
Revenue & Disaster Management Department

4.1 Short levy of Stamp Duty and Registration Fee on Minor Mineral lease deeds

Section 27 of Indian Stamp Act, 1899 (Odisha Amendment), states that the consideration, (if any), the market value of the property and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein. Further, Article 35 (C) of Schedule I-A of the Act stipulates that, where the lease is granted for a fine or premium or for the money advanced in addition to rent reserved, Stamp Duty (SD) shall be payable as a conveyance for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease in addition to the duty which would have been payable on such lease, if no fine or premium had been paid or delivered. In accordance with this provision, SD on mining lease, was to be computed on the value of consideration which represents sum of preliminary expenses, security deposits, surface rent and dead rent or royalty whichever is higher, as per Steel and Mines Department notification dated 13 January 2012. SD and Registration Fee (RF) at a rate of five and two *per cent* respectively were to be levied on conveyance deeds.

On scrutiny of records (July 2019 and January 2021) in two Registration offices *viz.*, District Sub-Registrar, Dhenkanal and Sub-Registrar, Baranga, Audit found that in seven deeds for lease of minor mineral quarries, value of consideration for the purpose of determining SD did not include security deposits amounting to ₹ 2.16 crore (*Appendix 4.1*). Consequently, there was short realisation of revenue of ₹ 15.09 lakh towards SD (₹ 10.78 lakh) and RF (₹ 4.31 lakh). Audit also found that in case of four deeds executed by the Sub-Registrar, Baranga, the facts and circumstances like payment of security deposit were not fully and truly set forth as required under Section 27 of Indian Stamp Act, 1899.

Both District Sub-Registrar, Dhenkanal and Sub-Registrar, Baranga accepted (July 2019 and January 2021) the audit observations and assured of issuing demand notices to the lessee concerned for realisation of deficit SD and RF.

The above matter has been reported (December 2021) to the Government; reply is awaited (March 2022).

4.2 Unauthorised exemption of Stamp Duty

As per Article 35 (c) read with Article 35 (a)(vi) of Schedule-I-A of Indian Stamp Act, 1899 (Odisha Amendment), where the lease is granted for a fine or premium or money advanced in addition to rent reserved, Stamp Duty (SD) shall be payable as a conveyance for a consideration equal to the amount or value of such fine or premium, or advance as set forth in the lease, in addition to the duty which would have been payable on such lease, if no fine or premium or advance had been paid or delivered. Where the lease purports to

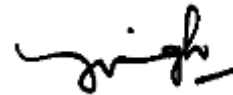
be for a term exceeding thirty years, but not exceeding one hundred years, same duty as a conveyance for a consideration equal to four times the amount or value of the average annual rent reserved, shall be charged. The SD shall be chargeable at the rate of 5 per cent for a consideration as per Article 23(b). Registration Fee (RF) shall also be payable at the rate of 2 per cent of the value on consideration for the purposes specified in Section 78 of the Registration Act, 1908. The State Government fully exempted (May 2019) SD in respect of deeds executed between Government and Odisha Industrial Infrastructure Development Corporation (IDCO) or Government/ IDCO and private estate developers for lease of land, based on the recommendations of the Managing Director, IDCO on the body of the instruments so presented for execution of the deed.

Audit test checked (October to November 2020) lease deeds in one Sub-Registrar (SR) office, Jatni and observed that in one case, the SR had registered (June 2019) a lease deed between IDCO and M/s Cohen International School for 90 years without levying SD and RF. Audit also found that the deed presented before the SR did not bear any recommendation of the Managing Director, IDCO for exemption of SD and RF as required under the order of Government of May 2019. As such, there was no authorisation for exemption of SD and RF. This resulted in non-levy of SD and RF amounting to ₹ 12.92 lakh.

The SR, Jatni accepted the audit observation and stated that the deficit amount would be realised by issuing demand notices.

The matter has been reported (January 2022) to Government; reply is awaited (March 2022).

Bhubaneswar
The 11JUL 2022



(RAJ KUMAR)

**Principal Accountant General (Audit-I)
Odisha**

Countersigned

New Delhi
The 25 JUL 2022



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India