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NOTIFICATION

No.H.11018/02/2017-REV, the 10th June, 2019. In exercise of powers conferred by section 10 and 74 of the Indian Stamp Act, 1899 (Act 2 of 1899) and in the interest of public, the Governor of Mizoram is pleased to make “The Mizoram (Franking Impression of Stamp) Rules, 2019 as under which may be effective from the date of publication in the Official Gazette and until further orders.

THE MIZORAM (FRANKING IMPRESSION OF STAMPS) RULES, 2019

In exercise of the powers conferred under sub-section (1) of section 10 and section 74 of the Indian Stamp Act, 1899 (Act No. 2 of 1899) as applicable in Mizoram, the Government of Mizoram hereby makes the following rules, namely:-

1. Short Title, Extent and Commencement.-

- (1) These rules may be called the Mizoram (Franking Impression of Stamps) Rules, 2019.
- (2) It shall extend to the whole of Mizoram.
- (3) They shall come into force on the date of publication in the Official Gazette.

2. Definition.-

- (1) In these rules, unless the context otherwise requires;
 - (a) “Act” means the Indian Stamp Act, 1899 (Act No. 2 of 1899) as applicable in Mizoram;
 - (b) “authorised users” means a company, a bank, a public/private or corporate body or any institute having by law, legal and separate entity, which has been authorised by the Chief Controlling Revenue Authority to frank a specific category of stamp on instrument relating to its business;
 - (c) “authorised vendor” shall mean and include Post Office, nationalised bank or scheduled bank controlled by the Reserve Bank of India or any Financial Institute or undertaking controlled by the Central or the State Government, duly authorised by the Chief Controlling Revenue Authority to vend stamps to the public by use of franking machine;

- (d) **“Chief Controlling Revenue Authority”** means the Secretary, Land Revenue and Settlement Department;
- (e) **“Form”** means form appended to these rules;
- (f) **“Franking Machine” or “Machine”** shall mean and include any machine so authorised by the Chief Controlling Revenue Authority to denote stamp duty paid on an instrument;\
- (g) **“Proper Officer”** means District Registrar and Sub-Registrar appointed under the Registration Act, 1908 and such other officers as may be specified by the Chief Controlling Revenue Authority in this behalf, who are empowered to affix and impress labels by franking machine and they shall be deemed to be Proper Officer for the purpose of the Act and these rules;
- (g) **“Government”** means Government of Mizoram;
- (h) **“section”** means section of the Act.
- (2) Words and expressions used but not defined herein shall have the same meaning as respectively assigned to them in the Act or any rules made thereunder.

3. Scope and extent of use of the Franking machine .-

- (a) The Franking Machines shall be used for franking impression of stamps on all kinds of instruments on which stamp duty is payable under the provisions of the Indian Stamp Act, 1899 as applicable in Mizoram and the rules made there under.
- (b) No private person, Bank, Government or Semi-Government Authority/Body/Undertaking or any Firm or Company shall possess the franking machine without the proper authorisation, inclusive of renewal of authorisation from the Chief Controlling Revenue Authority.

4. Procedure regarding the use of Franking Machine by Proper Officer.-

- (1) Franking Machines may be installed at the Offices of the District Registrar and Offices of the Sub-Registrars and in any other offices as may be authorised by the Chief Controlling Revenue Authority for impressing stamps indicating the payment of stamp duty on the instrument chargeable with duty.
- (2) The machine shall be operated under the strict control and supervision of the Proper Officer.
- (3) Before the machine is put to use, the same shall be authorisedly loaded and sealed by the Inspector General of Registration and Commissioner of Stamps or District Registrar, or such other officer authorised by the Chief Controlling Revenue Authority.
- (4) The Inspector General of Registration and Commissioner of Stamps and District Registrars or the Officers authorised under sub-rule (3) shall maintain a Register in Form No.1 regarding loading and reloading and the Proper Officer shall send a return in Form No. 2 to the Inspector General of Registration and Commissioner of Stamps and to the District Registrar every month.
- (5) The Proper Officer other than the District Registrar shall take permission in writing from District Registrar well in advance regarding periodical loading of the machine. The machine

shall be loaded or reloaded by such Proper Officer only after receiving sanction from District Registrar. The entries shall be made in Form No. 3 in respect of each reloading which shall be authenticated by the Proper Officer. The sanction of loading should be sought by the Proper Officer in such a manner that the machine shall not remain idle for want of reloading. Monthly returns shall be sent in Form No. 2 to the District Registrar every month and the District Registrar shall consolidate the returns in Form No. 2 and send a return every month to the Chief Controlling Revenue Authority.

