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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Rev. DEPARTMENT

G.O. No.
B.P. No.

609

Press
Mis.

Dated

19: 5 -

1874
196 .

Not to be folded or roughly handled

609

*Proceedings of the Madras Government, Revenue Department,
19th May 1874.*

Read the following:—

No. 185. Proceedings of the Board of Revenue, dated 2nd May 1874,
No. 1,034.

Read the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Vallam, 10th March 1874, No. 53:—

In continuation of my letter of the 11th ultimo, No. 39, I have the honour to report another case of stamp fraud which has been since discovered.

2. In this case, a Gumastah of the District Munsif's Court at Tranquebar has gone on abstracting adhesive stamps attached to papers put in by parties for copies of judgment and decrees, supplying their places with cancelled stamps taken from the old records. The value of the stamps, however, thus made away with is stated to be only Rupees 34.

3. A complaint was laid by the Head Gumastah of the Court before the Acting Head Assistant Magistrate, but the offender has absconded, and cannot be found.

4. From the District Munsif's letter to Mr. Weld, it appears that stamps put in by parties for copies of decrees, etc., remained in the hands of the Gumastah uncanceled until the copies were given to the parties, and thus an opportunity was afforded for the stamps being tampered with in the manner above described. The District Munsif says that the non-cancellation of the stamps on their presentation was a disregard of his own orders; but I doubt whether they can be cancelled while on bare paper and before the copies are engrossed and authenticated. From the order of the Government of India communicated in the Board's Proceedings, dated 5th May 1871, No. 1,886, it would appear (paragraph 3) that stamps are both to be affixed and cancelled when the copies are granted, and the utmost precaution the system permits of will, I conceive, be observed if a competent officer of the Court is specially entrusted with this duty. As I have pointed out in my letter* of the 28th January last, No. 26, the

* In Board's Proceedings, dated 12th February, No. 309.

system takes it for granted that in every Court there is a ministerial officer to whom can be safely entrusted the duty of protecting the stamp-revenue; but the salaries of all subordinate officers in Munsif's Courts are very small, and is simply impossible that the Judges themselves can see in every case to the payment of proper stamp-duty and to the punching of holes in stamps.

5. The frauds yet discovered have brought to light only small losses to the stamp-revenue; but I do not see what there is to prevent stamps of the values of hundreds of Rupees being made away with, or not put in at all, if only the particular officer concerned avails himself of the old punched stamps on the records. It is true that, when the record of a case is consigned to the custody of

† Proceedings of the Madras Government in the Financial Department, dated 5th August 1873, No. 1,095.

the Record-keeper, he has to punch a second† hole in each label; but this precaution only renders the aid of the Record-keeper necessary for the perpetration of fraud. The system is undeniably a source of great temptation to

Proceedings of the Madras Government, Revenue Department,
19 May 1874.

subordinate employes on small pay, and there is no doubt that it will, in spite of every precaution, occasionally lead to frauds and to loss of revenue.

SUBMITTED for the information of Government, in continuation of Board's Proceedings, dated 25th February 1874, No. 425.

2. The Board are of opinion that the system of clearly impressed bicolour stamps, to which it would appear, from the communication from the Government of India, recorded in G. O., dated 14th February 1874, No. 205, that there is some intention of reverting, affords greater protection against fraud.

No. 186. Proceedings of the Board of Revenue, dated 2nd May 1874, No. 1,026.

Read the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Chetubava, 30th March 1874 No. 80:—

ADVERTING to my letter of the 11th ultimo, No. 39, I have the honour to report that the enquiry into the case of stamp frauds in the Small Cause Court at Combaconum has been brought to a close without any further disclosures. The total value of the Court Fee labels abstracted, as finally ascertained, is Rupees 330.4-0.

2. The 1st prisoner, the Copyist in the Court, was convicted by the Taluq Magistrate severally of theft (Indian Penal Code, Section 380), dishonestly retaining stolen property (Section 411), and fraudulently using Government stamps once used (Section 262). The second and third prisoners, the Stamp Vendor and his brother (the statement in the Assistant Magistrate's Calendar, the latter was also a licensed Vendor, is a mistake,) were convicted by the same Magistrate of receiving stolen property. All the three prisoners were, however, sent up to the Assistant Magistrate, Mr. Forbes, for enhanced punishment and were by the latter sentenced, the first prisoner to two years rigorous imprisonment and a fine of Rupees 500, commutable in default to six months further imprisonment, and the second and third each to eighteen months rigorous imprisonment and a fine of Rupees 250, commutable in default to four months further imprisonment.

