410

M.R.O. 1—20,002—12-8-65.

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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 410 Press
B.P. No. Mis.

Dated 1st. Apl. 1874 196 .

Not to be folded or roughly handled

1-H

Proceedings of the Madras Government, Revenue Department, 1st April 1874.

Read the following :—.

No. 10. Proceedings of the Board of Revenue, dated 12th February 1874, No. 309.

Read the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Vallam, 28th January 1874, No. 26.

INFORMATION having just now reached me that Mr. Irvine, the Acting Judge of the Court of Small Causes at Combaconum, has discovered certain frauds in connection with the use of Court Fees stamps in his Court, and that the matter is in the hands of the Police, I am proceeding to Combaconum to inquire into the case, and will do myself the honour of reporting more fully to the Board after I have ascertained the precise nature and extent of the frauds.

2. The returns of collections under the head of Court Fees show no falling off as yet. The total amount of receipts for the whole district under this head for the last six months has been Rupees 2,16,750 against Rupees 1,87,945 for the corresponding period of last year, and the increase of Rupees 28,805 is quite as much as could be expected from the operation of the new rules which require all Process Service Fees to be paid by stamps. It is, therefore, reasonable to suppose that if any new system of fraud has been devised it has not as yet been employed to any great extent.

3. My attention was lately drawn to the insecurity of the Stamp-revenue arising from the present system of adhesive stamps, and I intended to have addressed the Board on the subject; but as actual frauds illustrative of this insecurity are alleged to have occurred at Combaconum, I defer doing so until I have ascertained the precise facts of the case. The case which first roused my fears of the present system was one in which a copy of a Judgment, which ought to have borne an 8-Anna stamp, had only a hole on the top of it similar to the one made by punching out the figure-head of the stamp as required by the existing law, without, however, any trace of there having been a stamp. The Government Vakil of the District Court of North Tanjore, through whom the copy of the Judgment was received, has stated that the copy bore a stamp when it was written, and that, as he also remembers having seen one when he transmitted the copy to my Office, he presumes that it has since somehow slipped off from want of sufficient gum. As the Government Vakil Saminatha Aiyer is a respectable man I am prepared to accept this statement, although I can see no trace of a stamp or of any gum on this copy of Judgment; but the case affords a striking illustration of the opening the present system affords for fraud. The security of an important source of public revenue seems to depend solely upon the integrity of those officials of Courts who, under the provisions of the Court Fees Act, are appointed to cancel stamps by punching out the figure-heads; for there is apparently nothing to prevent stamps affixed to plaints or other judicial papers, when they are presented to Courts, being immediately afterwards removed, and their places supplied by cancelled stamps taken from old records.

The Board await the promised report.

No. 11. Proceedings of the Board of Revenue, dated 25th February 1874, No. 425 :—

Read again Board's Proceedings, Miscellaneous No. 309 of 12th February 1874.

Read also the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Combaconum, 11th February 1874, No. 39 :—

In continuation of my letter of the 28th ultimo, No. 26, I have the honour to report that the frauds which have been carried on in connection with the use of Court Fee Adhesive Stamps in the Court of Small Causes at Combaconum are not exactly of the nature I apprehended. They are simply as follows—Stamps put in by parties in payment of Process Service Fees were removed from the applications to which they had been attached, and the greater part of them found their way again into the same Court in payment of Court Fees in other cases. The Stamp Vendor attached to the Small Cause Court has confessed that he bought some of the stamps thus stolen from a copyist in the Court, by name Subbanna, and it does not seem unlikely that other Stamp Vendors at Combaconum, as also parties in suits and Vakil's Gumastahs made purchases from him.

2. The stamps were of course not cancelled by punching out the figure head, as required by Section 30 of the Court Fees Act, and thus an opening was left for frauds specially provided against, but one precaution not enjoined by law or any rule yet framed was observed by the Nazir of the Court, and it afforded means for the discovery of the fraud. The Nazir has been in the habit of writing his initials across the stamps as soon as they were put in, and the initials had to be erased before the stamps could be presented again. This was carefully done, but traces of the ink were nevertheless left.

3. Mr. Irvine, the Judge of the Court of Small Causes, has ordered a search to be instituted into his Court, and so far as has been yet ascertained, stamps of the value of Rupees 225 have disappeared from the papers which ought to bear them.

4. The frauds, it appears, commenced in the first week of November last, (the stamps on all papers presented to the Court previous to that having been found correct) and the discovery was made in the second week of January, so that the frauds have gone on for a period of about two months and a half. It is fortunate that the discovery was made so soon, or the loss to the public revenue would have been considerable.

