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STAMPS PAPER**

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## CHAPTER-VI

### Procurement, Sale and Accountal of Stamps Paper

#### 6. Introduction

Procurement, storing, issuance and utilisation of stamps are regulated under Rajasthan Treasury Rules (RTR) 1999 and Rajasthan Stamp Rules, 2004.

The Additional Inspector General (AIG) is the ex-officio Superintendent, Stamps at Headquarters. There are 34 treasuries<sup>1</sup> in the State which deal with procurement, storage, sale and issue of stamps. The entire process of collections of stamp duty which involves forecasting, indenting, receiving, stocking, selling and accounting is monitored by the IG, Registration and Stamps.

Ajmer treasury was nominated as the nodal point in the year 1999 for receipt, custody and issue of stamps in the State of Rajasthan from the printing press Nasik and Hyderabad.

#### Procurement of Stamps

##### 6.1 Indent

As per Rule 240 of Rajasthan Treasury Manual, 1952, from the year 2004 onwards, a denomination wise half yearly indent on 31<sup>st</sup> December and 30<sup>th</sup> June in a prescribed format was required to be sent by the treasuries to the IG, Registration and Stamps for the replenishment of stock.

We observed that four treasuries i.e. Bharatpur, Bikaner, Karauli and Udaipur did not send the required information during 2007-08 to 2010-11 while remaining treasuries did not send the information regularly in the prescribed format.

**The Government may consider ensuing strict compliance to be followed by the all treasuries for sending their indents timely in the prescribed format.**

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<sup>1</sup> Ajmer, Alwar, Banswara, Baran, Barmer, Beawer, Bharatpur, Bikaner, Bhilwara, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Ganganagar, Hanumangarh, Jaipur, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Jodhpur, Karauli, Kota, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhpur, Sikar, Sirohi, Tonk and Udaipur.

## 6.2 Receipts

As per Rule 304 (1) of RTR, 1999, after arrival of supply of Stamps from the depot, the officer incharge of the depot i.e. Treasury Officer shall as soon as possible personally examine the outward appearance of the packets or the packages and satisfy himself that the same are not tampered with. He shall then have the packages opened in his presence and the contents therein counted either by himself or by some authorised official in his presence. Rule further lays down that discrepancy or deficiency, if any, in number or otherwise is found, a report thereto should be immediately submitted to IG with a copy thereof to the Director Treasuries and Accounts.

Further, as per Rule 305 of RTR, the IG shall invariably send an invoice in duplicate to every depot showing therein the denomination, the quantity and the face value of the stamps supplied. The original copy of the invoice should be retained by the treasury and the duplicate should be returned to the IG with the acknowledgement of the office incharge of the depot not later than fifteen days after receipt consignment of Stamps.

The Ajmer Treasury received Stamps from Central Stamps Depot (CSD), Nasik for onward distribution to other treasuries. We observed that these Stamps were forwarded to the concerned treasuries without any physical count. This defeated the very purpose of formation of the nodal point. As a result of this, stamps worth ₹ 11.75 lakh were received short in two treasuries (Alwar and Sriganganagar) during 2007-08 to 2008-09. The short receipt of these stamps was pointed out after a delay which ranged between three and six years. As the shortage was not pointed out within 15

days of the receipt, the same was not accepted by CSD, Nasik.

We pointed out (December 2011) to the IG, Registration and Stamps and the reply was awaited (January 2012).

## 6.3 Heavy stock balances of non-judicial and special adhesive stamps in treasuries.

### 6.3.1 Annual Forecast

As per Rule 300 (1) and (2) of Rajasthan Treasury Rules, 1999, each Treasury officer should indicate the requirement of each denomination of stamps based on actual issues during each of the preceding three years, balance in hand on 1 April and estimated issues for the current financial year.

In order to enable the IG Registration and Stamps to regulate supply of stamps periodically, each Treasury Officer (TO) after ascertaining the probable requirement of all sub-treasuries for the whole year, is required to send an annual forecast in the prescribed format to the IG by 30 November of each year.

We observed that none of 34 treasuries had sent the annual forecast in the prescribed manner during 2006-07 to 2010-11. In absence of this information, the basis of placing indent with CSD, Nasik for procurement of stamps by IG, Registration and Stamps could not be ascertained in audit. This resulted in excess procurement of non-judicial/adhesive stamps from depots which are lying unused in treasuries as per details given below:

### 6.3.2 Non-judicial stamps

(₹ in crore)

Sl. no.	No. of Treasuries	Year	Balance available as on	Value of stamps	procurement during the year
1	34	2006-07	31.3.07	937.20	189.20
2	34	2007-08	31.3.08	639.67	107.00
3	34	2008-09	31.3.09	2,104.23	1,825.10
4	34	2009-10	31.3.10	1,802.83	35.40
5	32	2010-11	31.3.11	1,596.05 <sup>2</sup>	420.20
<b>Total</b>				<b>7,079.98</b>	<b>2,576.90</b>

We observed that despite of heavy balances available with treasuries in hand every year, stamps worth ₹ 2,576.90 crore were also procured from CSD, Nasik during the years 2006-07 to 2010-11.

