

**PART G- AUDIT AND CONTROL OF STAMP REVENUE IN
DELHI**

The following instructions for the audit and control of the stamp revenue in Delhi are issued by the Chief Controlling Revenue Authority in consultation with the Honourable judges of the High Court for the guidance of all officers and courts under their respective control:-

RULES

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| <p>“1. These rules shall be termed “The Delhi Stamp Audit Instructions, 1939”.</p> | <p>Title</p> |
| <p>2. There shall be appointed a stamp-auditor for the purpose of the audit of every document requiring a stamp which is presented to a court of law other than the High Court, or to a public officer.</p> | <p>Appointment of Stamp Auditors</p> |
| <p>3. The auditor shall be under the direct control of the Chief Controlling Revenue Authority and shall be authorized by the Collector in writing in the terms of Section 73 of the Indian Stamp Act.</p> | <p>Controlling authority.</p> |
| <p>4. The auditor shall prepare a monthly programme of audit and after obtaining the approval of the Chief Controlling Revenue Authority to it, give due notice to Presiding Officers of courts and heads of offices of the work which he proposes to do.</p> | <p>Monthly programme of auditor</p> |
| <p>5. The auditor shall audit all fresh institutions, documents, and files pending or otherwise in all courts and registration and other offices including record rooms. Such inspection shall be from the date on which the last audit terminated.</p> | <p>Scope of audit.</p> |

The auditor shall, in particular, see that the stamps used are genuine and have not been removed from files and re-used.

Registers of stamp deficiency.

6. Every person described in section 33 of the Indian Stamp Act and every public official referred to in section 6 of the Court-fees Act shall maintain a record of stamp deficiencies in Civil Register No. XVIII. The Collector shall, in addition to the said register maintained by him in respect of his own court, maintain a register in Form S.A.5 of documents sent to him under section 38 of the Stamp Act. These registers shall be maintained in respect of all deficiencies whether found in audit or independently.

Register to be checked by auditor.

7. The auditor shall examine the register No. XVIII maintained by each court or office with a view to seeing that it is properly maintained and that collections are made not only on account of deficiencies detected in audit but on account of deficiencies detected independently. He shall also examine the register maintained by the Collector in Form S.A.5.

Deficiencies in stamps to be notified to the Collector.

8. Once a case has been decided and consigned to the record-room, deficient court-fees are not recoverable under the existing law, instances, therefore, of such short recoveries in court-fees as may be brought to light in the general record-room will merely serve the purpose of educating readers and moharrirs or taking disciplinary action against them. But deficiencies in stamp duty may be brought to the notice of the Collector with a view to action under section 61 of the Stamp Act.

Facilities to be afforded to the auditor.

9. The presiding officers of all courts and heads of offices will give the auditor access to all records and accounts, etc., and, so far as lies in their power, assist him in the performance of his duties.

Auditor to draw attention of officers as to their powers and duties re: insufficiently stamped documents.

10. In the course of his audit the auditor shall draw the attention of presiding officers of courts and heads of offices to documents before them which are insufficiently stamped, and shall advise them where necessary in relation to their powers and obligations as follows-

(i) Under the Stamp Act:-

- (a) To impound documents under section 33 of the Stamp Act.
- (b) To admit unstamped documents in evidence under section 35.
- (c) To dispose of impounded documents under section 38. The Collector may also ask the auditor to note on cases coming before him under sections 39 to 43 and also seek any other assistance which he may consider necessary.

(ii) Under the Court-fees Act:-

To determine correct fee leviable on any document. The auditor, if necessary, will discuss the point at issue with the presiding officer and, if required by him, be present at the discussion in court before orders are passed.

11. The auditor will maintain a register in Form S.A.1, in which he will note as it is discovered, each deficiency in stamp duty and court-fees.

Register S.A.1.

12. After discussion of his preliminary notes with the presiding officer or head of office, the auditor will prepare a formal audit note and send typewritten copies to the presiding officer or the head of the office, as the case may be, and to the Collector. This note will include a statement in form S.A. 3 of deficiencies discovered, and columns 1 and 6 to 15 will be left blank.

