

CHAPTER – VI
STAMPS &
REGISTRATION
DEPARTMENT



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6.1 Tax Administration

The Stamps & Registration Department is responsible for collection of revenue under the Indian Stamps Act, 1899 and the Indian Stamps (Meghalaya Amendment) Act, 1993.

The Additional Chief Secretary to the Government of Meghalaya, Excise, Registration, Taxation & Stamps (ERTS) Department is in overall charge of the Stamps & Registration Department at the Government level. The Inspector General of Stamps is the administrative head of the Department. There are District Registrars/ Sub-registrars at the district level for levy and collection of stamp duty and registration fee.

6.2 Results of Audit

Test check of the records of four units out of nine units relating to the Stamps & Registration Department during 2018-19 revealed non-realisation of taxes and duties, etc. involving ₹0.87 crore in 11 cases, which fall under the following categories:

Table 6.1

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/Short realisation of stamp duty	08	0.65
2.	Loss of revenue	03	0.22
Total		11	0.87

During the year 2018-19, the Department accepted under assessments and other deficiencies of ₹0.73 crore in seven cases. The Department did not furnish replies in the remaining four cases. An amount of ₹4.60 lakh was recovered at the instance of Audit.

A few illustrative cases having financial impact of ₹39.16 lakh on short realisation of stamp duty and registration fee are discussed in paragraph 6.3.

6.3 Short realisation of stamp duty and registration fee

District/ Sub-Registrars incorrectly calculated stamp duty in respect of mining leases resulting in short realisation of stamp duty amounting to ₹38.87 lakh and registration fee of ₹0.29 lakh

[District/Sub-Registrar, Pynursla, Sohra and Shillong; December 2018-May 2019]

Under Rule 5 of the Meghalaya Minor Minerals Concession Rules, 2016, the Principal Chief Conservator & Head of Forest Force or the competent officer shall grant mining lease and quarry permit in respect of minor minerals for uses other than in industries. Further, under Section 26 of the Indian Stamp Act, 1899, in case of lease of a mine in which royalty is received as rent, such royalty shall be considered for computing stamp duty. Clause 35(a) (iii) to (v) of the Indian Stamp (Meghalaya Amendment) Act, 1993 lays down stamp duty of ₹99 per thousand on lease depending on the term of the lease.

Further, Section 17 of the Indian Registration Act, 1908 provides for compulsory Registration of leases of any immovable property for any term exceeding one year, or reserving a yearly rent. The Stamps & Registration Department, Government of Meghalaya (GoM) fixed (June 2011) the fees for registration of documents at ₹15 per thousand⁸⁶.

The Stamps & Registration Department, GoM vide notification dated 11 July 1983 exempted 50 *per cent* of stamp duty and registration fee payable in respect of all instruments of conveyance executed by or in favour of members of Scheduled Castes/ Tribes.

The Forest and Environment Department, GoM had granted eight mining leases to seven limestone/boulder stone lessees⁸⁷ between September 2017 and January 2019. The Forest Department had also stipulated that these mining lease agreements had to be executed and registered with the Stamps and Registration Department and communicated the anticipated royalty to the Deputy Commissioner, East Khasi Hills District, Shillong for the purpose of calculation of stamp duty. The Sub-Registrars, accordingly calculated the stamp duty due and forwarded the same to the lessees. The lease agreements were executed for periods ranging from 10 years to 30 years between September 2017 and January 2019.

⁸⁶ Upto ₹1000 Registration fee is ₹26. Above ₹1000, Registration fee is ₹15 per thousand for every additional ₹1000 plus ₹26.

⁸⁷ (1) Khrikshon L yngkhoi, (2) Tamdor Sing Nadon (2 leases), (3) Reader Force Sarubai, (4) Suren Chyne, (5) Marbat Dohkrut, (6) Plenty K. Pyngrope and (7) Edingson Khongnohbeh

Audit scrutiny of records of the District/ Sub-Registrars, Shillong, Pynursla, Sohra and Jowai (December 2018-May 2019) revealed that the Sub-Registrars incorrectly calculated the stamp duty for all the eight leases. The actual realisation of stamp duty against the applicable stamp duty is shown in *Table 6.2*.

Table 6.2 Actual realisation of stamp duty against the applicable stamp duty

Name of the Registrar/ Sub-Registrar	Name of the Lessee	Anticipated Royalty value communicated (in ₹)	Applicable Stamp Duty (in ₹)	Stamp Duty actually realised (in ₹)	Short realisation of Stamp Duty (in ₹)	Short realisation of Registration fee (in ₹)
Sub-Registrar, Pynursla	Khrikshon Lyngkhoi	16745712	2486738	834040	1652698	12401
Sub-Registrar, Sohra	Tamdor Sing Nadon (2 leases)	11988880	593450	429000	164450	1239
	Reader Force sarubai	4000000	594000	396100	197900	1490
	Suren Chyne	2000000	297000	198100	98900	747
	Marbat Dohkrut	9058160	896758	448472	448286	3368
District Registrar, Shillong	Plenty K. Pyngrope	17474880	1730013	865013	865000	6493
	Edingson Khongnohbeh	9302880	460493	100	460393	3458
Total		70570512	7058452	3170825	3887627	29196

As against the applicable stamp duty of ₹70.58 lakh, the District/Sub-Registrars realised ₹31.71 lakh only. Besides, there was short realisation of registration fee of ₹0.29 lakh. The District/Sub-Registrars calculated the stamp duty without taking into consideration of stamp duty of ₹99 per thousand on lease depending on the term of the lease as per the provision of Indian Stamp (Meghalaya Amendment) Act, 1993, resulting in short realisation of stamp duty and registration fee.

Mention was made in Para 7.3 of the Audit Report for the year ended 31 March 2018 of failure to apply the correct provision of the Indian Stamp Act resulting in similar short realisation of stamp duty of ₹12.48 crore and registration fee of ₹43.40 lakh. Despite being reported, the matter of incorrect application of the provision of the Indian Stamp Act still persists and is yet to be rectified by the Department.

Failure of the District/ Sub-Registrars to correctly apply the provisions of the Indian Stamp Act (Meghalaya Amendment) Act, 1993, resulted in short realisation of stamp duty amounting to ₹38.87 lakh and registration fee of ₹0.29 lakh.

On this being pointed out to the Department, they recovered ₹21.9 lakh (₹17.30 lakh + ₹4.60 lakh) in two cases. In respect of the remaining lessees, it was stated that notices were issued but details of recovery were awaited (September 2020).

Recommendation: The Government may internally check the wrong calculation, which led to short realisation of stamp duty and may fix responsibility of the officials concerned. The process of calculation of stamp duty should be computerised to avoid human errors and miscalculation, which are resulting in short computation and subsequent loss of revenue to the government exchequer every year.



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The 25 January 2021

Countersigned



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Comptroller & Auditor General of India

New Delhi

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