- (6) The access code to the numeric of the Franking Machines shall be exclusively with the Inspector General of Registration and Commissioner of Stamps or the District Registrar who shall be responsible for non-disclosure, thereof to any person and who shall maintain a separate register in respect of each loading / reloading / incrementing of the amount.
- (7) The Proper Officer shall ensure that the seals are not tampered with, in any way by any person or that machine is not handled by any unauthorised persons.
- (8) The Proper Officer shall be responsible for the custody of the machine. A register in Form No. 4, shall be maintained in which the meter reading are recorded separately, both at the commencement of the day and at the close of the day. The difference between the said readings shall be the total amount collected in respect of impressions franked.
- (9) The parties desirous of having stamps impressed on all kinds of instruments specified in rule 3 shall make an application in Form No. 5 along with the instrument and value of Stamps to be impressed, by Challan or Cheque or Demand Draft to the Proper Officer.
- (10) On receipt of the application with Challan or Demand Draft etc., thereof, the Proper Officer, after satisfying himself of the credit made by the parties, shall emboss the instruments by means of Franking Machine with the requisite amount of stamp duty. Thereafter, the Proper Officer shall affix his signature in the space provided on the impressed stamps.
- (11) All the applications received for stamping shall be generally filed in a guard file, each being serially numbered and the particulars entered in the register in Form No. 6.
- (12) The Inspecting Office, shall in the course of their inspections, ensure that these rules are complied with. They shall also verify credits, on different days selected at random in each month since the last inspection in respect of sale of stamp made through Franking Machine and record the result in their inspection or visit notes.

5. Use of Franking Machine by Authorised Users/Vendors . -

- (1) An authorisation for use of Franking Machine may be granted by the Chief Controlling Revenue Authority on application in Form No. 7, filed by the intending user/vendor along with an undertaking and Indemnity Bond duly authenticated in Form No.8.
- (2) Anybody or organisation on receipt of authorization shall be entitled to denote stamp duty paid on the instruments with the help of machine in cases where, non-judicial impressed stamps under the Indian Stamp Act, 1899, and rules made thereunder is required.

- (3) Authorisation fee as may be fixed by the Government shall be charged for a grant of authorisation for use of the Franking machine. Authorisation shall be valid for a period of one year from the date of authorisation.
- (4) The Chief Controlling Revenue Authority reserves himself the right for refusing or cancelling an authorisation without assigning any reasons for the same.
- (5) The authorised vendor shall at his own cost and through the Chief Controlling Revenue Authority, obtain Franking Machine of approved model and make, from approved manufacturer. The model, the make, unique number of the machines and particulars of the supplier shall be specified in the authorisation.
- (6) The authorisation for each Franking Machine may be renewed every year on payment of renewal fee as may be fixed by the Government. The renewal will be subject to satisfaction of the Chief Controlling Revenue Authority about proper use of the machine. For this purpose he will obtain report on the following points:
 - (a) Instances of tampering of seals;
 - (b) About the mechanical efficiency of the unit;
 - (c) Average daily usage during past twelve months;
 - (d) Whether there is any suspicion about the mis-use of the machine;
 - (e) Maintenance of connected records.
- (7) Where there is prima facie suspicions, that the machine is not being used properly the renewal may be refused and the machine be kept in the custody of the Chief Controlling Revenue Authority.
- (8) The application for renewal shall be accompanied with a report from the supplier or his authorised dealer as to whether or not the machine is in proper working order. In the case of an adverse report the authorisation will not be renewed.
- (9) The Authorised Vendor shall apply for renewal of authorisation, a month in advance of the date of expiry of authorisation in force. If the authorised user does not want to get the authorisation renewed or has not applied for the renewal thereof he shall surrender the machine to the Chief Controlling Revenue Authority on the day of authorisation in force expires.
- (10) When the authorised Vendor wishes to discontinue the usage of machine, the amount unused at the time of such surrender shall be refunded.
- (11) The authorised machine shall be utilised for franking / impressing stamps on the instruments as specified in rule 3 by the authorised user only. The authorised user shall maintain the register in Form No. 9 showing the details of the amount impressed, in respect of each instrument.
- (12) The authorised user shall send account of the monthly use of the machine in respect of each instrument to the Chief Controlling Revenue Authority on or before 15th of the succeeding month.
- (13) The Government or the Chief Controlling Revenue Authority shall not be responsible for any loss or damage caused to the authorised user on account of mis-use or mis-handling of the machine or for any damage caused to the machine on any other grounds.