Officers to whom copy of audit note is to be sent.

Copies of audit notes on revenue courts and offices, including Sub-Registrars, should also be sent to the Chief Controlling Revenue Authority, Delhi.

In the case of civil courts, where the audit discloses some serious defects, a copy of the audit note should be sent to the District and Sessions Judge through the Collector.

Action to be taken
on audit note.
Form S.A.3.

13. The presiding officer of the court or the head of the office shall transfer columns 2 to 5 of Forms S.A.3 to Civil Register No. XVIII and proceed to take necessary action on the note. In cases where he does not agree with the auditor or where he considers it necessary to hear the party concerned before passing orders, he shall, where possible, discuss the matter with the auditor. The presiding officer or head of the office will return the form S.A.3 to the auditor after completing columns 1 and 6 to 8 and noting in column 15, the cases, if any, in which he disagrees with the auditor, but without necessarily completing columns 9-14. The auditor after completing his register will return the form to the court or office and report to the Collector any case in which the presiding officer or head of the office has been unable to take the advice of the auditor. The Collector (if he thinks fit and after consulting the Chief Controlling Revenue Authority, if necessary) will take action under section 61 of the Stamp Act, or in the case of the Court-fees Act, address the appellate court or take other appropriate action in the case of other offices.

Posting of
recoveries in
proper registers
and writing off
irrecoverable
items.

14. All courts and offices shall, in addition to the account of recoveries effected by them in civil register XVIII, show recoveries effected at the instance of the Stamp auditor in columns 10 and 11 of the said register and also in register S.A. 3. Irrecoverable loss of stamp revenue is required to be written off under Article 227 of Civil Account Code, Volume I, and shall be entered in columns 18 and 19 of register No. XVIII and Columns 11 and 12 of register S.A.3. They shall also send to the auditor at the end of each month, their copies of register S.A.3. so that he may complete his returns of recoveries made at his instance from time to time and irrecoverable items written off, after which he will return the form to the court or office. If the court or office has sent a document to the Collector under section 38 of the Stamp Act, it will have no concern with columns 9 to 12.

Action to be taken
by ancestors re:
pauper suits.
Register S.A.5

15. Special attention shall be paid by the auditor to pauper suits and all their stages carefully watched while they

are pending in courts. After their disposal the auditor shall draw the attention of the Collector to the court-fees realizable, and shall suggest to him what steps will ensure early realization. When a court fails to pass an order for the auditor shall advise the Collector to move the court concerned under Order 33, Rule 12, Civil Procedure Code. The auditor shall keep a register of all such cases in form S.A.5.

16. The auditor shall also inspect the applications for grant of refund of the value or renewal of spoilt and unused court-fee and non-judicial stamps and register maintained by the Refund Clerk and report the result of his inspection to the Collector.

Auditor to check applications for refund of value of stamps and also register of stamp vendors.

The auditor shall also inspect the registers of stamp vendors and check their stock of stamps.

17. The auditor shall bring to the notice of the Collector defects in the vend arrangements and make suggestions where necessary for improvement of the arrangements.

Defects in the Vend Managements for sale of stamps.

18. The auditor shall monthly submit report to the Chief Controlling Revenue Authority through the Collector.

Monthly reports by auditors. Form S.A.4.

In these reports the auditor should give details of the period spent, and of the work done on each day. He should also state the total number of cases examine by him and note the total number of deficient stamp duty discovered and recovered at his instance. The report shall be accompanied by a statement in Form S.A.4.

19. In support of his claims for travelling allowance the auditor will obtain from the presiding officers of courts and Collector a certificate in Form S.A.6 and attach it to his monthly travelling allowance bills.

Certificate to be attached to travelling allowance bills.

20. The total Audit Department is relieved of the audit of stamp duty and court-fee.

Review of Stamp Audit System.

A brief account of the work done under this system shall be included in the Annual Administration Report.”