Proceedings of the Chief Controlling Revenue Authority and Inspector General of Registration, Chennai–600 028

Present: Thiru.DineshPonraj Oliver, I.A.S.,

D.Dis.No.33968/P1/2020 Dated 16.07.2024

Sub : Revision Petition––Document No.P.18/2020, Joint I Sub Registrar office, Chennai (Central)–received under section 56(1) of the Indian Stamp Act, 1899 against the order passed by Joint I Sub Registrar, Chennai Central (in the cadre of District Registrar)– order issued – regarding.

Ref : 1. Joint 1 Sub Registrar, Chennai Central order No. 125/ORB/2020 dated 03.11.2020
2. Revision Petition dated 11.11.2020 received from M/s.Fixit Private Limited.

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ORDER:

The revision petition 2nd cited has been filed before the Chief Controlling Revenue Authority under section 56 (1) of the Indian Stamp Act, 1899 against the order of the Joint I Sub Registrar, Chennai Central (in the cadre of District Registrar) 1st cited wherein it has been ordered to pay deficit stamp duty of Rs.1,62,980/– and penalty of Rs.520/– in respect of document No.P18/2020 (later registered as No.969/2020) on the file of Joint 1 Sub Registrar, Chennai (Central).

2) Facts relating to document in question and the Revision Petition are as follows:–

Document No.	P.No.18/2020 (969/2020)
Office	Joint 1 Sub Registrar office, Chennai (Central)

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Date of Execution	18.06.2020
Title	LEASE DEED
Lessor	M/s. A.C.K. Educational Trust
Lessee	M/s.Fixit Pvt. Limited
Consideration for lease as per Document	Rs.43,42,000/-
Lease rent computed by Sub Registrar	Rs.51,60,000/-
Stamp Borne by the deed	Rs.43,420/-
Nature of document as determined by the District Registrar	Lease deed under Article 35(b) of Indian Stamp Act, 1899
Deficit stamp duty & penalty determined by the District Registrar	Rs. 1,62,980/-& Rs.520/-

The document in question purports to Lease the property (Land & Building) mentioned in the instant document by M/s. A.C.K. Educational Trust (Lessor) in favour M/s. Fixit Pvt Limited (Lease) for a period of 18 years starting from 01.10.2018 to 30.09.2036.

Initially the land was acquired by M/s. A.C.K. Educational Trust (Lessor herein) vide Deed of Declaration of Trust dated 29.03.1972 registered as Document No.1410/1972 in the office of Sub Registrar, Mylapore. Whereas, the M/s.A.C.K. Educational Trust (Lessor) through a Lease deed dated 10.11.1995 leased the said land in favour of M/s.Fixit Pvt. Limited (Lessee herein) for a period of 9 years commencing from 10.11.1995 and the same was registered as document No.1135/1995 on the file of Joint 1 Sub Registrar, Chennai (Central). It is also stated that on consensus of the Lessor and Lessee, the instant deed of lease was executed for a period of 18 years commencing from 01.10.2018 on a monthly rent of Rs.15000/- from 01.10.2018 to 30.09.2027 (9 years) and on a

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monthly rent of Rs.25,000/– for next 9 years commencing from 01.10.2027 to 30.09.2036.

The aforesaid document has been impounded by Joint I Sub Registrar, Chennai Central (in the cadre of District Registrar) based on the following recitals:

Page 5 "*Lessor hereby agrees to extend the lease to the said premises to the lessee*"

Accordingly, the Sub Registrar reckoned the lease period as 41 years from 10.11.1995 to 2036 and as a consequence the Sub Registrar (in the cadre of District Registrar) Vide proceedings dated 03.11.2020, classified the document under Article 35(b) of Indian Stamp Act, 1899 and determined the deficit stamp duty as Rs.1,62,980/– and penalty as Rs.520/–. Aggrieved over above decision present revision petition has been filed.

