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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SANJAY KAROL; J., AUGUSTINE GEORGE MASIH; J.
SLP (C.) No.14468 of 2022; July 23, 2026

M/S BIRLA CORPORATION LIMITED versus THE STATE OF MADHYA PRADESH & ORS.

Indian Stamp Act, 1899 – Section 26 – Proviso – Mines and Minerals (Development and Regulation) Act, 1957 – Sections 9 & 9A – Mineral Concession Rules, 1960 – Rule 31 – Form K – Mining Lease – Computation of Stamp Duty – Determinant factor – Dead Rent vs. Anticipated Royalty – Value of subject matter indeterminate at execution – Stamp duty on a mining lease is to be computed on the basis of "anticipated royalty" and not merely "dead rent" where the statutory lease deed (Form K) explicitly specifies anticipated royalty as the yardstick - Distinction between 'Dead Rent' and 'Royalty' in Mining Leases - The Supreme Court elucidated the clear distinction between "dead rent" and "royalty" - Dead rent is the minimal guaranteed amount payable to the lessor based on the leased area, irrespective of whether the mine is worked or not - royalty is a variable return directly proportionate to the actual quantity of minerals extracted or removed from the mine - Looked at from one perspective, dead rent serves as the minimum guaranteed amount of royalty payable. [Relied on *D.K. Trivedi & Sons v. State of Gujarat*, 1986 Supp SCC 20; *Mineral Area Development Authority v. SAIL*, (2024) 10 SCC 1; *H.R.S. Murthy v. Collector of Chittoor*, AIR 1965 SC 177; Paras 6-10]

Interpretation of Fiscal Statutes - Vires and Scope of Section 26 of the Stamp Act, 1899 - The Indian Stamp Act, 1899 is a fiscal legislation enacted to generate revenue for the State and must be interpreted strictly and mandatorily - There is no scope for equity or judiciousness if the letter of the law is clear and unambiguous - The Supreme Court rejected the appellant's contention that the proviso to Section 26 is inconsistent with the main section. Section 26 governs instruments where the value of the subject matter is indeterminate at the time of execution - Since the actual value of a mining lease can only be ascertained after mining operations commence, its value is inherently indeterminate at the time of execution - The proviso specifically carves out a mechanism for mining leases, providing that the estimated royalty or the value of the share shall be sufficient for determining stamp duty - Where the Government is the lessor, the Collector is empowered to estimate the anticipated royalty - Under Rule 31 of the Mineral Concession Rules, 1960, executing a lease deed in the statutory 'Form K' is mandatory. Part IX (Clause 9) of Form K explicitly prescribes that anticipated royalty from the demised land shall be the yardstick for calculating stamp duty - Once the parties consciously execute a statutory agreement containing such a clause, it removes any ambiguity, and the method of computing stamp duty must be through anticipated royalty - Dismissing the appeal, the Supreme Court held that the High Court committed no error in upholding the State's demand notice - The stamp duty for a mining lease granted by the Government is legally determinable on the basis of "anticipated royalty" as estimated by the Collector under the proviso to Section 26 of the Stamp Act, read with the statutory covenants contained in Form K of the Mineral Concession Rules, 1960. [Relied on: *District Registrar and Collector v. Canara Bank*, (2005) 1 SCC 496; Para 8-15]

For Petitioner(s): Mr. Ashok Grover, Sr. Adv. Mr. Praveen Kumar, AOR Ms. Babita Sant, Adv. Ms. Sunaina Kumar, Adv.

For Respondent(s): Ms. Manisha T. Karia, A.A.G. Mr. Harmeet Singh Ruprah, AOR Mr. Shashank Shekhar, Adv. Mr. Kanishk Sharma, Adv. Mr. Karan Singh, Adv.

J U D G M E N T

SANJAY KAROL, J.

1. Leave Granted.

2. The appellant applied for a lease to mine limestone from the respondent State. The same was granted to them and accordingly an agreement was executed. The dispute between the parties arose regarding the rate at which the stamp duty for the agreement was to be calculated. Whether the determinant would be the “*dead rent*” on the lease or would it be the “*anticipated royalty*”, is the question in this appeal.