5. It does not appear that the rule as to punching out the figure head was generally ignored, but too much time seems to have been allowed to elapse after the documents were filed, before the punching took place, and this interval was used to accomplish the frauds. The stamps lost bear but a small proportion to those actually received ; a fact from which it may be presumed that the system of tampering with stamps has not been carried on on a regularly organized plan, though it is by no means likely that so many stamps could have been removed without the aid of some of the subordinates on the establishment of the Court. Again, precautions have been taken to conceal the frauds which indicate a fear of detection by some supervising authority. In many instances, only one or two out of several

stamps attached to the same papers have been removed, in some, stamps of inferior values have been substituted for those removed, and in some again the words in the body of the applications have been altered so as to correspond with the value of stamps left, and these alterations first led to detection.

6. The copyist of the Court above named, the Stamp Vendor one Tiyagaraja Row, and the latter's brother who it was found, was also concerned in these frauds, have been taken into custody, and the case is being enquired into by the Taluq Magistrate. This officer had taken up the case before I came to Combaconum, and he has conducted the enquiry in such a thoroughly searching manner, that I have not considered it necessary to take it out of his hands. If it is found in the course of the enquiry that any officials on the Court's establishment are implicated, the case will be committed to the Court of Sessions. I shall do myself the honour of reporting to the Board any further disclosures that may be made in the course of the enquiry, as also the final result when it is known. In the meantime, I have informed the Judges of North and South Tanjore of what has taken place, in view to their putting the Courts subordinate to them on their guard.

SUBMITTED for the information of Government.

2. These papers will also be communicated to all Collectors with a view to steps being taken to prevent similar frauds. The duty of cancelling stamps presented should be invariably assigned to some responsible ministerial officer,* and his individual responsibility should be insisted on. The head of the office should also from time to time personally satisfy himself that the duty is not neglected.

* Section 30, Act VII. of 1870.

3. The frauds in the present case seem to have been discovered before they had proceeded to any serious length. The Collector is requested to report the result of the investigations in progress in the Criminal Courts.

No. 12. ORDER THEREON, 1st April 1874, No. 410.

Separate Revenue, No. 1.
Stamps.

G. O., 5th August 1873, No. 1,095, Financial Department, communicated to Board, 14th idem, No. 100, Revenue Department.

IT seems obvious from these papers that sufficient checks do not exist for the security of the stamp-revenue, now that adhesive stamps are coming generally into use. Recent orders from the Government of India require a *second* punching to be made by the Record-keeper. The Board will report what steps have been taken to carry this order into effect, and they will, in consultation with the Superintendent of Stamps, consider what further rules are necessary. It should be the regular duty of the responsible officer alluded to in the Proceedings recorded above to see that the stamp required by law is presented, as well as to take care that it is then cancelled.

Proceedings of the Madras Government, Revenue Department,
1st April 1874.

2. It might be arranged that each head of department should use a large signature-stamp which should be struck over the whole stamp after the head has been punched out.

(True Extract.)

(Signed) C. G. MASTER,
Acting Secretary to Government.

5-H

Bdt. of {1874} Mdras
REVENUE.

To

THE BOARD OF REVENUE.

Dated April 1st.

Recd.

Encl.

G. O., 1st *April* 1874, No. 410.

APRIL.
Nos. 10—12.

Frauds committed in Combaconum Small Cause Court in connection with Adhesive Stamps—Passes orders on Board's Proceedings regarding the — with remarks, and directs Revenue Board to report the steps taken to carry out the orders requiring a *second* punching to be made by Record-keepers.

No. 309.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 12th February 1874.

Read the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Vallam, 28th January 1874, No. 26 :—

INFORMATION having just now reached me that Mr. Irvine, the Acting Judge of the Court of Small Causes at Combaconum, has discovered certain frauds in connection with the use of Court Fees stamps in his Court, and that the matter is in the hands of the Police, I am proceeding to Combaconum to inquire into the case, and will do myself the honour of reporting more fully to the Board after I have ascertained the precise nature and extent of the frauds.

2. The returns of collections under the head of Court Fees show no falling off as yet. The total amount of receipts for the whole district under this head for the last six months has been Rupees 2,16,750 against Rupees 1,87,945 for the corresponding period of last year, and the increase of Rupees 28,805 is quite as much as could be expected from the operation of the new rules which require all Process Service Fees to be paid by stamps. It is, therefore, reasonable to suppose that if any new system of fraud has been devised it has not as yet been employed to any great extent.

