



## **TAKING PROPERTY REGISTRATION ONLINE: THE ISARITA MODEL**

### Introduction

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The registration of property transaction documents has a direct impact on ease of doing business by way of the average time and resources spent on the process. Registration both serves as the acknowledgement of a transaction by the government and is a source of revenue for the latter in the form of stamp duty levied on such documents. While the Registration Act of 1908 lists compulsorily registrable documents, which include deeds of conveyance, these do not guarantee title. In the deeds-based presumptive system followed in India, the focus is on guaranteeing the transaction and not the title on the records, which is open to challenge in civil courts.

India's property registration system has been beset with several issues, including delays in the process, lack of transparency, absence of real-time data leading to problems like incorrect valuation, and the general cumbersomeness arising from the manual

maintenance of documents. Taking note of such problems, several efforts have been made towards making the registration process more robust and citizen-friendly, particularly when it comes to increasing online access to registration and its allied processes. States like Andhra Pradesh and Karnataka have amended their respective Registration Acts to include 'registration of documents by electronic means'. Others like Gujarat, Haryana and Himachal Pradesh have already established electronic systems for registration and land records.

In 2012, Maharashtra became one of the first states to launch a web-based platform for registration, called 'iSarita', which is currently used by all Sub-Registrar Offices (SROs) in the state.

Recognising its benefits, the Department of Land Resources (DOLR), Ministry of Rural Development, Government of India, selected it as the core software to develop a proposed national property registration software—a web-enabled common generic software that can be modified and used by any state for its needs.

The success of iSarita in Maharashtra owes to certain vital changes brought about in the legislative framework, technical advancements and the institutional harmonisation carried out by the DOLR. This policy brief uses iSarita as a model to understand the processes that led to the success of the e-registration system, and to explore possible methods of replicating that success in other states.

### Changes in the Legislative Framework

Maharashtra has been able to effectuate iSarita through timely amendments to relevant laws in order to enable the legal acknowledgement of electronic processes and documents. Some of the amendments are as follows.

- Amendments to the Registration Act in 2012 (sections 32, 34, 35 and 69) have eliminated the need for making a physical appearance in cases where documents have been presented via electronic means. Further, in 2013, the Maharashtra e-Registration and e-Filing Rules were enacted to enable e-registration of certain documents.
- Amendments to Section 10(3)(v) of the Maharashtra Stamp Act, 1958 whereby 'e-payment' was added as a mode of collection of stamp duty, and the enactment of the Maharashtra e-Payment of Stamp Duty and Refund Rules, 2013 have enabled the provision of online payments for the purpose of registration.

- The enactment of the Maharashtra e-Filing and e-Registration Rules, 2013 has enabled the provision of electronic notice for the intimation of any loan taken by mortgaging a property by way of depositing title deeds. The intimation is through Public Data Entry (PDE) or an entry made at the bank.

### Technological Advancements

iSarita's e-search feature enables access to registered documents pertaining to a particular property. The database also includes previous transactions available in index II for up to 30 years for certain areas and is updated on a real-time basis. To make these legacy records available, the Maharashtra Registration Department undertook a state-wide scanning exercise with a 30-year cut-off period. However, a disclaimer on the website states that the information thus obtained may not be complete in all respects and is not certified by the Department; for that, the documents must be obtained from the relevant SRO office. The 'e-ASR' (Annual Schedule of Rates) feature allows one to search the rates of market value of properties (valuation), and calculate the applicable stamp duty. In addition, the GIS database of the Maharashtra Remote Sensing Application Centre (MRSAC) has been used to identify plots adjoining highways in the state or *gaathan* (settlement) areas that have high potential for commercial and residential development.

Citizens can make online payments for charges and fees related to registration. The e-payment feature includes the issuing of electronic receipts and challans, which function (like stamp paper) as valid recognition of payments. iSarita is further linked to the Government Receipt Accounting System (GRAS) servers so that each payment can be verified and an e-challan issued with a unique number to ensure single usage.