2.1 This question arises in connection with a lease for the mining of limestone for an area of 56.27 hectares at village Birhauili, Tehsil Raghuraj Nagar, District Satna, when the appellant, who had applied for a fresh lease and *vide* letter dated 2nd July 2004, was asked to pay a stamp duty of Rs. 4,32,00,000 by way of anticipated royalty, by the District Collector, Satna.

2.2 Being aggrieved by the order of the aforesaid authority, challenged the appellant challenged this decision before the High Court of Madhya Pradesh, Principal Bench at Jabalpur by way of Writ Petition No.2640 of 2004.

2.3 The Division Bench dismissed the writ petition relying on a judgment of a coordinate Bench of that Court holding:

“25. As far as declaration of the relevant provision of the rule to be *ultra vires* is concerned, it is a settled law that the same cannot be declared as *ultra vires* owing to personal inconveniences. Interpretation of the statute from the different parts of the Section or the Rule are required to be considered as it is the basic intention of the legislature which is required to be seen. It is required to be analyzed that whether a particular proviso appended to a particular Section is to be read in consonance with the main Section or independently. In the present case, Section 26 of the Act of 1899 deals with payment of stamp duties on the instrument and the proviso appended thereto it clearly speaks of the fact that the proviso is applicable in cases of mining lease, therefore, the proviso is only to be read with respect to the mining lease as an independent provision.

...

28. In such circumstances, it is apparently clear that the proviso to Section 26 of the Act of 1899 applicable to the mining lease is required to be read separately from the main Section which is dealing with imposition of stamp duty. As far as other documents are concerned, the explanation is also inserted by the Government in the year 2015 which makes it clear that the proviso is applicable in the cases of mining lease. On bare reading of the proviso, it is apparently clear that the stamp duty or the dead rent is to be charged on the basis of the amount of royalty to be paid.”

2.4 Dissatisfied and aggrieved, the appellant has approached this Court.

3. Following submissions have been made by the parties:

3.1 The appellant *inter-alia* contends that Section 26 of The Indian Stamp Act 1899¹ has no application to the present case. Instead, Article 33(a) of Schedule 1A thereof is the only provision applicable to the present case. The circular dated 15th March 1993 issued by the Under Secretary, Mineral Resource Department, Government of Madhya Pradesh provided that the determination of stamp duty for fresh leases to be based on anticipated average royalty either as mentioned in the excavation figures of the application form or

¹ Stamp Act

the mining plan, whichever is higher. The appellant's challenge thereto i.e., the *vires* of this notification that was laid alongside the demand notice dated 2nd July 2004, has not been considered in the impugned judgment. The same is only an executive exercise of power and does not have the authority of law. The stamp duty ought to be calculated on the basis of dead rent since that is the only ascertainable amount prescribed by Section 9-A of the Mines and Minerals (Development and Regulation) Act, 1957² read with Third Schedule of the Act and Rule 27(1)(c) of the Mineral Concession Rules, 1960³ along with clauses 1 and 2 of Part V of the lease deed in Form-K. The reliance of the respondent on the *proviso* of Section 26 of the Stamp Act, is erroneous as the same is itself contrary to the main Section.

3.2 The respondent, on the other hand, *inter alia* submits that Section 26 of the Stamp Act provides a comprehensive mechanism to deal with instruments where value of the subject matter cannot be determined at the time of execution and the *proviso* thereto, specifically deals with situations involving mining leases. There is harmony between the MMDR Act and the Stamp Act. The objective is to ensure that the State is not deprived of its legitimate revenue on account of the fact that at the time execution, actual royalty is difficult to quantify. The distinction between the “*royalty*” under Section 9 MMDR and “*dead rent*” under Section 9A thereof is clear. The statute's intent behind providing ‘*whichever is higher*’ is to safeguard state revenue. The appellant's argument that puts dead rent at the centre of calculation of stamp duty is misconceived since the former is not intended to be actual consideration but is only a minimum sum to be paid. The actual economic value is represented by royalty that is directly linked to the output. The prayer of the proviso being *ultra-vires* is misconceived and misdirected.

4. Relevant provisions of different statutes referred to are extracted hereinbelow:

The Mines and Minerals (Development and Regulation) Act, 1957

“9. Royalties in respect of mining leases.—

(1) The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any 1[mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee] from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral. (2) The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any 1[mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee] from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2A) The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972) shall not be liable to pay any royalty in respect of any coal consumed by a workman engaged in a colliery provided that such consumption by the workman does not exceed one-third of a tonne per month.

