

Financial (1899) Department.

ORDINARY PRINTED.

G.O., No. 1382

DATED 19.12.99.

INDEXED.

7/7

[Despatch Abstract.]

Cheques - Declaring that the Collector of Sea
Customs should ~~not~~ receive — in payment of
Customs dues except from firms, which maintain
a deposit account with him.

19/12/99

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

[illegible]

G.O., No. 1382, 19th December 1899.

DECEMBER,

Cheques.

Declaring that the Collector of Sea Customs should not receive — in payment of Customs dues except from firms which maintain a deposit account with him,

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again the following paper:—

G.O., No. 424, Financial, dated 30th March 1887.

ABSTRACT.—Authorising the Collector of Sea Customs to accept, in payment of Government dues, from firms maintaining a deposit account with him, cheques on local banks other than the Madras Bank.

READ—also the following papers:—

Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 5129, dated 17th November 1899.

The Hon'ble Mr. J. THOMSON.

Read—Letter from HERBERT BRADLEY, Esq., I.C.S., Acting Collector of Sea Customs, Madras, dated 21st October 1899, No. 6525-G.

ABSTRACT.—Urging that cheques tendered in payment of Customs dues should be received only from the holders of deposit accounts.

Resolution—Mis. No. 5129, dated 17th November 1899.

The Board begs to request the orders of Government as regards the circumstances under which cheques are to be received in payment of Customs dues.

2. In the year 1873, it was apparently the practice to receive cheques generally in such payments and cash them before remitting them to the bank. The Collector reported (*vide* his letter printed in Board's Proceedings, No. 372, dated 14th March 1873) that he could not trace the orders under which the practice was permitted and objected to it on the ground of the risk of loss of the remittance or part of it while the peons were going round cashing the cheques. The Board ordered the discontinuance of the practice except as regards cheques issued on the Madras Bank "with which the Government have transactions".

3. In 1887, the Collector moved for a withdrawal of the restriction involved in the above order in the case of firms which had deposit accounts with him, and the Board recommended "that the Collector of Sea Customs, Madras, be authorized to accept cheques on local banks other than the Madras Bank, in the same manner as cheques on the latter are in payment of Government dues. This will be done only in the case of those firms which maintain a deposit account with the Collector, and the amounts of the cheques will be credited in the accounts after receipt of information from the Madras Bank that they have been realized." This recommendation was approved by Government in G.O., No. 424, Financial, dated 30th March 1887.

4. A local firm which has no deposit account having recently tendered a cheque on the Bank of Madras in payment of Customs dues, the Collector declined to accept it, and, on being asked for his reasons, states that it has never been the practice to accept cheques from any but the holders of deposit accounts, whether on the Bank of Madras or on another, and gives a number of obvious reasons for objecting to the

practice. The Board concurs with him that it is objectionable and that no cheques should be received except from depositors. But, since the Government Order above quoted, read with the proceedings of 1873, will bear the interpretation that payment by cheques on the Bank of Madras is permitted in all cases, it submits the matter for the orders of Government.

(True Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

To the Secretary to Government, Revenue Department,
with a copy of Board's Proceedings, No. 372, dated 14th March 1873.
Copy to the Collector of Sea Customs, Madras.

APPENDIX.

Proceedings of the Board of Revenue, No. 372, dated 14th March 1873.

Read—the following letter from the Hon'ble Mr. D. ARBUTHNOTT, Officiating Collector of Madras, to the Secretary to the Board of Revenue, dated 29th January 1873, No. 19:—

I have the honour to submit, for the consideration and orders of the Board, certain proposals in connection with the Sea Customs treasury.

2. The present practice as regards remittance of treasure is as follows:—Every morning at 10½ the collections made during the preceding day are remitted to the Bank of Madras. The remittance generally consists of—

- (1) Cash and currency notes.
- (2) Cheques payable by the Bank of Madras.
- (3) Do. do. by firms and banks other than the Bank of Madras.