- (14) The authorised user is not permitted to keep with him any unserviceable or worn-out Franking Machine. He shall surrender the same on the next day of its having been rendered as such to the Chief Controlling Revenue Authority who shall ensure that all the parts of the said machine, are surrendered with the machine. This fact shall be entered in the franking machine record book and ledger pertaining to the machine. The authorised user shall also surrender the authorisation to the Chief Controlling Revenue Authority.
- (15) The authorised user must take adequate steps to guard against the fraudulent use of the machine. Any change in the location of the machine except in case of repairs shall be notified by the authorised user to the authorising authority and also to the District Registrars concerned.
- (16) The authorised user shall maintain the following records separately for each Franking Machine. (a) Franking Machine Register regarding posting in Form No. 10. (b) Franking Machine Record Book in Form No. 11.
- (17) The authorised user shall at all reasonable times allow authorised officer or the authorising authority or the District Registrar to inspect the machine and collect records without notice.
- (18) The authorised user shall not sell or transfer or dispose of in any manner whatsoever the Franking Machine.

6. Payment by the authorised users, setting or re-setting of the machine and sealing thereof .-

- (1) The authorised user shall pay in advance a sum representing the amount of advance Stamp duty, through a Bankers Cheque or Bank Draft or Demand Draft or Challan for which the machine is to be loaded initially. On receiving such payment the machine shall be loaded for the purpose of franking stamps.
- (2) The amount to be loaded at a single instance shall be as prescribed by Inspector General of Registration and Commissioner of Stamps from time to time. Every authorized vendor shall maintain adequate amount loaded in the machine so as to meet the demand of the public.
- (3) The authorised vendor shall be entitled for a commission as may be fixed by the Government from time to time. The amount of commission shall be deducted from the advance payment so received by the authorised vendor at the time of loading/reloading of the machine. An authorised user authorised for franking for his own purpose shall not be entitled for any commission.
- (4) Whenever authorised user wishes to deposit any sum in advance and to have the meter of the machine reset, he shall produce the Franking Machine, Record Book Register regarding the posting in office of District Registrar for verification. If the machine can be loaded without physically producing it; then the authorised user shall produce the record book register regarding posting in the office of the District Registrar, who shall apply code for loading.
- (5) The entries in respect of advance payments should be made by the setting or resetting officer in the Franking Machine record book of the authorised user and the concerned officer records and shall be got attested by the concerned officer.

- (6) The seal of Franking Machine and pliers for the lead seal for sealing Franking Machine shall remain in the personal custody of the officer authorised to use them.
- (7) The authorised user shall ensure that the seals on the franking machine are not tampered with or broken or mis-handled in any way.
- (8) No person or official other than those authorised for the purpose shall break or tamper with the seal in any way.
- (9) In the following cases, the authorised user shall immediately stop using the machine and bring the matter to the notice of the authorising authority and the District Registrar concerned.
 - (a) Breaking or tempering with the seals.
 - (b) Discrepancy in the meter readings.
- (10) The District Registrar shall satisfy himself after making such enquiry as deemed necessary that there is nothing suspicious before affixing fresh seal or setting or resetting the meter. In cases where there is suspicion of mis-use of machine the same shall be reported to the Chief Controlling Revenue Authority.
- (11) Franking or impressing of stamp may be allowed up to any amount.
- (12) All franks or impressions for the purpose of payment of stamp duty must be made as far as possible on the right top corner of the first page of the instrument itself.
- (13) The impression or franks of the machine recorded on the instrument should not be interfered in anyway. The impression should be in bright red colour, clear and distinct and should not overlap. Where by mistake a wrong amount is impressed then that impression shall be torn from the instrument and pasted in the register of daily posting and shall be authenticated by the authorised user or proper officer. At the time of resetting, set off equal to the amount of wrong impression shall be given.
- (14) The District Registrars shall maintain the following Registers, namely:-
 - (a) Master Ledger in Form No.12.
 - (b) List of Authorised User in Form No.13.

