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## Part IV—Section 1

### Tamil Nadu Bills

#### CONTENTS

BILLS:	<i>Pages.</i>
No. 17 of 2012—Tamil Nadu Value Added Tax (Third Amendment) Act, 2012 .. .. .	92-93
No. 18 of 2012—Tamil Nadu Value Added Tax (Fourth Amendment) Act, 2012 .. .. .	95-96
No. 19 of 2012—Indian Stamp (Tamil Nadu Amendment) Act, 2012 ..	97-98
No. 20 of 2012—Indian Stamp (Tamil Nadu Second Amendment) Act, 2012 .. .. .	99-100
No. 21 of 2012—Registration (Tamil Nadu Amendment) Act, 2012 ..	101-103

**BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF TAMIL NADU**

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 17 of 2012**

***A Bill further to amend the Tamil Nadu Value Added Tax Act, 2006.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

Short title and commencement.

**1.** (1) This Act may be called the Tamil Nadu Value Added Tax (Third Amendment) Act, 2012.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Insertion of new section 63-A.

**2.** In the Tamil Nadu Value Added Tax Act, 2006, after section 63, the following section shall be inserted, namely:—

*63-A. Accounts to be audited in certain cases.*—(1) Every registered dealer whose total turnover including zero-rate sale and sale in the course of inter-State trade or commerce as specified in section 3 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) in a year, exceeds one crore rupees, shall get his accounts in respect of that year, audited by an Accountant and submit a report of such audit in the prescribed Form, duly signed and verified by the Accountant, to the Assessing authority, within such period as may be prescribed.

*Explanation.*—For the purpose of this section “Accountant” means, a chartered accountant as defined in the Chartered Accountants Act, 1949 (Central Act 38 of 1949) or a cost accountant as defined in the Cost and Works Accountants Act, 1959 (Central Act 23 of 1959).

(2) If such registered dealer fails to get his accounts audited and submit a report of such audit within the prescribed period, as required in sub-section (1), the Assessing authority may, after giving a reasonable opportunity of being heard, direct such registered dealer to pay by way of penalty of sum of rupees ten thousand, in addition to any tax payable, in respect of the said period:

Provided that, this section shall not apply to the departments of Central and State Governments, local authorities, the railway administration as defined under the Railways Act, 1989 (Central Act 24 of 1989), the Tamil Nadu State Road Transport Corporations and similar such registered dealers, as may be notified by the Government.

Tamil Nadu  
Act  
32 of 2006.

**STATEMENT OF OBJECTS AND REASONS.**

At present there is no provision in the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) for auditing the accounts of a registered dealer by a chartered accountant or a cost accountant, if the total turnover of the said dealer including zero-rate sale and sale in the course of inter-state trade or commerce exceeds one crore rupees in a year. In order to ensure the correctness of the accounts of the registered dealers, the Government have decided to amend the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) suitably for the purpose in view.

2. The Bill seeks to give effect to the above decision.

**C.Ve. SHANMUGAM,**  
*Minister for Commercial Taxes and  
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,  
*Secretary.*



Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 18 of 2012**

***A Bill further to amend the Tamil Nadu Value Added Tax Act, 2006.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Fourth Amendment) Act, 2012.

Short title and commencement.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Tamil Nadu  
Act  
32 of 2006.

2. In the Second Schedule to the Tamil Nadu Value Added Tax Act, 2006,—

Amendment of Second Schedule.

(1) against Serial Number 5, for item (ii) and the entries relating thereto in columns (2), (3) and (4), the following item and entries shall, respectively, be substituted, namely:—

<p>“(ii) Aviation Turbine Fuel sold to an aircraft with a maximum take-off mass of less than forty thousand kilograms operated by scheduled airlines.</p>	<p>At the point of first sale in the State</p>	<p>5 per cent.”;</p>
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(2) against Serial Number 11, in column (4), for the entry “4 per cent”, the entry “5 per cent” shall be substituted;

(3) after Explanation III, the following Explanation shall be added, namely:—

“*Explanation IV.*—For the purpose of item (ii) against Serial Number 5, “scheduled airlines” mean the airlines which have been permitted by the Central Government to operate any Scheduled air transport service.”.

**STATEMENT OF OBJECTS AND REASONS.**

In order to bring the entry against Serial Number 5(ii) relating to Aviation Turbine Fuel in the Second Schedule to the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) on par with entry (iid) in section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), and also to bring the rate of tax of the goods mentioned against Serial Numbers 5(ii) and 11 in the said Second Schedule on par with the present rate of tax of the goods specified in Part B of the First Schedule to the said Tamil Nadu Act 32 of 2006, the Government have decided to amend the said Tamil Nadu Act 32 of 2006 suitably for the purpose.

2. The Bill seeks to give effect to the above decision.

**C.Ve. SHANMUGAM,**  
*Minister for Commercial Taxes and  
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,  
*Secretary.*

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 19 of 2012**

***A Bill further to amend the Indian Stamp Act, 1899 in its application to the State of Tamil Nadu.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Stamp (Tamil Nadu Amendment) Act, 2012.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Short title,  
extent and  
commence-  
ment.