Each of these items is counted out to one of the two duffadars, and a letter of remittance to the address of the Secretary and Treasurer, Bank of Madras, showing simply the total of the three items, is delivered to him. He and two peons go in charge of the treasure, and cash the cheques (item 3) before going to the bank. If any of the cheques are objected to (which is, however, seldom the case), he returns with the treasure to the Custom House to have the necessary amendment made in the remittance letter. If during the delivery of the money at the bank any coins are objected to, the two shroffs at the Custom House, drawing only Rs. 25 and Rs. 20 per mensem, respectively, have to make up the loss, it being presumed that the duffadar had received good coin for the cheques cashed by him.

3. My objections to this system are as follow:—

First, the duffadar is not of the grade of officers who ought to be entrusted with large sums of money, nor can he be expected to take proper charge of coin and cheques, and deliver them correctly at the bank. His salary is but Rs. 10 per mensem, and no security is taken from him. None but the poorest people are procurable for this post. The daily remittance varies from Rs. 3,000 to Rs. 20,000, and if anything goes wrong no part of the loss can be recovered from him. Nothing has hitherto gone wrong, simply because the Custom House has the good fortune to have very trustworthy men in that post. It is also not safe for a person going in charge of a large remittance to call at a number of firms and banks (busy places where thieves may be hanging about) leaving the money on the road in the cart to be taken care of by peons. I am of opinion that the remittance starting from the Custom House ought to go straight to the bank premises in a large strong and heavy chest provided with Chubb's lock, so that it cannot be easily made away with or tampered with on the

way. One of the two keys should be with the Sea Customs cashkeeper, the other with the Secretary and Treasurer of the Bank. The Secretary might perhaps claim additional remuneration for being in charge of the key, and if he does so, or if he should decline to keep the key, the only alternative I can see is to send with the remittance one of the two shroffs, who will take due charge of the treasure at the Custom House and deliver it safely and correctly at the bank. This is the usual practice in the mofussil. But the pressure of work in the treasury is so great that I can only spare a shroff for this duty if the remittance is sent twice or thrice a month. At present the remittance is sent daily under G.O., No. 1473, dated 29th August 1860, Revenue Department. The average monthly collections are Rupees 1,60,000, and if the remittance be twice a month Rs. 80,000 will be about the sum remitted at a time. I think that with a duffadar, two peons and a shroff this amount can be safely carried to the bank. In some months the collections may amount to Rs. 80,000 in less than a fortnight, and when such is the case there may be a remittance as soon as that figure is reached. The remittance from the Madras taluk treasury, which collects nearly as much as the Custom House, is only twice a month, and the taluk treasuries in the mofussil generally make their remittances to the district treasury only once a month. If the Board agree with me in the propriety of a fortnightly remittance, I beg that they will obtain the sanction of Government to the measure at an early date. If the remittance must continue to be sent daily, and a shroff accompany the remittance, an additional shroff will have to be entertained. The present shroffs have now more than enough to do in consequence of the Sea Customs treasury also receiving the collections of the Collector of Madras and paying his disbursements.

4. I have at the same time to bring to the Board's notice the necessity of making the treasury room much more secure than it is. Even for the retention of a day's collections it is not so secure as it ought to be. The room has but a wooden pannelled door, and the cash chest is also of wood. Not only are the daily collections secured there but also Government securities, amounting to Rs. 1,78,000, held in trust by the Collector. The room is no doubt secured by strong locks and watched in the night by three peons (all of whom keep awake till 9 p.m., after which hour one keeps the watch every three hours), and a duffadar also sleeps on the premises, but the sense of duty in this class of servants is seldom keen, and all of them no doubt are often asleep. The treasury room is in the upper storey of the premises, and is easily accessible to any thieves coming over by the Master Attendant's office (part of the same premises) which is kept open in the night time. Two or three men provided with good instruments might on a stormy night take out one of the pannels of the door, and the cash chest being also of wood could easily be opened. I therefore think that the substitution of an iron door for the wooden one is absolutely necessary, and that an iron safe, which should be fire-proof, should also be purchased for the security of the collections and the Government securities, amounting to Rs. 1,78,000.

