

Revenue Stamps

Revenue Stamps are used to collect fees or revenue for maintaining courts. There was a law called the Indian Stamp Act 1899. This law was amended for 51 times since 1899 to 2004.

Under section 30, if you make a payment of more than Rs. 5000/- to any other, then you can insist on getting a stamped receipt with Re 1/- revenue stamp. In this case, if the payee refuses to give a receipt with a revenue stamp, then he can be punished with a fine of Rs. 100/- under section 65.

For every legally permitted transaction, a certain amount of revenue is needed to be given to the government. Stamping of receipts or main documents evidencing giving and taking of money also need such revenue and the revenue stamp is affixed in proof of that. A properly stamped receipt or debt document or note gets a prima facie priority as an acceptable legal proof over a plain paper receipt.

In sale transactions deeds, payment of consideration is established by annexing to the deed a revenue stamp affixed receipt only (of advance payment(s) or final payments).

In case of a dispute arising, this stamped receipt can be produced as the prime proof of the money being given and received. In such cases, this plays a vital role. Those, which are not properly stamped, can be rejected also depending on many other factors. The stamping also falls under the time to time guidelines regarding value and slab of the amount of transaction.

The receipt gets a legal sanctity when it fulfills the provision of law passed to regulate such transactions. As per Indian Stamp Act, certain receipts should have to be affixed with stamp. Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000 [Previously it was Rs 500]

Section 2(23) "Receipt" includes any note, memorandum or writing-

- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or
 - (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or
 - (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or
 - (d) which signifies or imports any such acknowledgment;
- and whether the same is or is not signed with the name of any person "

Therefore, affixing stamp does not depend on month or year, but every time a receipt is given. If every receipt above Rs 5000 is given, stamp has to be affixed there. If only one receipt at the end of year is given, one stamp is required. The basic requirement under the law is RECEIPT.

In view of the amendment of Schedule I, to the Indian Stamp Act 1899, the one-rupee stamp is required to be affixed on any receipt, the amount or value of which exceeds Rs 5,000. This amendment has come w.e.f. 10.09.04. The stamp is required to be affixed in respect of receipt, which has been defined as under in Section 2(23) of the previously mentioned Act, "Receipt" include any note, memorandum or writing-

- ⦿ Whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or
- ⦿ Whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or
- ⦿ Whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or
- ⦿ Which signifies or imports any such acknowledgement, and whether the same is or is not signed with the name of any person?

Hereafter, one-rupee revenue stamps will not be required for most of the claim forms as in 97 per cent of the cases of EPF settlement, the same is being made through National Electronic Fund Transfer (NEFT).