3. I enclose, for the Board's information, a copy of Mr. Forbes' Calendar, as also of his letter giving cover thereto.

ENCLOSURE No. 1.

From G. S. FORBES, Esq., Assistant Magistrate, in charge of Combaconum Division, to the Hon. D. ARBUTHNOTT, District Magistrate of Tanjore, dated Combaconum, 21st March 1874, No. 13.

I HAVE the honour with reference to your letter, No. 154, dated 20th March 1874, to forward, herewith, a copy of the Calendar in Case No. 20 of 1874 on the file of this Court.

Proceedings of the Madras Government, Revenue Department,
15th May 1874.

2. Before the receipt of your letter I had, with reference to Board's Revenue Proceedings, No. 309, dated 12th February 1874, caused a copy to be prepared for transmission to you.

3. Having had the evidence in the case before me, I have taken the liberty of pointing out, with reference to the above Proceedings of Board of Revenue, a few of the circumstances that came out bearing on the question of stamp frauds.

4. The frauds in question appear chiefly to have been committed in respect of Court Fee Adhesive Stamps levied for Process Fees and to have been effected in two ways.—

(1.) In some cases by removing all the stamps attached for batta to the petitions presented by parties praying for issue of Process, and then destroying the petition.

(2.) In other cases by removing only a few of those stamps, the petitions being passed on and filed as if they bore the correct number or value of stamps.

5. In this case the opportunity for the commission of those frauds seems to have been given not by any defect in the Law and Rules relating to stamps, but chiefly by the fact that Section 30 of the Court Fees Act (VII. of 1870) was directly violated. By that Section no document requiring a stamp shall be acted upon until the stamp has been cancelled, which cancellation is to be effected by punching out the figure head. But the practice of the Small Cause Court Office was that the Nazir on receipt of a Batta petition merely initialled the stamps on it (and it seems to have been very easy to wash out the initials) and passed it on to the Gumastahs who after acting upon the petition and not before filing it with the Record-keeper, punched out the figure head.

Further, by the second paragraph of the same Section this cancellation by punching is to be done by an officer appointed by the Court or by the Head of the Office, and here such officer is presumably the Nazir. But the practice was, as I have stated, for any Gumastah when he handed over the documents to the Record-keeper to do this.

The consequence was that Batta petitions bearing stamps, with unpunched figure heads, lay about any where in the Gumastah's room; sometimes it was admitted for fifteen days and apparently from some instances which I turned upon the books myself for considerably longer periods.

I may further mention another circumstance. It was proved that the 1st prisoner who was only an acting clerk frequently used to work alone in the office, beginning early in the morning before his fellow clerks had come and going on till late at night after they had left. Whether this is an advisable practice in public offices you are the better judge. However, it gave the 1st prisoner the amplest opportunities (as regards time) for dishonest practices.

For this again the Stamp Laws and Rules are not responsible.

6. This case I think scarcely raises the question between Adhesive and Impressed stamps. Since Process Fees must probably be collected in form either of adhesive stamps or of money as affording a party the best means of adding to the list of witnesses or for whom he wishes Process to be issued.

Of course whether *Plaints*, etc., should have impressed or adhesive stamps is another question.

(True Copy.)

(Signed) D. ARBUTHNOTT,
Collector.

ENCLOSURE No. 2.—Copy of Calendar in Case No. 20 of 1874.

SUBMITTED for the information of Government in continuation of Board's Proceedings, dated 2nd instant, No. 1,024.

*Proceedings of the Madras Government, Revenue Department,
19th May 1874.*

No. 187.

ORDER THEREON, 19th May 1874, No. 609.

Separate Revenue, No. 15.

Stamps.

ORDERED to be recorded.

2. The Government await any further proposals that the Board may have to make after consultation with the

Superintendent of Stamps, as directed by G. O., 1st April 1874, No. 410.

(True Extract.)

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

To the Board of Revenue.

No. 1,024.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 2nd May 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, 10th March 1874, No. 53:—

In continuation of my letter of the 11th ultimo, No. 39, I have the honour to report another case of stamp fraud which has been since discovered.