5. If the above plan is not carried out, a police guard or an additional peon guard will be necessary. The present staff of peons is only sufficient for the ordinary day work, and it is with considerable difficulty that the jemadar arranges for the present night guard, three men at the treasury room above stairs and three at the import yard below. In fact when the number of peons for the Custom House was fixed the treasury appears to have been lost sight of. Three additional peons would be required if the guard is to be doubled.

6. My next objection is to the practice of receiving cheques in payment of Customs duty. I have not been able to ascertain from the records whether this practice has the sanction of the Board or Government. If a peon who is sent to cash a cheque makes away with the cash, or is robbed of it, the amount, which is often Rs. 1,000 or more, cannot be recovered from anybody, and I am not sure whether the Government might not call upon the Collector to make good the loss. If, however, the Board consider that for the convenience of the merchants the Collector should accept cheques, I would propose that none but cheques on the Bank of Madras be received, as they could be sent to the bank with the remittance without risk.

Resolution—No. 372, dated 14th March 1873.

The Board are of opinion that as the Collector's and Tahsildar's treasuries are not guarded by the police no cash or valuables should be allowed to remain in them even for a single day. The Accountant-General's letter recorded in G.O., No. 1473, dated 29th August 1860. General once suggested that each day's collections should be remitted to the bank on the same day, but this suggestion is not strictly carried out. The Collector sends his daily collections to the bank on the following day, and the Tahsildar makes his remittances only twice a month.

2. The difficulty in carrying out the Accountant-General's suggestion appears to be the early hour at which the bank closes its cash transactions every day. It closes them exactly at 3 and to admit of the remittance reaching the bank before that hour the Collector and Tahsildar will have to close their cash transactions at least an hour earlier. This would no doubt cause inconvenience to the public.

3. Under these circumstances the Collector will be requested to adopt, in respect to the remittance of the collections, the following procedure which the Board have ascertained is acquiesced in by the bank:—The cash transactions in the Collector's office and the taluk should be closed every day precisely at 3, and the collections remitted to the bank in a box locked and sealed by the Collector, or Tahsildar as the case may be, in charge of two trustworthy peons so that the remittance may reach the bank before 4. The bank will receive the box, lock and seal it in the presence of the peons and keep it in their custody till next day, when the peons should again attend the bank to have the money shroffed and regularly received. The Board see no necessity for the shroffs going with the remittances.

4. The Government securities deposited by the merchants should be forwarded to the bank for safe custody and drawn out when necessary.

5. It is irregular to accept cheques on private individuals or firms in satisfaction of Government dues, and the practice must be discontinued at once except as regards those issued on the Madras Bank with which the Government have transactions.

6. The Board observe that the rule, that persons having to pay Customs duty may at their option pay the amount into the bank direct, is not taken advantage of by the public. The Collector is requested to explain if the system of direct payments into the bank can be encouraged, especially as regards the Customs duties, in regard to which there cannot be much difficulty in ascertaining the head to which the money paid has to be credited in the accounts.

(A true Copy and Extract.)

(Signed) H. E. STOKES,
Acting Sub-Secretary.

To the Officiating Collector of Madras.

Copy to the Secretary and Treasurer, Bank of Madras.
" " Accountant-General.

Endorsement in the Revenue Department, R. No. 1705, dated 22nd November 1899.

No. T. 477-Gl.-9727.

Returned.

2. I agree with the Board.

Fort St. George,
6th December 1899.

(Signed) T. HESKETH BIGGS,
Accountant-General.

To the Chief Secretary to Government.

ORDER—No. 1382, Financial, dated 19th December 1899.

The Collector of Sea Customs should not receive cheques in payment of Customs dues except from firms which maintain a deposit account with him.

(True Extract.)

G. STOKES,
Chief Secretary.

To the Accountant-General.
„ Revenue Department.
„ Board of Revenue (Separate Revenue).

Revenue (1899) Department.

