update. The key issues that need to be tackled are reductions in the time, costs and number of procedures required for registering an immovable property.

At present, the most costly and time-consuming aspects of the registration process in Delhi are title search and the time taken for delivery of documents. The most effective way to tackle these is the creation of interlinked digitised databases. The Digital India Land Records Modernization Programme (DILRMP) is a pivotal part of establishing a new regime of property registration based on the interlinkages between databases of digitised records, but its implementation in Delhi has been slow.

The Revenue Department of the Government of Delhi, which also oversees functions of property registration, has been working towards improving Delhi's performance on the ease of registering property indicator. This policy brief seeks to augment the efforts by identifying some of the persistent problem areas at various stages of the registration process and suggesting possible solutions.

## Preparation of documents for registration

**Issue:** Delhi has several land administration authorities which maintain land records, or records that have come to be used in lieu of property records, for areas falling within their jurisdictions. These records are maintained in different formats and therefore reflect different details of the properties.

**Recommendation:** Government departments/agencies could take the following steps:

- Identify all the land/property record databases and databases of records that are used in lieu of land records (like the property records database for areas under the municipal governments, DDA records of leasehold properties, cooperative housing society membership records in some cases, etc.).
- Initiate plans for the digitisation of land/property record databases.
- Make simultaneous efforts to create an online linkage between the Sub-Registrar's office and these digitised records as a part of the Delhi Online Registration Information System (DORIS). This should allow the Sub-Registrar to view the land records before registering a deed and enable an online trigger of the mutation of the land record on completion of registration.

**Issue:** One of the main components of DORIS, developed by the National Informatics Centre, is the e-search function, which allows users to view certain details of registered deeds: the names of the parties, the registration number and the nature of instrument that has been registered. The details of the registered instruments are only available from 2002 or 2005 or, in the case of certain Sub-Registrar offices, as recent as 2012 or 2013.

**Recommendation:** The inconsistencies in the e-search function should be addressed at the earliest and the details of registered deeds for at least the last 15 years should be made available. Digitisation of legacy records could help augment this function by enabling users to view and download copies of the registered deeds. This feature is already available in the applications used by the Maharashtra and Telangana governments. In those states copies of registered deeds can be downloaded for a fee.

**Issue:** At present, digitised records are accompanied with a disclaimer exempting the government department/agency that has uploaded them from any liability in case of any errors; these records are not to be relied upon as legally valid. This is counterproductive to the goal of enabling the public to access and use these records without having to secure signed hard copies from the relevant government department.

### Recommendations:

- Digitised records need to be given the same legal standing and validity as copies of the paper records; that is, they should carry digital signatures.
- It is important that documents other than Records of Rights (RoRs), which constitute property records (such as records of municipal bodies) and are linked to DORIS, be conferred the same status as RoRs. Where required, suitable amendments should be made to the relevant laws to accord legal status to all such records that are made available online.

## Valuation of property

**Issue:** It has been observed that Sub-Registrars invariably set aside the valuation of an immovable property submitted by executants using the 'e-Valuation' service available on the registration website, and instead calculate it on their own. This causes long delays at the office of the Sub-Registrar, who is allowed to exercise unfettered discretion over property valuation.

**Recommendation:** the Government of Delhi should pass appropriate orders that make it mandatory for Sub-Registrars to use valuations based on the improved E-Valuation application. Should they fail to do so, they must give reasons in writing.

## Payment of stamp duty

**Issue:** At present, in Delhi, in order to pay the stamp duty and registration fees, executants of the deed have to approach the designated bank or Authorised Collection Centre of the Stock Holding Corporation of India Limited (SHCIL) to purchase e-Stamps. Making physical payments introduces delays to the process. This is especially problematic because the relevant technology to enable online payment of stamp duty is already available.