7. Procedure for repairs . -

- (1) The maintenance, service and cleaning of the Franking Machine or any repairs thereto, including the replacement of any parts thereof shall be the responsibility of the authorised user and at his own cost and expenses.
- (2) The procedure for repair of Franking machine shall be as follows:-
 - (a) The users of franking machine shall in the event of the machine requiring repairs immediately stop using the same;
 - (b) The user shall immediately, in such event, bring the fact to the notice of the Chief Controlling Revenue Authority who shall notify the manufacturer or his authorised dealer in this regard;
 - (c) The authorised user shall make his own arrangements for transportation of the machine to the authorised officer or District Registrar;

- (d) Whenever a machine is found to be defective the authorised user should bring the machine to the Chief Controlling Revenue Authority or District Registrars, who shall note and record in the franking machine records book, register of posting and the ledger;\
 - (e) Entries shall also be made in the franking machine record book as well as in the franking machine register of posting and ledger as to when the machine has been received in defective condition and is sent to the repairer;
 - (f) After the machine has been repaired and brought to the District Registrars, affixed with one lead seal of the manufacturers or his authorised dealer, the machine and the meter, will be checked generally for proper functioning and then reset. It shall also be ensured that no leakage of revenue is possible without breaking the seal;
 - (g) The machine shall then be re-sealed in the manner explained above;
 - (h) Necessary entries to the effect that the machine has been repaired and re-sealed, and the authorisation therein will be made in the franking machine records books, ledger and register of postings. The meter reading at that time shall also be recorded in these books;
 - (i) The manufacturer shall maintain a register, containing the following information.-
 - (a) Name of authorised user.
 - (b) Model and manufacturing number of the machine.
 - (c) Particulars of authorisation for the use of the said machine.
 - (d) Name of the office through which the machine is received.
 - (e) Date of repair.
 - (f) Date of despatch after repair.
 - (g) Particulars of the part of the machine: (i) repaired (ii) replaced.
 - (h) Signature of authorised official of the manufacturer or his authorised dealer.
 - (i) Signature of authorised user or his representative.
- (3) The repairer or the manufacturer shall also enter in the job card and Franking machine records book the particulars of the parts repaired and replaced with his signature and date.
- (4) The record of repair and job card are to be preserved for two years and shall be open for check up by the authorised official of the Chief Controlling Revenue Authority or Superintendent of Stamps at any time.
- (5) The reason for delay of more than fifteen days in repairing the franking machine shall be investigated to find out if there is anything to suspect the misuse of the Franking machine under repair.

8. GENERAL CONDITION .-

- (1) The authorized vendor/user must take adequate steps to guard against fraudulent use of the machine He must have the detachable meter, disconnected from the body of the machine and kept under lock and key by a responsible person.
- (2) The machine so authorized shall be utilized for franking/impressing stamps only for which the authorization is granted.

- (3) The authorized vendor/user shall ensure that the franking machine is used regularly unless there is unavoidable circumstance beyond control. In no case machine should be kept idle use for more than one month, without any valid reason. The authorized vendor/user will also ensure that there is no misuse or mishandling of the machine by any one, during the aforesaid period.
- (4) The Chief Controlling Revenue Authority reserves the right to revoke the authorization at any time and keep the franking machine under custody, if there is any deviation from the prescribed condition including non-use or irregular use of machine or any misuse of the machine. The Government shall not be responsible for any loss which the authorised user may incur thereby. However, any sum that may be due to the Government on account of stamp duty due shall be liable to be recovered as arrears of land revenue.

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