CURRENT No. 4119



CURRENT NO. 4119

Edt. L. No. 1705 d/12nd Nov 1899
Order

From

The Secretary to the Commissioner
of Salt, Abkari & Separate
Revenue, Madras.

Transferred to the Financial
Department.

Mis. No. 5129

Dated 17th November 1899.

Received 18/11

Registered 18/11

Enclosures /

Spare copies

Secretary to Government
R.D.

Post St. George,
November 1899

P.K.
11/99

Note

Mr. Board proposes in effect a modification
of a Financial order (No. 10424 dated 30-3-97)

K6
22-11-99

SUBJECT.

Submitting for the orders of Govern-
ment the question of the receipt of
cheques in payment of Customs dues
with an expression of the Board's
opinion that they should not be re-
ceived except from firms having de-
posit accounts with the Collector.

BACK PAPERS.

G.O.	No.	Department.	Date.
	424	Min	30.3.89
-	3513	Rev:	15-10-80
	2196	"	16-4-87

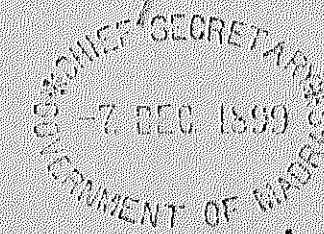
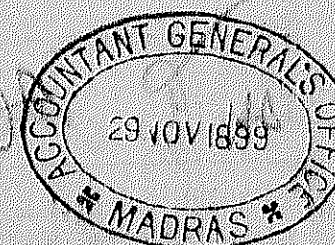
FURTHER PAPERS.

G.O.	No.	Department.	Date.

Financial (1899) Department.

CURRENT No. 4119

INDEXED No. 9.7. 1110



From The Rev. Secy.

Order Cudt no 3073 of 28/11/88.

Referred to the Accountant General for favour of remarks.

R No. 1705

Dated 22nd Nov 1899

Received 22nd Nov 1899

Registered 22nd Nov 1899

Enclosures one.

Spare copies.

SUBJECT.

Transferring Pass of the Bd of Rev. submittals, for order, the question of the receipt of cheques in payment of Customs dues with an expression of the Board's opinion that they should not be received except from firms having deposit accounts with the Collector.

Chief Secretary.

For 8th George
Accountant General's Office,
6th December 1899.

Returned.

Agree with the Board.

Accountant General.

The Chief Secretary to Government,
Financial Department.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

[$\frac{G}{24}$]
500-1-11-00.

C 18-12-99
R 19-12-99

3

Financial DEPARTMENT.

" Read again G.O. no. 424 Encl, 8 30 March 1887 (P)

2) C. No. 4119 From the Board of Rev. (Sep. Rev), No. 5129, dated 17 Nov 1899 (a)

3) " " " Revenue Dept, " 1705, " 22 " 1899 (g)

4) " " " Accountant General, " 3073, " 28 " 1899 (b)

5) 4265 From, do, " 747784, " 6 Dec 1899 (a)
" 7727

H. W.

Order No 1382 of 19-12-99

not The ~~Cons.~~ Consider
Should receive ~~that~~ Cheques should be
in payment of Customs dues
except from firms
which maintain
deposit accounts
with the ~~Customs~~

At
18-12-99

Sam. H. H. H.

13/12/99 C.W.S.
13-12-99 H. H. H.

Rev. in C.

To the Sect. Genl. (Revenue)
Revenue Dept
Board of Rev. (Sep. Rev) (29/11/99)

Depd.
9-1-1900.

1911

First copy sent to Press

FOOTNOTED FOR EIGHT YEARS.

Despatched in print.

182

071115Z 190

Enclosures to O. No.

ORDER OF GOVERNMENT

LETTER OF COUNSELLING.

NEATNESS WITH LETTERS

EXEMPT NOT FILED IN, BEING WAST FOR RESEARCH
IN ORIGINAL.

14

A few friends in full
 It was that he he intended.
 A few friends in full
 O. Great blessing only.