3. My attention was lately drawn to the insecurity of the Stamp revenue arising from the present system of adhesive stamps, and I intended to have addressed the Board on the subject; but as actual frauds illustrative of this insecurity are alleged to have occurred at Combaconum I defer doing so until I have ascertained the precise facts of the case. The case which first roused my fears of the present system was one in which a copy of a judgment, which ought to have borne an 8 Anna stamp, had only a hole on the top of it similar to the one made by punching out the figure head of the stamp as required by the existing law without, however, any trace of there having been a stamp. The Government Vakeel of the District Court of North Tanjore, through whom the copy of the judgment was received, has stated that the copy bore a stamp when it was written, and that as he also remembers having seen one when he transmitted the copy to my office he presumes that it has since somehow slipped off from want of sufficient gum. As the Government Vakeel, Saminatha Aiyer, is a respectable man I am prepared to accept this statement, although I can see no trace of a stamp or of any gum on this copy of judgment; but the case affords a striking illustration of the opening the present system affords for fraud. The security of an important source of public revenue seems to depend solely upon the integrity of those officials of Courts who, under the provisions of the Court Fees Act, are appointed to cancel stamps by punching out the figure heads; for there is apparently nothing to prevent stamps affixed to plaints or other judicial papers when they are presented to Courts being immediately afterwards removed and their places supplied by cancelled stamps taken from old records.

THE Board await the promised report.

(A true Copy and Extract.)

(Signed) J. GROSE,
Secretary.

To the Collector of Tanjore.

Exd. J. Tulloch.

1874.

Board of Revenue,

MADRAS.

PROCEEDINGS, 12TH FEBRUARY 1874, No. 309.

Received

Encl.

FEBRUARY.

No. 309.

Court Fees Stamps.—Promised report of Collector of Tanjore on frauds discovered in connection with use of—in Court of Small Causes at Combaconum, awaited.

9-H 2

No. 425.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 25th February 1874.

Read again Board's Proceedings, Miscellaneous No. 309 of 12th February 1874.

Read also the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Combaconum, 11th February 1874, No. 39 :—

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2. The stamps were of course not cancelled by punching out the figure head, as required by Section 30 of the Court Fees Act, and thus an opening was left for frauds specially provided against, but one precaution not enjoined by law or any rule yet framed was observed by the Nazir of the Court, and it afforded means for the discovery of the fraud. The Nazir has been in the habit of writing his initials across the stamps as soon as they were put in, and the initials had to be erased before the stamps could be presented again. This was carefully done, but traces of the ink were nevertheless left.

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* Section 30, Act VII. of 1870.

3. The frauds in the present case seem to have been discovered before they had proceeded to any serious length. The Collector is requested to report the result of the investigations in progress in the Criminal Courts.

(A true Copy and Extract.)

H. Stokes

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department,
with Board's Proceedings, dated 12th February 1874, No. 309.
,, all Collectors, with do.
Copy to the Superintendent of Stamps, with do.
Exd. G. A. Turton.

Revenue Board 1874. Sept. Board of Revenue, MADRAS. Sept 962

PROCEEDINGS, 25TH FEBRUARY 1874, No. 425.

Despatched 23 March 1874. Encl.

Received 24

FEBRUARY.

No. 425.

Stamp frauds.—Letters from Collector of Tanjore reporting relative to frauds committed in Combaconum Small Cause Court in connection with use of Court Fees Adhesive Stamps, submitted to Government, and communicated to all Collectors with certain instructions.—Collector of Tanjore to report result of investigations in progress in Criminal Courts in connection with these frauds.

G.O. No 410 - 1st April 1874

11-H 8

Revenue Stamps

No. 410 *Revenue Department.*

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 1st ~~March~~ April 1874.

READ the following Proceedings of the Board of Revenue.

Subng to Govt, and communicating to the Colrs with certain instructions, letters from Colr of Tanjore reporting relative to frauds committed in Combaconum Small Cause Court in connection with use of Court Fees Adhesive Stamps — Directing Colr of Tanjore to report result of investigations in progress in Criminal Courts in connection with these frauds — } H. E. 25. Feb: 1874 No 425

Sd

M 28/3

S.O. 5 Aug 1873 No 1095
Financial Dept. comd
to Board 14th idem No
100 R.D.

It seems obvious from these papers, that sufficient checks do not exist for the security of the stamp revenue now that adhesive stamps are coming generally into use — Rule 8 orders from the Govt of India require a second punching to be made by the Record keeper — The Board will report what steps

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and they will, in consultation
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signature stamp
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the head has been
punched out

40/3

14 Solicitors of Rev Dept

Ex Wabs

10-12

(181) 1H

4-0

Friends committee in connection
with Com'd Fire Apparatus Slate/o

Leo
to Leon

10@12

C 27 March/74 k30.