(3) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.

9A. Dead rent to be paid by the lessee.—

² MMDR

³ Rules

(1) The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, shall notwithstanding anything contained in the instrument of lease or in any other law for the time being in force, pay to the State Government, every year, dead rent at such rate, as may be specified, for the time being, in the Third Schedule, for all the areas included in the instrument of lease: Provided that where the holder of such mining lease becomes liable, under section 9, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area, he shall be liable to pay either such royalty, or the dead rent in respect of that area, whichever is greater.

(2) The Central Government may, by notification in the Official Gazette, amend the Third Schedule so as to enhance or reduce the rate at which the dead rent shall be payable in respect of any area covered by a mining lease and such enhancement or reduction shall take effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of the dead rent in respect of any such area more than once during any period of three years.”

The Mineral Concession Rules, 1960

“31. Lease to be executed within six months. –

(1) Where, on an application for the grant of a mining lease, an order has been made for the grant of such lease, a lease deed in Form K or in a form as near thereto as circumstances of each case may require, shall be executed within six months of the order or within such further period as the State Government may allow in this behalf, and if no such lease deed is executed within the said period due to any default on the part of the applicant, the State Government may revoke the order granting the lease and in that event the application fee shall be forfeited to the State Government.

(2) The date of the commencement of the period for which a mining lease is granted shall be the date on which a duly executed deed under sub-rule (1) is registered.”

Relevant part of Form K reads as under:

Part V thereof, which particularly deals with rents and royalties, is as follows:

“PART V

Rents and royalties reserved by this lease

To pay dead rent or royalty whichever is higher: -

1. The lessee shall pay, for every year except the first year of the lease, dead rent as specified in clause 2 of this Part:

Provided that, where the holder of such mining lease becomes liable under section 9 of the Act, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area, he shall be liable to pay either such royalty or the dead rent in respect of that area, whichever is higher.

Rate and mode of payment of dead rent.-

2. Subject to the provisions of clause 1 of this Part, during the subsistence of the lease, the lessee/lessees shall pay to the State Government annual dead rent for the lands demised and described in Part I of this Schedule at the rate for the time being specified in the Third Schedule to the Act, in such manner as may be specified in this behalf by the State Government.

Rate and mode of payment of royalty:-

3. Subject to the provision of clause 1 of this part, the lessee/lessees shall during the subsistence of this lease pay to the State Government at such times and in such manner as the State Government may prescribe royalty in respect of any mineral/minerals removed by him/them

from the leased area at the rate for the time being specified in the Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957.

Payment of surface rent, and water rate:-

4. The lessee/lessees shall pay rent and water rate to the State Government in respect of all parts of the surface of the said lands which shall from time to time be occupied or used by the lessee/lessees under the authority of these presents at the rate of Rs..... and Rs..... respectively per annum per hectare of the area so occupied or used and so in proportion for any area less than a hectare during the period from the commencement of such occupation or used until the area shall cease to be so occupied or used and shall as far as possible restore the surface land so used to its original condition. Surface rent and water rate shall be paid as hereinbefore detailed in clause 2:

PROVIDED THAT no such rent/water rate shall be payable in respect of the occupation and use of the area comprised in any roads or ways to which the public have full right of access.”

Relevant clause of Part IX General Provisions thereof is extracted as under:

“9. For the purpose of stamp duty the anticipated royalty from the demised land is Rs.... per year.”

The Indian Stamp Act, 1899

“26. Stamp where value of subject-matter is indeterminate. —

Where the amount or value of the subject-matter of any instrument chargeable with ad valorem duty cannot be, or (in the case of an instrument executed before the commencement of this Act) could not have been, ascertained at the date of its execution or first execution, nothing shall be claimable under such instrument more than the highest amount or value for which, if stated in an instrument of the same description, the stamp actually used would, at the date of such execution, have been sufficient:

Provided that, in the case of the lease of a mine in which royalty or a share of the produce is received as the rent or part of the rent, it shall be sufficient to have estimated such royalty or the value of such share, for the purpose of stamp-duty, —

(a) when the lease has been granted by or on behalf of 2[the Government], at such amount or value as the Collector may, having regard to all the circumstances of the case, have estimated as likely to be payable by way of royalty or share to the Government under the lease, or

(b) when the lease has been granted by any other person, at twenty thousand rupees a year, and the whole amount of such royalty or share, whatever it may be, shall be claimable under such lease: Provided also that where proceedings have been taken in respect of an instrument under section 31 or 41, the amount certified by the Collector shall be deemed to be the stamp actually used at the date of execution.”

