M.R. O. 1—32,000—16-12-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1397 Press Mis.

62-63

Dated 7 — 9 — 1870

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 7th September 1870.

No. 62. Read the following Proceedings of the Board of Revenue, dated 18th August 1870, No. 5,350 :—

Read the following letter from the Collector of Madura, to the Acting Secretary to the Board of Revenue, dated Dindigul, 26th July 1870, No. 231.

I HAVE the honour to forward copy of letter received from the Salt Deputy-Collector Ramasawmy Moodelly, reporting a defalcation of Rupees 500 in the Branch Treasury at Ramnad.

2. The Shroff gives security to the amount of Rupees 4,000, so that the Government is secured against loss.

3. It is clear that the Shroff must be greatly to blame in the matter, as he must have allowed his seal to pass out of his own hands.

4. I will report fully on the whole matter as soon as I hear the result of the inquiry by my Head Assistant Mr. McWatters.

ENCLOSURE No. 1.

From M. RAMASAWMY MOODELLY, Deputy-Collector, Salt Department, to the Collector of Madura, dated Ramnad, 22nd July 1870, No. 135.

I REGRET to report, for your information, a defalcation of Rupees (500) five hundred from the Branch Treasury by the substitution of a bag of half Anna copper pieces for one of Rupees 500.

2. On the afternoon, at 2 o'clock yesterday, I called over to the Branch Treasury to put out money from the box under my seal to make up the remittance of Rupees 1,50,000 called for by the Treasury Deputy-Collector in his letter, No. 1,316, dated the 14th instant. I took out from the box which contained 318 bags of 500 Rupees 274 bags. On counting, as is the practice with me, the remaining 44 left in the box, I observed a bag different in colour from the rest. As I thought it was too old, I ordered it to be put out, and found out, from a hole at the bottom of the bag, that it contained Copper Coins. The Assistant Shroff Streenivasiengar, Golla Muttu Chetty, Deputy-Constable, No. 194, in charge of the Treasury Guard, and my Peon Gooroovappa were present with me when I took out the bag in question. The Sub-Magistrate came to the Treasury room meanwhile ; in the presence of the aforesaid, the Sub-Magistrate, and the Shroff Kistna Row, I opened the bag in question and examined its contents. The bag is made of canvass, a material not in use for making purses in the Treasury. It contained (462) four hundred and sixty-two half Anna pieces, equal to Rupees 14-7-0. The size of the bag when compared with a bag of 500 Rupees nearly corresponded, while the weight was six Rupees more. The bag in question had a seal affixed to it on the knot. This is admitted by the Shroff to be his private seal, which he affixes to the bags put away into the box under my seal. The bag had the words (பரிவு முறு 500) written on it. The Shroff and his Assistant deny that the writing is theirs.

3. I examined the cash balance on the 21st instant, amounting to Rupees 1,73,286-8-10½ according to the Chittah.

The balance on hand was as below :—

—	Amount.			Total.		
	RS.	A.	P.	RS.	A.	P.
Currency Notes	60	0	0			
Whole Rupees	1,72,126	0	0			
Half do.	194	0	0			
Quarter do.	302	4	0			
One-eighth do.	99	14	0			
Half Annas	2	1	6			
Quarter do.	2	4	9			
One-eighth do.	0	0	1½			
Pies	0	0	6			
				1,72,786	8	10½

4. Thus Rupees 500 were found to be deficient, and to have been defalcated.

5. The Shroff and his Assistant came to me this morning and offered to replace the 500 Rupees if I permitted them. I declined to allow them to do so.

6. It seems to me that the bag containing copper coins was slipped into the box instead of one of 500 Rupees, by a trick of the hand eluding the vigilance of the officer present by one of the servants of the Treasury having access to the box, with or without the knowledge of the others. During the time I have had charge of the Treasury, I can positively state that I never saw a bag of canvass being made use of or put into the box under my seal. It is difficult to say exactly when this was put into the box, but from a memorandum of the dates on which the box is opened to put in or put out money, I see that this fraud must have been committed on or after the 19th November 1866. On that date there was no balance in the box in charge of the Deputy-Collector; Rupees 27,000 in 54 bags were received on that date, and ever since there was always in it a balance varying from Rupees 6,000 to Rupees 3,53,000.

7. The examination of the cash balance in the Treasury was completed at 2 P.M. to-day, and I have been therefore compelled to defer this report till this evening.

8. I beg to add that I do not consider it desirable to leave the charge of the Treasury in the hands of the Shroff Kistna Row, and would therefore respectfully suggest that a trustworthy person may be detailed from the District Treasury to relieve Kistna Row, pending the inquiry into the present defalcation, respecting which I request the favour of your early orders.

SUBMITTED for the information of Government.

2. A bag containing Rupees 500 has been abstracted from the Branch Treasury at Ramnad and a bag of copper coins has been substituted sealed with the private seal of the Shroff.

3. The Board await the Collector's further report, which should be submitted with the least possible delay.

No. 63.

ORDER THEREON, 7th September 1870, No. 1,397.

Miscellaneous.

THE Government await the further report of the Collector of Madura relative to the defalcation in the Branch Treasury at Ramnad.

(True Extract.)

(Signed) H. E. STOKES,
Under-Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

Govt. of 1870 Madras.

REVENUE.

No.

THE BOARD OF REVENUE,

Dated September, 7th.

Read.

G. O., 7th September 1870, No. 1,397.

SEPTEMBER.

Nos. 62-63.

