Office of the Inspector General of Registration

Chennai - 600 028.

Circular

No.16687/Cl/2025, Dt. 01.08.2025.

Sub: Registration of Documents- Cash Transactions above certain limit-report to Income Tax Department –Hon'ble Supreme Court Case-judgement-instructions to Registering Officers– issued-regarding.

Ref: 1. Inspector General of Registration circular No. 56003/C1/2015 dated 18-12-2015.
2. Inspector General of Registration circular No.56003-2/C1/2015 dated 04-01-2016.
3. Hon'ble Supreme Court Civil Appeal No.5200 of 2025 arsing from SLP (C) No.13679/2022

***

The Finance Bill in the year 2015 has been passed in the Parliament restricting the limit of Cash Transactions involving the immovable properties. Based on the above amendment in the Income Tax act, a Circular had been issued by the Inspector General of Registration cited in the 2nd and in that circular in the **Sl.No.4 (a) Cash Transactions above Rs.20000/-(Rupees Twenty Thousand Only) need to informed to the Income Tax Department.**

(2) Recently, Hon'ble Supreme Court of India in its judgment cited in the 3rd citied. In this Judgement in Para 18.1:-

> *".....However, when the Bill was passed, the permissible limit was capped under Rupees Two Lakhs, instead of the proposed Rupees Three Lakhs. When a suit is filed claiming Rs.75,00,000/- paid by cash, not only does is create a suspicion on the transaction, but also displays, a violation of law. Though the amendment has come into effect*

Verified RealEstate™

from 01.04.2017, we find from the present litigation that the same has not brought the desired change. When there is a law in place, the same has to be enforced. Most times, such transactions go unnoticed or not brought to the knowledge of the income tax authorities. It is settled position that ignorance in fact is excusable but not the ignorance in law. Therefore, we deem it necessary to issue the following directions:

(A) Whenever, a suit is filed with a claim that Rs. 2,00,000/- and above is paid by cash towards any transaction, the courts must intimate the same to the jurisdictional Income Tax Department to verify the transaction and the violation of Section 269ST of the Income Tax Act, if any,

(B) Whenever, any such information is received either from the court or otherwise, the Jurisdictional Income Tax authority shall take appropriate steps by following the due process in law,

(C) Whenever, a sum of Rs. 2,00,000/- and above is claimed to be paid by cash towards consideration for conveyance of any immovable property in a document presented for registration, the jurisdictional Sub-Registrar shall intimate the same to the jurisdictional Income Tax Authority who shall follow the due process in law before taking any action,

(D) Whenever, it comes to the knowledge of any Income Tax Authority that a sum of Rs. 2,00,000/- or above has been paid by way of consideration in any transaction relating to any immovable property from any other source or during the course of search or assessment proceedings, the failure of the registering authority shall be brought to the knowledge of the Chief Secretary of the State/UT for initiating

Verified © RegiEstate™

appropriate disciplinary action against such officer who failed to intimate the transactions".

(3) It is once again insisted to all Registering Officers that for the strict implementation regarding the above judgment is to report the cash transactions above Rs.20000/- (Rupees Twenty Thousand Only) mentioned in the documents to the Income Tax department by following the details mentioned below:

(i) The Registering Officers should verify the recitals of the documents regarding the payment details and to assure that any cash transactions above Rs.20000/- (Rupees Twenty Thousand Only) have been mentioned in the documents or not.

(ii) If, mentioned then the Registering Officers should inform the Income Tax department immediately about the cash transactions above Rs.20000/- (Rupees Twenty Thousand Only) along with copy of the documents, after registration of the documents and the reporting details should be scanned along with the document as a link page for future reference.

(iii) If, it is found that the Registering Officers had not informed the details to the Income Tax department or there is any delay in reporting to the Income Tax department then concerned DR should send a report to Concerned Zonal Deputy Inspector Generals, to initiate disciplinary proceedings against the concerned erred officials.

(iv) The concerned District Registrars (Audit) of the district should monitor the registration of the documents while in the audit and to verify the above instructions have been followed without any lapses and to check that there is no delay in reporting to the income tax department.

(v) Hence, Registering officers are hereby directed to strictly adhere to the above instructions in letter and in spirit. District Registrars and Deputy Inspector Generals are instructed to supervise

Verified © RedEstate™

the compliance of the above instructions by the registering authority.

The receipt of this circular is to be acknowledged by all hierarchically.

(s/d)-01.08.2025
Inspector General of Registration

//by order//

1/8/2025

Additional Inspector General of Registration
(Stamps & Registration)

01/08/2025

To

All Registering Officers,

All District Registrars (Admin and Audit),

All Deputy Inspectors General of Registration,

Copy to:

1. All Officers, O/o IGR,

2. The Additional Chief Secretary to Government,
Commercial Taxes and Registration Department,
Chennai-9.

3 CS section to upload the circular in the website

4. Stock File.

Verified RedIEstate