CHAPTER – III

STAMPS & REGISTRATION DEPARTMENT

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3.1 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. It is also responsible in matters relating to administration of Acts and Rules relating to Registration under the Indian Registration Act, 1908 and the Assam Registration Manual as adapted by GoM.

The Principal Secretary/Commissioner and Secretary to Government of Meghalaya, Excise, Registration, Taxation and 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.

3.2 Results of Audit

Test-check of records of five units during 2023-24 revealed short/non-collection of revenue, and other irregularities in 23 cases involving an amount of ₹ 7.02 crore, which fall under the following categories:

Table 3.2.1: Results of Audit conducted during 2023-24

(₹ in crore)

Sl. No.	Category	No. of Cases	Amount
1.	Short/non-collection of revenue	17	6.83
2.	Other irregularities	06	0.19
Total		**23**	**7.02**

During the year 2023-24, the Department accepted short/non-collection of revenue, and other deficiencies to the tune of ₹ 0.37 crore in three cases. The Department is yet to initiate action for the recovery of the amounts kept under audit objection.

An illustrative case with financial implication of ₹ 1.02 crore has arisen due to incorrect application of provisions as per the Indian Stamp Act including evasion of dues which resulted from under-assessment of anticipated annual royalty, is elaborated upon in the following paragraph.

3.3 Short payment of Stamp Duty and Registration Fee

The District Registrar failed to collect ₹ 100.10 lakh towards stamp duty and registration fee due to wrong application of the provision of the Act, besides evasion of dues of ₹ 1.52 lakh due to under-assessment of anticipated annual royalty resulting in total revenue loss of ₹ 101.62 lakh.

District Registrar, Nongpoh, June 2023

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 receiving a yearly rent. Further, Section 26 of the Indian Stamp Act, 1899 provides that 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 of the Indian Stamp (Meghalaya Amendment) Act, 1993 lays down calculation of stamp duty on lease depending on the term of the lease. The Stamps & Registration Department, Government of Meghalaya fixed (June 2011) the fees for registration of documents at ₹ 26 for the value up to ₹ 1,000 and ₹ 15 per thousand for every additional value of ₹1,000.

A. Short realisation of Stamp Duty and Registration Fees

Scrutiny of records (June 2023) of the District Registrar, Nongpoh revealed that 24 mining leases for stone boulders for lease period ranging from 5 to 30 years were registered by the District Registrar between May 2017 and December 2020. Out of 24 mining leases, audit noticed anomalies in the realisation of stamp duty and registration fee in 10 mining leases as summarised in **Table 3.3.1**.

Table 3.3.1: Statement showing short realisation of Stamp Duty and Registration Fees.

(Amount in ₹)

Sl. No	Name of the lessee (Shri/Smti)	Applicable Stamp Duty	Stamp Duty realised	Short-realisation of Stamp Duty	Registration fee payable	Registration fee realised	Short-realisation of Registration Fee	Total short-realisation
1	2	3	4	5 (3-4)	6	7	8 (6-7)	9 (5+8)
1	Balantina Doloi	1,59,086	100	1,58,986	70,211	1290	68,921	2,27,907
2	Ismealroy Wahlang	4,90,478	120	4,90,358	74,326	37,927	36,399	5,26,757
3	Khrikshon Lyngkhoi	30,34,152	15,17,176	15,16,976	4,59,731	2,30,629	2,29,102	17,46,078
4	Wesly Doloi (Halem Ganapati)	13,55,225	100	13,55,125	1,02,680	1548	1,01,132	14,56,257
5	Aibor Kshiar	12,60,864	3,15,317	9,45,547	95,531	48,565	46,966	9,92,513
6	Wesly Doloi (Ampynsemgura)	32,38,403	100	32,38,303	2,45,345	1843	2,43,502	34,81,805
7	Banrilang Kharjahrin	4,63,320	120	4,63,200	23,411	843	22,568	4,85,768
8	Ranjan Kro	2,92,757	2,44,190	48,567	14,797	8126	6671	55,238
9	Biru Narleng	1,881,707	9,41,100	9,40,607	95,047	48,251	46,796	9,87,403
10	Lumlang Shylla	10,17,166	10,17,170	-	51,383	1241	50,142	50,142
	Total	**1,31,93,158**	**40,35,493**	**91,57,669**	**12,32,462**	**3,80,263**	**8,52,199**	**1,00,09,868**

From **Table 3.3.1**, it can be seen that out of ₹ 131.93 lakh leviable as Stamp Duty, only ₹ 40.35 lakh (31 *per cent*) was collected resulting in short realisation of Stamp Duty amounting to ₹ 91.58 lakh. Further, out of ₹ 12.32 lakh realisable as Registration Fee, only ₹ 3.80 lakh (31 *per cent*) was realised by the District Registrar, Nongpoh leading to short realisation of Registration Fee of ₹ 8.52 lakh (details in **Appendix 3.3.1**).

B. Short disclosure of anticipated royalty

Further scrutiny of records revealed that the anticipated annual royalty value of two out of 10 lessees was suppressed in the lease agreement as compared with the mining plan approved by the Directorate of Mineral Resources, Government of Meghalaya, at the time of registration of the lease deeds. The details are as shown in **Table 3.3.2**.

Table 3.3.2: Statement showing short disclosure of anticipated annual royalty.