(emphasis supplied)

Indian Stamp (Madhya Pradesh Amendment) Act, 2002

Article 33 of schedule 1-A to the Stamp Act as amended by the Indian Stamp (Madhya Pradesh Amendment) Act, 2002 (Act No.12 of 2002), is as under: -

Article 33 lease, including an under lease, or sub lease and any agreement to let or sublet or any renewal of lease. (a) Whereby such lease the rent is fixed and no premium is paid or delivered	The same duty as a conveyance (No. 22) for a market value equal to three times the amount or value of the average annual rent reserved.
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5. Since the primary dispute pertains to the amount payable either on the basis of royalty or dead rent, it is imperative to understand the difference between the two.

5.1 Some of the dictionaries that are often cited, discuss these two concepts as follows:

Wharton's Law Lexicon, 14th Edn.⁴, defines “**dead rent**” at page 231 as:

“**Dead Rent**” A rent payable on a mining lease in addition to a royalty, so called because it is payable although the mine may not be worked.

“**Royalty**” is defined in Wharton's Law Lexicon, 14th Edn., at p. 742⁵, as:

“Royalty, payment to a patentee by agreement on every article made according to his patent; or to the owner of minerals for the right of working the same.”

The definition of “*royalty*” given in Black's Law Dictionary, 5th Edn., at p. 1195⁶, is as follows:

“Royalty. A payment reserved by the grantor of a patent, lease of a mine, or similar right, and payable proportionately to the use made of the right by the grantee. *Raynolds v. Hanna*, C. C. Ohio, 55 F. 800. In mining and oil operations, a share of the product or profit paid to the owner of the property. *Marias River Syndicate v. Big West Oil Co.*, 98 Mont. 254, 38 P.2d 599, 601.

A payment which is made to an author or composer by an assignee or licensee in respect of each copy of his work which is sold, or to an inventor in respect of each article sold under the patent. *Sweet.*”

5.2 A co-ordinate Bench in ***D.K. Trivedi & Sons v. State of Gujarat, 1986 Supp SCC 20*** speaking through D.P.Madon J., discussed this difference in the following terms:

“39. In a mining lease the consideration usually moving from the lessee to the lessor is the rent for the area leased (often called surface rent), dead rent and royalty. Since the mining lease confers upon the lessee the right not merely to enjoy the property as under an ordinary lease but also to extract minerals from the land and to appropriate them for his own use or benefit, in addition to the usual rent for the area demised, the lessee is required to pay a certain amount in respect of the minerals extracted proportionate to the quantity so extracted. Such payment is called “royalty”. It may, however, be that the mine is not worked properly so as not to yield enough return to the lessor in the shape of royalty. In order to ensure for the lessor a regular income, whether the mine is worked or not, a fixed amount is provided to be paid to him by the lessee. This is called “dead rent.” “Dead rent” is calculated on the basis of the area leased while royalty is calculated on the quantity of minerals extracted or removed. Thus, while dead rent is a fixed return to the lessor, royalty is a return which varies with the quantity of minerals extracted or removed. Since dead rent and royalty are both a return to the lessor in respect of the area leased, looked at from one point of view dead rent can be described as the minimum guaranteed amount of royalty payable to the lessor but calculated on the basis of the area leased and not on the quantity of minerals extracted or removed. In fact, clause (ix) of Rule 3 of the Rajasthan Minor Mineral Concession Rules, 1977, defines “dead rent” as meaning “the minimum guaranteed amount of royalty per year payable as per rules or agreement under a mining lease”. Stipulations providing for the lessee's liability to pay surface rent, dead rent and royalty to the lessor are the usual covenants to be found in a mining lease.”