### 6.3.3 Special adhesive stamps

(₹ in crore)

Sl. no	No .of Treasuries	Year	Balance available as on	Value of stamps	procurement during the year
1	34	2006-07	31.3.07	835.65	08.71
2	34	2007-08	31.3.08	761.81	10.08
3	34	2008-09	31.3.09	594.39	10.24
4	34	2009-10	31.3.10	526.98	31.00
5	34	2010-11	31.3.11	456.00	32.80
<b>Total</b>				<b>3,174.83</b>	<b>92.83</b>

As per the notification issued by the State Government dated 28 August 1984, special adhesive stamps were allowed to be used as adhesive non-judicial stamps of the same denomination after super imposition of the words "Non-Judicial" in green ink thereon. Despite instructions of the State Government, special adhesive stamps could not put to use worth ₹ 456 crore as on 31 March 2011 and stamps worth ₹ 92.83 crore were also procured from CSD, Nasik in excess quantity during the years 2006-07 to 2010-11.

**Government may take immediate steps for utilisation of non-judicial/adhesive stamps lying unused in treasuries.**

<sup>2</sup> Balances of Treasury Banswara and Bikaner were not available with IG Office.

#### 6.4 Theft of non-judicial stamps

On scrutiny of the records of IG, Registration and Stamps, Ajmer, we observed (December 2011) that a case of theft of non-judicial stamps worth ₹ 7.00 lakh from sub-treasury, Uniara district Tonk had taken place on 22 July 2009 as per details given under:-

(Amount in ₹)

Sl. no.	Quantity and description of stamps stolen	Denomination of stamps	Value of stamps
1.	200 numbers A-983301 to 983500	₹ 1,000	2,00,000
2.	100 numbers 634901 to 635000	₹ 5,000	5,00,000
<b>Total</b>			<b>7,00,000</b>

Though 29 months had elapsed, neither responsibility of officials for theft was fixed nor the Department had taken action for write-off the revenue loss.

#### 6.5 Lack of superimposition of the word "Rajasthan or RAJ" on adhesive stamps

Rule 4 (2) of the Rajasthan Stamp Rules, 2004 provides that no impressed or adhesive stamps which is not superimposed as "Rajasthan or RAJ" shall be used in Rajasthan, after the commencement of these rules (11 June 2004), to indicate the payment of duty chargeable on any instrument.

We observed that in contravention of the Rule 4 (2) of Rajasthan Stamp Rules 2004, the IG, Registration and Stamps procured special adhesive stamps worth ₹ 92.83 cores from CSD, Nasik depot during 2006-07 to 2010-2011 which were not superimposed with the word "Rajasthan" or

with the letter "RAJ".

The possibility of fraudulent use of special adhesive stamps procured from other States can not be ruled out.

We pointed out (December 2011) to the IG, Registration and Stamps, reply was awaited (January 2012).

#### 6.6 Inspection of treasuries

The Department was required to keep a close watch on proper indenting, receipt and issue of stamps through by conducting regular inspection of treasuries which was inadequate.

We observed that as against an annual inspection of each treasury, inspection of treasuries ranging between three and 13 were conducted each year for all the 34 treasuries transacting in stamps in the State by Additional IG, Registration and Stamps. The percentage of short fall ranged between 62 and

91 per cent during the five years ending 2010-11 as indicated below:-

Year	Inspection required	No. of inspections conducted	Percentage of Short fall
2006-07	34	03	91
2007-08	34	13	62
2008-09	34	04	88
2009-10	34	06	82
2010-11	34	05	85

When we pointed out (December 2011) to the IG, Registration and Stamps, the reasons for shortfall were not furnished to audit (January 2012).

### Recommendations

- The Government may consider evolving suitable devise for the replenishment of stock in treasuries as per their actual requirement.
- The Government may ensure that the nodal treasury should invariably / physically count the contents of stamps received from the depot and discrepancy and deficiency found, if any, be pointed out to the depot within 15 days after receipt of the consignment of stamps.
- The Government may ensure that no impressed or adhesive stamps which are not superimposed as "Rajasthan or RAJ" shall be used in the State of Rajasthan.