3) The petitioner through their counsel was heard on 21.5.2024.

Major contentions of the revision petitioner:

i. In the view of full bench judgment of Madras High Court in 1976 (2) M.L.J. Page 279 (Board of Revenue, Madras vs. DR.K.Manjunathan Rai) the Sub Registrar has no authority to go beyond the recitals and terms of the document. Hence classifying document under Article 35(b) of Indian Stamp Act, 1899 is arbitrary.

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ii. The District Registrar without conducting any fair enquiry by giving reasonable opportunity unilaterally determined / adjudicated the stamp duty for the instant lease deed document.

iii. The District Registrar has misconstrued and misunderstood the word "extension of lease" or "extend the lease" mentioned in the instant document and wrongly construed that the lease period was continuing from already expired lease deed dated 10.11.1995 (Lease Period of 9 years) and determined the stamp duty in retrospective manner for the period from 2004 to 2018 which is not covered by the subject matter of the instrument.

iv. The District Registrar without authority has tagged the already expired lease dated 10.11.1995 with the present lease deed and levied stamp duty under Article 35(b) of Indian Stamp act, 1899.

v. The District Registrar has failed to consider section 2(16) of the Indian Stamp Act, 1899 and Sections 106, 107 & 116 of Transfer of Property Act that determination of stamp duty in prospective manner only.

4) Contents of revision petition, connected records received from the District Registrar, arguments advanced on behalf of the petitioner have been carefully examined by me.

i) The deficit stamp duty and penalty determined by District Registrar has been paid by the revision petitioner and the aforesaid pending document has been registered as document number 969/2020 and returned to the registrant.

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ii) As far the question of computation of correct lease period of the document in question, IGR Pro.No.34171/P1/2010 dated 29.7.2011 is relevant to refer here. The lease document dealt under the said proceedings purports to lease out the property for a period of 29 years commencing from 1.11.2008. Earlier a registered lease deed was in force for the period of 15 years commencing from 1.1.1991 and ending with 31.12.2005. However during the period from 1.1.2006 to 31.10.2008 no lease deed was executed or registered.

In the said instance, the District Registrar held that the left out period viz., 1.1.2006 to 31.10.2008 has to be construed as part of current lease deed and as such the same is chargeable with stamp duty of 4% under Article 35(b) of the Indian Stamp Act, 1899. The CCRA cum IGR in the proceedings under section 56(1) of the Indian Stamp Act, 1899 has ruled that left out period cannot be construed as part of current lease deed and set aside the order of the District Registrar.

Whereas in the case on hand, the Sub Registrar has not only construed the left out period as part of current lease deed but has also construed the lease period of 9 years covered under earlier registered lease deed (No.1135/1995) as part of current lease deed.

iii) A combined reading of Sections 106, 107 & 116 of Transfer of Property Act, 1882 leads to a irresistible conclusion that lease of immovable property (other than agricultural or manufacturing purposes) which is not reduced into

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writing has to be deemed as a lease from month to month and as a consequence may not require a registered lease deed.

Accordingly, the document in question is held to be a lease classifiable under Article 35(a) of the Indian Stamp Act, 1899. Consequently, the order of the District Registrar 1st cited is hereby set aside and revision petition 2nd cited is upheld.

Sd/– Dinesh Ponraj oliver /– 16.07.2024
Chief Controlling Revenue Authority &
Inspector General of Registration.

/By Order/

District Registrar (Inspection)

16/7/24

To

1. M/s.Fixit Private Limited,
   Represented by its Director Mr.H.Prasanna,
   Old No.239, New No.358,
   TTK Road,Alwarpet,
   Chennai– 600 018.

2. M/s.P.C.Harikumar& Associates,
   S.Charuhasan (Advocate)
   No.144, Thambu Chetty Street, 2nd Floor,
   Chennai – 600 001.

3. Joint 1 Sub Registrar,
   Chennai Central
   (With original file)
   Copy to: Stock File

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