2. In this case, a Gumastah of the District Munsif's Court at Tranquebar has gone on abstracting adhesive stamps attached to papers put in by parties for copies of judgment and decrees, supplying their places with cancelled stamps taken from the old records. The value of the stamps, however, thus made away with is stated to be only Rupees 34.

3. A complaint was laid by the Head Gumastah of the Court before the Acting Head Assistant Magistrate, but the offender has absconded, and cannot be found.

4. From the District Munsif's letter to Mr. Weld, it appears that stamps put in by parties for copies of decrees, etc., remained in the hands of the Gumastah uncanceled until the copies were given to the parties, and thus an opportunity was afforded for the stamps being tampered with in the manner above described. The District Munsif says that the non-cancellation of the stamps on their presentation was a disregard of his own orders; but I doubt whether they can be cancelled while on bare paper and before the copies are engrossed and authenticated. From the order of the Government of India communicated in the Board's Proceedings, dated 5th May 1871, No. 1,886, it would appear (paragraph 3) that stamps are both to be affixed and cancelled when the copies are granted, and the utmost precaution the system permits of will, I conceive, be observed if a competent officer of the Court is specially entrusted with this duty. As I have pointed out in my letter* of the 28th January last, No. 26, the system takes it for granted that in every Court there is a ministerial officer to whom can be safely entrusted the duty of protecting the stamp-revenue; but the salaries of all subordinate officers in Munsif's Courts are very small, and is simply impossible that the Judges themselves can see in every case to the payment of proper stamp-duty and to the punching of holes in stamps.

* In Board's Proceedings, dated 12th February, No. 309.

5. The frauds yet discovered have brought to light only small losses to the stamp-revenue; but I do not see what there is to prevent stamps of the values of hundreds of Rupees being made away with, or not put in at all, if only the particular officer concerned avails himself of the old punched stamps on the records. It is true that, when the record of a case is consigned to the custody of the Record-keeper, he has to punch a second† hole in each label; but this precaution only renders the aid of the Record-keeper necessary for the perpetration of fraud. The system is undeniably a source of great temptation to subordinate employes on small pay, and there is no doubt that it will, in spite of every precaution, occasionally lead to frauds and to loss of revenue.

† Proceedings of the Madras Government in the Financial Department, dated 5th August 1873, No. 1,095.

Subt. of 1874. 30th May.

REVENUE.

To

THE BOARD OF REVENUE.

Dated May 1874.

Recd.

Encl.

G. O., 19th May 1874, No. 609.

MAY

No. 185-187.

Stamp Frauds in Tanjore District.—Records Board's Proceedings relating to, and awaits certain proposals.

SUBMITTED for the information of Government, in continuation of Board's Proceedings, dated 25th February 1874, No. 425.

2. The Board are of opinion that the system of clearly impressed bicolor stamps, to which it would appear, from the communication from the Government of India, recorded in G. O., dated 14th February 1874, No. 205, that there is some intention of reverting, affords greater protection against fraud.

(A true Copy and Extract.)

To the Acting Secretary to Government, Revenue Department.
,, the Collector of Tanjore.

Exd. F. R. Bantleman.

Calcutta
Acting Sub-Secretary.

No. 1,026.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 2nd May 1874.

Read the following letter from the Hon. D. ARBUTHNOTT, Collector of Tanjore, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Chetubava, 30th March 1874, No. 80:—

ADVERTING to my letter of the 11th ultimo, No. 39, I have the honour to report that the enquiry into the case of stamp frauds in the Small Cause Court at Combaconum has been brought to a close without any further disclosures. The total value of the Court Fee labels abstracted, as finally ascertained, is Rupees 330-4-0.

2. The 1st prisoner, the Copyist in the Court, was convicted by the Taluq Magistrate severally of theft (Indian Penal Code, Section 380), dishonestly retaining stolen property (Section 411), and fraudulently using Government stamps once used (Section 262). The second and third prisoners, the Stamp Vendor and his brother (the statement in the Assistant Magistrate's Calendar, the latter was also a licensed Vendor, is a mistake,) were convicted by the same Magistrate of receiving stolen property. All the three prisoners were, however, sent up to the Assistant Magistrate, Mr. Forbes, for enhanced punishment and were by the latter sentenced, the first prisoner to two years rigorous imprisonment and a fine of Rupees 500, commutable in default to six months further imprisonment, and the second and third each to eighteen months rigorous imprisonment and a fine of Rupees 250, commutable in default to four months further imprisonment.