2. In Schedule I to the Indian Stamp Act, 1899,

(1) in Article 5, for clause (i), the following clause shall be substituted, namely:—

“(i) if relating to construction of building	One rupee for every hundred rupees or part thereof of the cost of the proposed construction or the value of construction or the consideration specified in the agreement, whichever is higher.
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Amendment of  
Central Act  
II of 1899.

*Explanation.*—For the purpose of this clause, “building” includes any unit, residential, commercial, institutional, industrial or otherwise proposed to be constructed on an undivided share of land.”;

(2) in Article 45, in clause (a), for the expression, “partition, subject to the maximum of Rs.10,000 per share”, the expression “partition” shall be substituted;

(3) in Article 46, in clause (b), for the expression, “partition, subject to the maximum of Rs.10,000 per share”, the expression “partition” shall be substituted;

(4) in Article 55, in clause A, for the expression, “release, subject to the maximum of Rs.10,000”, the expression “release” shall be substituted; and

(5) in Article 58, in clause (a), in sub-clause (i), for the expression, “settlement, subject to the maximum of Rs.10,000”, the expression “settlement” shall be substituted.

Central Act  
II of 1899.

**STATEMENT OF OBJECTS AND REASONS.**

Schedule I to the Indian Stamp Act, 1899 (Central Act II of 1899) provides the rate of stamp duty with which the various types of instruments mentioned in the Articles therein are to be charged with. In metropolitan cities and other major towns, dwelling units are mostly constructed in the form of flats and sold by real estate developers. The real estate developers either buy land from the land owners or enter into joint venture with the land owners and construct flats on these lands. While constructing these flats, the real estate developer or the land owner sells only the undivided share of land and register a sale deed for this conveyance only. As far as the built up area is concerned, the real estate developer enters into a Construction Agreement with the prospective buyer and does not registers the Construction Agreement, as it is only an optionally registerable document. Article 5(i) of Schedule I to the said Act provides for charging 8% stamp duty only on the agreements entered into by the vendor for constructing a multi-unit house or building having not less than five floors on the land sold by that vendor and the vendee. In the case of first sale of flats, in most cases, the owner of the land is different from the person who constructs the building. Hence, the purchaser of the flat gets the land, which is undivided, conveyed by the owner of the land and he enters into a construction agreement with the flat developer, who is a different person. So, the Construction Agreement entered into between the purchaser and the flat developer does not fall within the ambit of the aforesaid Article 5(i) and they escape from the payment of stamp duty. In order to prevent such escape of stamp duty on construction agreements, it has been decided to amend Article 5(i) of Schedule I to the said Act so as to provide for chargeability of 1% stamp duty on agreements relating to construction of any building on an undivided share of land; and to amend separately the Registration Act, 1908 (Central Act XVI of 1908) to make the registration of such agreements compulsory.

2. It is also proposed to remove the maximum limit of stamp duty payable on instruments of partition, dissolution of partnership, release and settlement, among family members, as the maximum limit was fixed in the year 2004 and the value of properties has increased manifold.

3. The Government have, therefore, decided to amend the Indian Stamp Act, 1899 (Central Act II of 1899) suitably for the purposes in view.

4. The Bill seeks to give effect to the above decision.

**C.Ve.SHANMUGAM,**  
*Minister for Commercial Taxes and  
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,  
*Secretary.*

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 20 of 2012**

***A Bill further to amend the Indian Stamp Act, 1899 in its application to the State of Tamil Nadu.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Indian Stamp (Tamil Nadu Second Amendment) Act, 2012.

Short title,  
extent and  
commence-  
ment.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Central Act  
II of 1899.

**2.** In section 2 of the Indian Stamp Act, 1899 (hereinafter referred to as the principal Act), for clause (10), the following clause shall be substituted, namely:—

Amendment of  
section 2.

“(10) “Conveyance” includes,—

(i) a conveyance on sale;

(ii) every instrument;

(iii) every order made by the High Court under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) in respect of amalgamation or reconstruction of companies; and

(iv) every order made by the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949);

by which property, whether movable or immovable or any interest in any property is transferred *inter vivos* and which is not otherwise specifically provided for by Schedule I.”.

**3.** In Schedule I to the Principal Act, in Article 23, after clause (b), the following clause shall be inserted, namely:—

Amendment of  
Schedule I.

“(c) if relating to the order of High Court in respect of amalgamation or reconstruction of companies under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) or if relating to the order of the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949).

(i) 2 per cent of the market value of the immovable property of the transferor company, located within the State of Tamil Nadu, which is the subject matter of the conveyance; or

(ii) 0.6 per cent of the aggregate of the market value of the shares or other marketable securities which is the subject matter of the conveyance, issued or allotted in exchange or otherwise, and the amount of consideration paid for such amalgamation, whichever is higher.”.

**STATEMENT OF OBJECTS AND REASONS.**

At present there is no provision in the Indian Stamp Act, 1899 (Central Act II of 1899), for levy of stamp duty on transfer of properties made to facilitate amalgamation or reconstruction of companies by the orders of the High court under section 394 of the Companies Act, 1956 (Central Act 1 of 1956) or under the order of the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949), in respect of Banking companies. The Government have, therefore, decided to amend the Indian Stamp Act, 1899 (Central Act II of 1899) so as to provide for levy of stamp duty on the above mentioned transfer of properties to augment the State exchequer.