(emphasis supplied)

6. “**Dead rent**”, as can be understood from the above is the minimal amount payable to the lessor, by the lessee irrespective of whether the mines so leased out is put to use or not. The important factor in the determination thereof is the area that is leased out whereas “royalty” is directly proportionate to the amount/quantity of the minerals removed from the mine. As such, while one depends on the area of the mine and is fixed, the other relates to the quantity of minerals extracted only and is variable. Section 9 of the MMDR

⁴ <https://dn721507.ca.archive.org/0/items/cu31924021688555/cu31924021688555.pdf>

⁵ Wharton's law-lexicon : forming an epitome of the law of England ; and containing full explanations of the technical terms and phrases thereof, both ancient and modern. Including the various legal terms used in commercial business ; together with a translation of Latin law maxims, and selected titles from the civil, Scotch, and Indian law ⁶ Black's-Law-4th-edition-1891.pdf

Act, and particularly clause (2) thereof, underscores this interpretation of variability. Regarding, dead rent Section 9A provides for its payment as being on rates as may be specified by the Government, notwithstanding anything contained in any other law or in the instrument of lease itself. Once the lessee is liable to pay both royalty and dead rent, he must pay whichever of the two is higher.

7. In **Mineral Area Development Authority v. SAIL**⁶, the determination of royalty was delineated in the following terms by the 9-judge constitution bench:

“349. The rates of royalty are generally calculated on per tonnage basis or ad valorem basis on the basis of the laid down formula. In case of the former, royalty is determined on the basis of the following formula:

Royalty = quantity of mineral removed or dispatched * specified rate of royalty in rupees

The formula for calculation of royalty on minerals on ad valorem basis is as follows:

Royalty = sale price of mineral (grade wise and Statewise) published by the Indian Bureau of Mines * rate of royalty (in percentage) * total quantity of mineral grade produced or dispatched

350. The above formula shows that royalty is calculated on the basis of the quantity of minerals extracted or removed. [Indian Bureau of Mines, “Mineral Royalties”, (2011) 4.] The yield from mineral-bearing land is nothing but the quantity of mineral produced. Royalty is per se not the yield from a mineral-bearing land, but the yield (mineral produced) is the important factor in determination of the rate of royalty. Moreover, royalty can be considered as an income if it is paid to a private landowner. [H.M. Seervai, *Constitutional Law of India*, Vol. 3 (4th Edn.) 2468.] In case the minerals are vested in the State, the royalty is paid to the State Government, and hence assumes the form of nontax revenues. Therefore, royalty is relatable to the yield of the mineralbearing land as well as the income in case the minerals vest in a private person. To this extent, we clarify the reasoning of this Court in *Goodricke [Goodricke Group Ltd. v. State of W.B., 1995 Supp (1) SCC 707]* .”

8. In **H.R.S. Murthy v. Collector of Chittoor**⁷ this Court observed that “royalty” normally connotes the payment made for the materials or minerals won from the land. The Stamp Act is a law by which the executing parties of any agreement are required to pay to the Government, sums as may be specified, relating to the subject matter of the agreement. Undoubtedly, it is a source of considerable revenue generation for the State. Since it pertains to the payment of money, it is a fiscal statute. Fiscal statutes, as is well settled, have to be interpreted strictly and mandatorily.

9. While discussing the nature of stamp legislation, this court speaking through **R.C. Lahoti J.** held in **District Registrar and Collector v. Canara Bank**⁸ as follows:

“10. The Stamp Act is a piece of fiscal legislation. Remedial statutes and statutes which have come to be enacted on demand of the permanent public policy generally receive a liberal interpretation. However, fiscal statutes cannot be classed as such, operating as they do to impose burdens upon the public and are, therefore, construed strictly. A few principles are well settled while interpreting a fiscal law. There is no scope for equity or judiciousness if the letter of law is clear and unambiguous. The benefit of any ambiguity or conflict in different provisions of statute shall go to the subject. In *Dowlatram Harji v. Vitho Radhoji* [ILR (1880) 5 Bom 188 (FB)] the Full Bench indicated the need for balancing the harshness which would be inflicted on the subjects by implementation of the stamp law as against the advantage which would result in the form of revenue to the State; the

⁶ (2024) 10 SCC 1

⁷ AIR 1965 SC 177

⁸ (2005) 1 SCC 496

latter may not be able to compensate the discontent which would be occasioned amongst the subjects.”