The process of presenting documents to the SRO for verification and finalisation of registration has also been simplified using electronic methods. Public Data Entry (PDE) has enabled the transacting parties to electronically enter all data regarding the transaction. PDE can be done either through a web portal or through an agency appointed to do the same. After PDE, an 11-digit code is generated which is utilised by the SRO to verify details. The 'E-Step-in' feature facilitates the booking of a time-slot for a visit to the SRO office. E-registration has eliminated the need to physically visit the SRO office for the registration of certain types of documents. At present, these are Leave and License Agreements and builder-buyer agreements for the first sale of apartments. Identity verification in these cases is done through the Unique Identification Number (UID).

iSarita also has provisions for linkages to land records (VF 7/12 in Maharashtra) in Mahabhulekh, the state's land records website. It can extract data from the records for review by the SRO. However, the linkage to urban records is ineffective as they exist in a text document format, and not as part of a database. The registration process is completed with the photographs and thumbprints of the parties, and a final stamp of approval from the SRO. Thereafter, the final documents are returned to the parties, along with a copy of Index II. At this point, the parties receive an SMS containing a link to their final documents.

The successful registration of a document is followed by corresponding updates in other records. The 'e-mutation' function enables an automatic trigger of the mutation process by sending details of the registration to the land records database.

However, this particular process has suffered due to existing inaccuracies in records and technical limitations. For updating the name of the owner on the property tax records, there is a proposal to link Pune Municipal Corporation (PMC) property tax records to iSarita.

### **Institutional Harmonisation**

In Maharashtra, institutional harmonisation has enabled the Registration Department to become robust and efficient. The merging of the Registration and Stamp Departments, in 1988, under the Inspector General of Registration and Stamps, widened the tax net for levying stamp duty, thereby increasing revenue collection. In 2001, the Registration and Stamps Department opened a Personal Ledger Account (PLA) to be used for its digitisation. The Department levied a service fee, thereby enabling it to collect its own revenue, to be used towards enhancing its financial efficiency. Between 2003 and 2015, the revenue collection from this amounted to a total of ₹274.95 crore (CAG,2016 p.55)<sup>i</sup>. The introduction of iSarita has further enhanced the functioning and revenues of the department, as simpler processes have resolved institutional delays while the availability of real-time data has enabled proper valuation of property and revenue earned through duty and fees.

The department's initiatives towards using information and communication technology have been focused towards increasing accountability and transparency in the system while reducing the overall time taken for the registration process. The use of dedicated central servers at the State Data Centre (procured by the department) has also contributed to the efficiency of iSarita as a real-time e-registration system.

## Lessons

The success of iSarita in Maharashtra makes it a model e-registration system that could potentially be replicated across other states. Towards this end, states would need to undertake the following measures:

- **Legal amendments** need to be brought about by the respective states into the Registration Act, and other related legislations, for ensuring the legal validity of electronic processes and documents.
- An enabling **institutional atmosphere** must be created through harmonisation of services and capacity building initiatives. This includes capacity building of the staff and technical support from relevant professional bodies like the National Informatics Centre (NIC). Most importantly, the PLA initiative of the Maharashtra Registration Department holds promise for an independent and financially capable method towards ensuring technical developments.
- **Technical capacities** must be built for a robust e-registration system to be effective. Necessary technical infrastructure with adequate capacity towards efficient functionality must be ensured. Such a system should be applicable across rural and urban areas, including vertical properties, taking into consideration the peculiarities of the state concerned.
- There needs to be a harmonisation of **valuation** services to ensure a transparent and efficient system for the citizen. This involves enabling accurate electronic valuation of properties and electronic payment of charges.
- **Electronic records** need to be created and regularly updated. This involves the digitisation of textual records and ensuring their relative accuracy. It also includes digitisation of maps with GIS information that would ensure the verifiability of spatial details.
- **Linkages with other records** must be made a priority. This requires the updating of existing records and real-time updates through registration processes. Special attention should be paid to urban properties which have a crucial vertical component. Further linkages to financial records such as encumbrances need to be built.
- **Awareness** needs to be built amongst citizens about technical initiatives, which includes explaining processes to enable proper usage of the system.
- The **security and integrity** of the electronic system and the data contained within it needs to be ensured through technical and legal means. This involves technical safeguards and necessary data protection laws.

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<sup>i</sup>Comptroller and Auditor General of India (2016). Performance Audit for Revenue Sector. New Delhi, India, Comptroller and Auditor General of India.