(Amount in ₹)

Sl. No.	Name of the leasee	Period of Mining Lease	Extractable stone as per approved mining plan: Years	Extractable stone as per approved mining plan: Quantity (cum)	Rate of Royalty	Actual Anticipated Annual royalty as per approved mining plan	Anticipated Annual royalty disclosed in lease agreement	Short disclosure
1	**2**	**3**	**4**	**5**	**6**	**7**[93]	**8**	**9 (7-8)**
1	Biru Narleng	30	1st to 5th year	1,34,680	240	64,64,640	63,35,714	1,28,926
			(Average of 1st to 5th year)	*26,936*				
			6th to 30th year (26936 x 25)	6,73,400				
			Total for 30 years:	**8,08,080**				
2	Banrilang Kharjahrin	30	1st to 5th year:	40,000	240	19,20,000	15,60,000	3,60,000
			(Average of 1st to 5th year)	*8,000*				
			6th to 30th years (8000 x 25)	2,00,000				
			Total:	**2,40,000**				
Grand Total						**83,84,640**	**78,95,714**	**4,88,926**

It can be seen from above that due to incorrect assessment of anticipated annual royalty as per the approved mining plan at the time of registration, there was evasion of anticipated royalty to the extent of ₹ 4.89 lakh. This has led to non-payment of stamp duty and registration fee of ₹ 1.52 lakh (₹ 1.45 lakh in stamp duty and ₹ 0.07 lakh in registration fees) as shown in **Table 3.3.3**.

Table 3.3.3: Statement showing evasion of Stamp Duty and Registration Fee due to short disclosure of anticipated annual royalty.

(Amount in ₹)

Sl. No	Name of the lessee	Royalty value evaded	Stamp Duty evaded	Registration fee evaded[94]	Total evasion
1	**2**	**3**	**4**	**5**	**6 (4+5)**
1	Biru Narleng	1,28,926	38,291[95]	1,945	40,236
2	Banrilang Kharjahrin	3,60,000	1,06,920[96]	5,411	1,12,331
Total		**4,88,926**	**1,45,211**	**7,356**	**1,52,567**

The case was reported to the District Registrar, Nongpoh in August 2023, and subsequently to the Government in August 2024.

[93] Total of Column 5 x Column 6 ÷ Number of years of mining lease.

[94] {(Anticipated Annual Royalty - 1000) x (15/1000) + 26}.

[95] As per Clause 35 (v) of the Indian Stamp (Meghalaya Amendment) Act, 1993 - Stamp Duty as per Conveyance No. 23, for the amount equal to **three times the amount** or value of the average annual rent and @99 for every one thousand rupees, **i.e. {(₹ 1,28,926*3) * (99/1000)}**.

[96] As per Clause 35 (v) of the Indian Stamp (Meghalaya Amendment) Act, 1993 - Stamp Duty as per Conveyance No. 23, for the amount equal to **three times the amount** or value of the average annual rent and @99 for every one thousand rupees, **i.e. {(₹ 3,60,000*3) * (99/1000)}**.

The Government of Meghalaya (GoM) issued an order dated 18 February 2021 which stipulated that the amount of stamp duty short paid shall be paid to the Government by way of non-judicial stamp paper within 31 March 2021.

On being pointed out by audit, the District Registrar stated (February 2025) that notices were issued (29 March 2022[97] and 10 February 2025[98]) to seven out of ten leaseholders, requiring payment of the short-paid stamp duty within 15 days of the notice issuance. On short payment of registration fees, the District Registrar stated that there was no mention of full payment of registration fees in the order issued on 18 February 2021, hence, the office was not aware for full payment of Registration fees.

Audit observed that in one case, notices for short-paid stamp duty were issued more than a year after the Government of Meghalaya's order, and in six other cases, after a delay of three years. As of February 2025, no recovery had been made in any of these cases. Despite this, no enforcement action was taken after the expiry of the notice period and no compliance monitoring mechanism was established to ensure recovery of stamp duty dues. Further, the District Registrar had not yet issued notices to the remaining three defaulters.

Additionally, Clause 3 of the Indian Stamp (Meghalaya Amendment) Act, 1993 clearly specifies the method for calculating registration fees. This provision is self-contained and does not require any further orders from the Government. However, the District Registrar failed to apply this statutory provision while calculating the registration fees payable by leaseholders.

There is a lack of systemic control mechanisms within the Stamps & Registration Department, as the persistent short realisation of Stamp Duty and Registration Fees over several years were not flagged or corrected through internal checks. This reflects inadequate institutional oversight and points to a systemic failure in enforcing compliance with existing laws and government orders.

Thus, due to wrong calculation of stamp duty and registration fee by the District Registrar, Nongpoh there was short realisation of ₹ 91.58 lakh towards stamp duty and ₹ 8.52 lakh towards registration fee besides evasion of ₹ 1.52 lakh stamp duty and registration fee[99] due to under-assessment of anticipated annual royalty. Hence, a total of ₹ 101.62 lakh[100] is recoverable from 10 mining lease holders.

[97] Issued to Wesley Doloi for mining leases at Ampynsemgura and Halem Ganapati.
[98] Issued to (i) Balantina Doloi, (ii) Khrikshon Lyngkhoi, (iii) Banrilang Kharjahrin, (iv) Ranjan Kro, and (vi) Biru Narleng.
[99] ₹ 1.45 lakh in stamp duty and ₹ 0.07 lakh in registration fees.
[100] ₹ 91.58 lakh + ₹ 8.52 lakh + ₹ 1.45 lakh + ₹ 0.07 lakh.