**Recommendation:** DORIS should have a provision for online payments, similar to the e-payment feature of iSarita—the e-registration platform used in Maharashtra—in conjunction with a virtual treasury which is part of the Government Receipt Accounting System (GRAS). This would enable citizens to make online payments towards stamp duty, registration fees, document handling charges, etc. The transaction should be acknowledged through an e-challan with a unique number, which is stored in the database. This unique number should be verified by the e-payment system by connecting with the database of the Government Receipt Accounting System (GRAS).

## Execution of the document and its presentation before the SRO

**Issue:** In Delhi, Sub-Registrars follow an established practice of checking certain databases, depending on the category of land, before registering deeds pertaining to land/property transactions; for instance, databases of prohibitory orders received from civil courts, decisions of revenue courts and the database of properties marked as 'irregular' by the municipal governments (also known as 'MCD booked properties'). Additionally, in Delhi the Sub-Registrar's office has been linked online with the offices of the Additional District Magistrate only for the purpose of applying for a Land Status Report.<sup>ii</sup> This report states whether the land that is the subject of a deed being registered, has been notified under particular sections of the Land Acquisition Act, 1894 or is in violation of certain sections of the Delhi Land Reforms Act, 1954. This report usually takes between 15 and 30 days to come from the office of the Additional District Magistrate.

### Recommendations:

- Databases that only exist in physical form (like the one pertaining to court stay orders or MCD booked properties) must be digitised in a manner that allows their real-time update. Further, linking these online databases with the Sub-Registrar's office would help reduce the time taken for registration.
- Databases, such as the e-Gazette database on lands notified under the Land Acquisition Act, must be linked online with the Sub-Registrar's office to reduce the time taken in making the checks instituted by the Land Status Report. In order to check for violations under the Delhi Land Reforms Act, it is recommended that an online database of such lands be created, in case one does not already exist.

**Issue:** At present, DORIS only has ‘e-Search’ and ‘e-Valuation’ functions. Unlike iSarita in Maharashtra, there is no two-way, circular linkage with the state’s land records. One part of this linkage allows the Sub-Registrar online access to the relevant land records for the deed being registered, and the other is to initiate the process of adding a mutation to the land record once the registration of the deed has been completed.

### **Recommendations:**

- To even partially achieve this linkage, revenue records—now available online as part of Indraprastha Bhulekh—must be linked with the registration process in such a way that the Sub-Registrar can view the RoR before proceeding with registration.
- Correspondingly, the completion of registration must automatically generate an online trigger to the Revenue Department to enter a mutation to the land record. The e-mutation service under iSarita carries out this function. For every proposed property related registration, DORIS should ask for the relevant property related record. Beginning with Indraprastha Bhulekh, this linkage can be effected with more property records databases as they are digitised.

**Issue:** At present, Sub-Registrars have to manually check several databases and, in certain cases, even have to request for Land Status Reports from the office of the Additional District Magistrate, all of which are time-consuming tasks.

As a result, it is usual for the registration of a sale deed, including the delivery of the registered deed to the executant, to take up to a week in Delhi.

**Recommendation:** Digitising these databases and linking them with the Sub-Registrar’s office will enable the Sub-Registrar to complete all checks on the day of the execution of the documents. This would make it possible to complete the registration process within a day, including the handover of original registered documents to the executants on the same day as their execution.

### **Corresponding update of other records**

**Issue:** The completion of the registration process does not automatically lead to a corresponding update in the revenue records, which have been digitized and made available on Indraprastha Bhulekh. Revenue records have to be manually updated.

**Recommendation:** The Sub-Registrar’s office should be linked to the Indraprastha Bhulekh database in a way that as soon as a deed is registered, a remark is added in the relevant revenue record. This remark should be erased after the record has been mutated to reflect the change made by the registered deed. This entire process must be carried out online, with the remark and the subsequent mutation appearing in the digitised revenue records on Indraprastha Bhulekh.

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<sup>i</sup> World Bank. (2017). *Data: Ease of Doing Business in India*. Retrieved from <http://www.doingbusiness.org/data/exploreeconomies/india#delhi>

<sup>ii</sup> A Land Status Report is mandatory before registering any deed on an agricultural land in Delhi.