[See: **Hameed Joharan v. Abdul Salam**,⁹, **Interplay Between Arbitration Agreements under Arbitration Act, 1996 & Stamp Act, 1899**, In re¹⁰¹¹;; **Seetharama Shetty v. Monappa Shetty**¹²,]

In similar terms, we must also look at the object and purpose of the MMDR. Its primary purpose is to bring about uniformity in the taxes and royalties levied on mineral development in the country. This Court in **Mineral Area Development Authority v. SAIL**,¹² said thus about the objective of the MMDR:

“80. ...The Industrial Policy Resolution of 1956 proposed an active role for the State in setting up new industrial undertakings to achieve “planned and rapid development” [Cabinet Secretariat, Industrial Policy Resolution (30-4-1956).] . Minerals such as coal, lignite, mineral oils, iron ore, copper, zinc, and atomic minerals were exclusively reserved for the State, while the private sector was allowed to participate along with the public sector in case of minor minerals. The MMDR Act was enacted in pursuance of the above goals stated in the Industrial Policy Resolution. Another important consideration behind the enactment of the MMDR Act was to revise old and outmoded mining lease agreements and allow the private sector reasonable encouragement to develop mines and minerals. [J.R. Mehta, Lok Sabha Debates, Vol. X (9-12-1957 to 21-12-1957), 711]...”

10. At this stage, the argument of the parties regarding Section 26 of the Stamp Act may be dealt with. As reproduced *supra*, the Section deals with payment of stamp duty in cases where at the time of the execution of the agreement, the value of the subject matter is indeterminate. The *proviso* thereto, deals specifically with mining leases and provides that in such cases the estimated royalty or value of the share thereof shall be sufficient for the purposes of determining stamp duty. It further clarifies that in cases where the government is the lessor, the estimation is to be carried out by the Collector. The 1993 notification, the *vires* of which are although challenged but such challenge almost entirely unsubstantiated which in any case we find not to be *ultra vires*, states that for new quarry leases the rate that is highest from amongst (a) quantity of production shown in the application form; (b) quantity showed in schedule 3 of the M.P. Minor Mineral Rules 1961 or (c) dead rent, is to be taken for calculation of royalty for the purpose of payment of stamp duty. This makes it clear that the stamp duty payable is on the highest amount as the basis for calculation of royalty from amongst these three which can be either quantity based or the dead rent. It nowhere provides that the dead rent is the only criteria on which determination of the royalty can be made.

11. At the outset, we record our rejection of the case put forward by the appellant that the *proviso* is inconsistent with the main provision. The section, as is obvious, deals with Stamp duty to be paid in cases of indeterminate value. Since, with respect to mining, actual value can only be determined once mining operations commence, it is undisputed that on the date of the execution of the agreement, the value is indeed indeterminate. This appears by way of a plain reading and general understanding. It is difficult to conceive otherwise.

⁹ (2001) 7 SCC 573

¹⁰ (2024) 6 SCC 1

¹¹ 2024 SCC OnLine SC 2320

¹² (2024) 10 SCC 1

12. The next argument that requires attention pertains to Form K of the 1960 Rules. Rule 31 thereof provides that where an order has been made for the grant of a mining lease, a lease deed as laid out in Form-K or in a form as near thereto as circumstances of each case may require, shall be executed within six months of the order, as extendable by the State Government. If the same is not executed due to any default on the part of the applicant, however, the State Government may revoke the order granting the lease and forfeit the amount of application fee. Reproducing the entire form would only be adding pages without serving any purpose and as such we refrain from doing so as relevant part thereof already stands extracted.

13. The argument regarding Article 33, Schedule I of the Stamp Act (M.P. Amendment), is not open to the appellant as a ground to assail the royalty demanded by the respondent State. The parties have consciously signed the Agreement as contained in Form K, which, at the cost of repetition, may be stated, is a statutory form which clearly mentions that for the purposes of calculation of Stamp Duty, anticipated royalty is the yardstick to be used.

14. The above makes abundantly clear that the amount which is higher is to be paid and for the purposes of statutory rules, the method of calculation of stamp duty is through anticipated royalty only. A perusal of the record of this case reveals that in the Form-K lease entered into between the parties, this clause does find a place. In our considered view, when this is the case there remains no manner of doubt as to the method by which stamp duty is to be computed.

15. For all the aforesaid reasons, the appeal is dismissed. All necessary consequences will follow. No costs.

Pending application(s), if any, shall stand disposed of.