2. The Bill seeks to give effect to the above decision.

**C.Ve.SHANMUGAM,**  
*Minister for Commercial Taxes and  
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,  
*Secretary.*

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 3rd May, 2012 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 21 of 2012**

***A Bill further to amend the Registration Act, 1908 in its application to the State of Tamil Nadu.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Registration (Tamil Nadu Amendment) Act, 2012.

Short title,  
extent and  
commence-  
ment.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Central Act  
XVI of 1908

2. In section 17 of the Registration Act, 1908 (hereinafter referred to as the principal Act),—

Amendment of  
section 17.

(1) in sub-section (1) for clause (f), the following clause shall be substituted, namely:—

“(f) instruments of agreement relating to construction of building as referred to in clause (i) under Article 5 of Schedule I to the Indian Stamp Act, 1899 (Central Act II of 1899);

(g) instruments of agreement relating to sale of immovable property of the value of one hundred rupees and upwards;

(h) instruments of Power of Attorney relating to immovable property other than those executed outside India;

(i) instruments evidencing an agreement relating to the deposit of title deeds;”;

(2) in sub-section (2), the *Explanation* shall be omitted.

3. In section 28 of the principal Act,—

Amendment of  
section 28.

(1) in clause (a), for the expression “clauses (a), (b), (c), (d) and (e)”, the expression “clauses (a), (b), (c), (d), (e), (f), (g), (h) and (i)” shall be substituted;

(2) to clause (a), as so amended, the following proviso shall be added, namely:—

“Provided that every document mentioned in clause (h) of sub-section (1) of section 17 may also be presented for registration in the office of the Sub-Registrar within whose jurisdiction the principal ordinarily resides;”.

4. After section 34-A of the principal Act, the following section shall be inserted, namely:—

Insertion of  
new section  
34-B.

“34-B. *Procedure for Registration of document of Power of Attorney relating to immovable property.*—Subject to the provisions of this Act, no document of Power of Attorney relating to immovable property shall be registered, unless passport size photographs and finger prints of the principal, the agent and of the identifying witnesses are affixed to the document and the agent has also signed such document.”.

5. In section 50 of the principal Act, in sub-section (1), for the expression “clauses (a), (b), (c) and (d) of section 17”, the expression “clauses (a), (b), (c), (d), (f), (g), (h) and (i) of section 17” shall be substituted.

Amendment of  
section 50.

6. After section 64 of the principal Act, the following section shall be inserted, namely:—

Insertion of  
new section  
64-A.

“64-A. *Procedure where instrument of Power of Attorney presented in office of Sub-Registrar relates to immovable property not situate in sub-district.*—Every Sub-Registrar on registering an instrument of Power of Attorney including instrument of revocation or cancellation of such Power of Attorney relating to immovable property not

situate in his own sub-district, shall make a copy and send the same together with a copy of the map or plan (if any) mentioned in section 21, to every other Sub-Registrar in whose sub-district the whole or any part of such property is situate and such Sub-Registrar shall file the same in his Book No.1:

Provided that where such instrument relates to immovable property in several districts, shall forward the same to the Sub-Registrars concerned, under intimation to the Registrar of every district in which any part of such property is situate.”.

**STATEMENT OF OBJECTS AND REASONS.**

Section 17 of the Registration Act, 1908 (Central Act XVI of 1908) provides for the compulsory registration of certain documents specified therein. At present instruments of agreement relating to sale of immovable property, instruments of Power of Attorney relating to immovable property and instruments evidencing an agreement relating to the deposit of title deeds are not required to be compulsorily registered. Generally, the public execute the above documents either on white paper or on a stamp paper of nominal value and do not opt for registration of such documents, since they are not compulsorily registerable and thereby they tend to evade payment of proper stamp duty resulting in loss of revenue to the Government. That apart, such inadequately stamped documents are invalid in law and cannot be admitted as evidence unless they are adjudicated. The Government have, therefore, decided to make the registration of the aforesaid documents, other than the instruments of Power of Attorney relating to sale of immovable property executed outside India, compulsory and to provide for registration of instruments of Power of Attorney relating to immovable property in the office of the Sub-Registrar within whose jurisdiction the principal ordinarily resides. It has further been decided to prescribe procedure to be followed by the Sub Registrar, where instrument of Power of Attorney presented in the Office of the Sub-Registrar relates to immovable property not situate in his own sub-district. It has also been decided to require the agent and the identifying witnesses to affix their photographs and finger prints in addition to that of the Principal, on the documents of Power of Attorney relating to immovable property and also to sign such documents.

2. The Government have, therefore, decided to amend the Registration Act, 1908 (Central Act XVI of 1908) suitably for the purposes in view.

3. The Bill seeks to give effect to the above decision.

**C.Ve.SHANMUGAM,**  
*Minister for Commercial Taxes and  
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,  
*Secretary.*