DUA ASSOCIATES

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IN BRIEF

THE REGISTRATION BILL, 2025: SCOPE, INTERPRETATION AND IMPACT

Introduction

The Department of Land Resources, Ministry of Rural Development, Government ofIndia has released the draft Registration Bill, 2025 (Bill) for public consultation signaling a major legislative overhaul of the framework that has been largely unchanged for over a century. The Bill seeks to repeal the Registration Act, 1908 (Act) and replace it with a modern, technology-driven, paperless and citizen centric registration

2. Expansion of Compulsorily Registrable Documents:

Section 12 of the Bill significantly expands the list of documents whose registration is compulsory. In addition to the traditional classes (such as sale deeds, mortgages, leases beyond a certain term, etc.), the Bill now explicitly requires the registration of:

- Instruments of gift of immovable property;

- Other non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, to or in immovable property, for some consideration;

system that aligns with evolving commercial practices and digital governance objectives.

This legislative initiative is intended to address longstanding inefficiencies, bring clarity to property transactions, and provide a uniform mechanism for registration across jurisdictions.

Key Highlights and Structural Reforms

1. Facilitating Online Registration:

The Bill proposes to support online registration, including electronic presentation and admission of documents, issuance of electronic registration certificates, and digital maintenance of records. Aadhaar-based authentication with informed consent is permitted, alongside alternative verification mechanisms for individuals who do not possess Aadhaar or choose not to use it. The Bill also enables electronic integration with other record-keeping systems to enhance the efficiency and integrity of information flows.

• Non-testamentary instruments which acknowledge the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation or extinction of any such right, title, or interest;

• Leases of immovable property from year to year, or for any term exceeding one year or reserving a yearly rent;

• Powers of Attorney (POAs) authorizing the transfer of immovable property with or without consideration;

• Company restructuring instruments, including those pertaining to amalgamation, reconstruction, merger, demerger or the formation of a new company under orders of theCompanies Act, 2013, where immovable property is transferred at the time of incorporation;

• Court decrees or awards that create, limit or extinguish any right, title or interest in immovable property; and

• Adoption instruments for a daughter, not conferred by will (extending to daughters the existing requirement under the Act for registering instruments of adoption, which previously applied only to sons).

This broadened list removes longstanding ambiguities. For example, under the Act, a

Power of Attorney (POA) for the sale of property needed only authentication, not registration, as held by the Supreme Court in *Asset Reconstruction Co. (India) Ltd. v. S.P. Velayutham*. In practice, however, registrars frequently insist on a registered POA for transfers.

The Bill settles this by mandating registration of such POAs. Similarly, requiring registration of agreements for sale and developer/ promoter agreements brings these critical pre-salesale contracts into the public domain, enhancing legal certainty and reducing fraud risk. It should be noted, however, that making more documents registrable will increase transaction costs, as registration fees are presently applicable to only those instruments mentioned in Section 17 of the Act, as mandatorily registrable.

3. <u>Appeals Mechanism</u>:

Under the Act, aggrieved parties could challenge decisions of the registering authority only indirectly through civil courts, which often led to delays and increased litigation. The Bill, however, establishes a structured hierarchical appeal system within the registration authorities themselves, enabling parties to seek redressal at different administrative levels before approaching the judiciary. For

Implications for Stakeholders

For developers, financial institutions, and legal advisors, the Billaugurs both compliance challenges and opportunities. Standardization and digitization will necessitate realignment of internal processes, contractual practices, and due diligence frameworks.

Conclusion

The Registration Bill, 2025, represents a significant legislative step toward modernizing India’s property registration ecosystem. While it promises transparency, standardization, and digital efficiency, its success will depend on meticulous rule-making, adequate institutional infrastructure, and proactive stakeholder engagement.

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example, in case the registration of a document is refused by a Sub-Registrar, an appeal may be filed before the Registrar to whom such the Sub-Registrar is subordinate. This reform not only reduces the load on civil courts but also ensures quicker, more efficient dispute resolution within the registration framework.

4. Re-Registration, Cancellation, and Rectification:

The Bill introduces explicit mechanisms for re-registration, cancellation of fraudulent or defective instruments, and rectification of clerical errors. While these provisions aim to curb misuse and enhance record integrity, the absence of clear boundaries on adjudicatory powers and title verification responsibilities could lead to overlapping jurisdictional disputes and protracted litigation.

5. Prescribed Templates for Instruments:

To bring standardization, the Bill contemplates Government-notified templates for certain registrable instruments. While this can simplify routine transactions and reduce drafting ambiguities, it raises concerns for high-value or complex transactions where flexibility and bespoke drafting are critical.

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6. Fee Rationalization for Multi-Document Transactions:

Recognizing that multi-instrument transactions are common in project finance, and large-scale real estate deals can lead to significant registration costs, the Bill empowers the State Governments to rationalize fees. A uniform nominal fee policy could substantially ease the compliance burden and encourage voluntary adherence.

Implementation Challenges and Ambiguities

Despite its progressive intent, the Bill leaves several questions unanswered. It delegates wide rule-making powers to State Governments, creating the risk of inconsistent frameworks. Additionally, the Bill does not mandate title verification prior to registration, limiting its ability to guarantee an indefeasible title, a key objective of any modern property law. Operational readiness, especially in rural jurisdictions and sub-registrar offices, will determine whether these reforms deliver their intended benefits.