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I HAVE the honour with reference to your letter, No. 154, dated 20th March 1874, to forward, herewith, a copy of the Calendar in Case No. 20 of 1874 on the file of this Court.

2. Before the receipt of your letter I had, with reference to Board's Revenue Proceedings, No. 309, dated 12th February 1874, caused a copy to be prepared for transmission to you.

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(2.) In other cases by removing only a few of those stamps, the petitions being passed on and filed as if they bore the correct number or value of stamps.

5. In this case the opportunity for the commission of those frauds seems to have been given not by any defect in the Law and Rules relating to stamps, but chiefly by the fact that Section 30 of the Court Fees Act (VII. of 1870) was directly violated. By that Section no document requiring a stamp shall be acted upon until the stamp has been cancelled, which cancellation is to be effected by punching out the figure head. But the practice of the Small Cause Court Office was that the Nazir on receipt of a Batta petition merely initialled the stamps on it (and it seems to have been very easy to wash out the initials) and passed it on to the Gumastahs who after acting upon the petition and not before filing it with the Record-keeper, punched out the figure head.

Stamp Fraud—perpetrated by a Gumastah of District Munsif's Court at Tranquebar, in Tanjore District.—Collector's report on—submitted to Government. Opinion expressed that use of clearly impressed bicolor stamps would afford greater protection against fraud than present adhesive stamps.

MAY.
No. 1,024.

Received

See the log - 19 May 74

Encl.

PROCEEDINGS, 2ND MAY 1874, No. 1,024.

Superintendent

MADRAS.

BOARD OF REVENUE

Revenue 1874. Recd.

185

609
5

Further, by the second paragraph of the same Section the cancellation by punching is to be done by an officer appointed by the Court or by the Head of the Office, and here such officer is presumably the Nazir. But the practice was, as I have stated, for any Gumastah when he handed over the documents to the Record-keeper to do this.

The consequence was that Batta petitions bearing stamps, with unpunched figure heads, lay about any where in the Gumastah's room; sometimes it was admitted for fifteen days and apparently from some instances which I turned up in the books myself for considerably longer periods.

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Of course whether *Plaints*, etc., should have impressed or adhesive stamps is another question.

(True Copy.)

(Signed)

D. ARBUTHNOTT,

Collector:

ENCLOSURE No. 2.—Copy of Calendar in Case No. 20 of 1874.

SUBMITTED for the information of Government in continuation of Board's Proceedings, dated 2nd instant, No. 1,024.

(True Copies and Extract.)

Calcutta
Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department,
with an original enclosure.

„ the Collector of Tanjore.

Copy to the Superintendent of Stamps.

Exd. G. A. Turton.

Stamp Frends— in Small Cases Court at
Combaconum, in Tanjore District.—Collector's
report of result of trial of parties concerned in
—submitted to Government.

MAY.
No. 1,026.

Received

S.O. No. 609-19 May 1874.

Proceedings, 2nd May 1874, No. 1,026.
Gupta 8 May 1874.
Encl. 1
R.D.

BOARD of REVENUE,
MADRAS.

Revenue 1874. Sept.

N^o 1026/8.

Revenue Department.

No. 609.

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 19th May 1874.

READ the following Proceedings of the
Board of Revenue.

Submg Colis report on stamp
fraud perpetrated by a Gumastah of D. K. Ramiah
Court at Tanjore. Tanjore D. and expunging
judicial. Has been judicially impugned in other
stamps were to afford parties protection against
fraud than present adhesive stamps —

H. E. 2^d May 1874 N. 1024

Submg Colis report of result
of trial of parties concerned in stamp fraud,
in Small Cases Court, Combaconum. Tanjore D.

" 2^d — " — " N. 1026

Ordered to be
recorded.

2. The Government
await any further proposals
that the Board may have
to make after consultation
with the Superintendent of
Stamps, as directed in G.O.

St. April 1874 A 410.

Wm

19th May 1874

9-0

Stamp frauds - Page 1



185-187

C 18th May 194 R 19th