Defalcation of Rupees 500 in Ramnad Branch Treasury.—Further report of the Collector of Madura relating to it, awaited.

No. 5,704.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 13th September 1870.

Read the following letter from the Honourable D. ARBUTHNOT, Collector of Madura, to the Acting Secretary to the Board of Revenue, dated Camp Dindigul, 16th August 1870, No. 244:—

WITH reference to my letter, dated 26th ultimo, No. 231, I have the honour to forward, herewith, copy of a letter from my Head-Assistant Mr. McWatters, dated 2nd instant, No. 168, reporting the result of his summary investigation into the defalcation of 500 Rupees in the Branch Treasury at Ramnad. I concur with Mr. McWatters in suspecting the Head and Assistant Shroffs, and the suspicions were strengthened by their conduct regarding the sale of stamps entrusted to them, as noticed by the Head-Assistant Collector. I have ordered their dismissal from Government service, and requested Mr. McWatters to hold a Judicial enquiry in regard to the false entries made by them in the public Accounts, the result of which will be duly communicated to the Board.

ENCLOSURE No. 1.

From G. McWATTERS, Esq., Head-Assistant Collector, to the Collector of Madura, dated Ramnad, 2nd August 1870, No. 168.

IN reply to your letter, dated the 26th July 1870, No. 1,435, enclosing copy of a letter from the Salt Deputy-Collector, Ramnad, I have the honour to state that I have made an investigation into the defalcation of Rupees 500 in the Branch Treasury.

2. I was absent on circuit when the defalcation came to light, but it appears, that, when superintending the despatch of a remittance to Madura on the 21st July, the Deputy-Collector noticed a bag in the Cash-chest, differing in colour from the rest, and suspecting that there was something wrong, had the bag examined.

3. On examination, the bag was found to contain 462 half Anna pieces, and the Cash balance of the same date showed that there was a deficiency of Rupees 500 in the Treasury.

4. The Copper coins must evidently have been substituted, therefore, for a bag of 500 Rupees.

5. It is impossible to say when this was done. It must, however, have been subsequently to the 18th November 1866, for from the 1st November 1866, till the 18th November 1866, both days inclusive, there was no money in the new Treasury room under the seal of the then Deputy-Collector, while ever since one or other of the Cash-chests has never been empty.

6. My enquiry leads me to suspect the Head and Assistant Shroffs, and in this respect the Deputy-Collector agrees with me. The seal of the Head Shroff, as he himself admits, was put on the bag containing the Copper coins, and this could hardly have been done without his connivance and without the knowledge of Assistant Shroff. Blame has been thrown on the Massaljee, but

though the Massaljee is allowed to seal bags, he never ties them, and, therefore, the mere fact of his having affixed the seal if true, in this case, would not of itself show that he had any knowledge of the contents. The fraud must have been committed by a much more dexterous person than the Massaljee.

7. The coarse texture of the bag containing the half Anna pieces would lead one to conjecture that there was an intention to refund the Rupees 500 at the first favourable opportunity. But this is merely a conjecture and worth but little.

8. I beg to state that since my arrival at Ramnad, the Head and Assistant Shroffs have made good the Rupees 500, and that it has been brought to account.

9. The suspicions of the Deputy Collector and myself regarding the two Shroffs is strengthened by their conduct regarding the sale of stamps, which must now be noticed.

10. A careful scrutiny of the daily Chittah, and the daily Indents, by the Deputy Collector, showed that monies received for the sale of stamps had not been duly credited to Government. This was particularly noticeable in the Accounts of the month of May last, when the Small Cause Court was on circuit at Ramnad.

11. A confession of the Head Shroff to the Deputy-Collector and of the Assistant Shroff to me, has well revealed the whole matter. The Stamp Vendor at Ramnad has no capital, and the Head Shroff was so far indulgent towards him as to allow him to have access to the box containing stamps, and to help himself to whatever quantity he required on credit. The proceeds of the stamps so sold were received in instalments, and as often not credited, as credited in the daily Chitta. In fact the daily Chittah so far as regards the sale of stamps to the Ramnad Stamp Vendor is unreliable.

12. The defalcation of Rupees 500 was found out on the 21st July, and on the 25th of the same month, the Shroffs on taking stock, ascertained that a 30 and 20 Rupee Stamped paper were not accounted for, besides, 8 Rupees worth of one Anna Adhesive stamps, and then deliberately made two false entries in the daily Chittah, purporting that stamps of that value and of that description were sold to a Stamp Vendor at Paramagudy. On that date, the Rupees 58 being made good by themselves.

13. The Deputy-Collector and myself came to know of this immediately, and on enquiring into the matter, both the Shroffs confessed that the entries were false. They said that the stamped papers had some how been lost, and that as regards the Adhesive stamps, Rupees 3 which were inadvertently not brought to account, were found in a cover, and that 5 Rupees worth of stamps were missing.

14. The Gollah peon of the Branch Treasury appears to have been cognizant of all this.

15. Under such circumstances, it is needless for me to make any recommendations regarding punishment. I leave the whole matter in your hands, merely remarking, that the delinquents may be sufficiently treated departmentally.

(True Copy.)

(Signed) D. ARBUTHNOTT,
Collector.

SUBMITTED for the information of Government, in continuation of the Proceedings of the Board, dated 18th August, No. 5,350.

2. The amount embezzled has been refunded, and the Head and Assistant Shroffs have been dismissed.

3. The Board await the Collector's report on the further irregularities brought to light.

4. A copy of these Proceedings and of those dated 18th August 1870, No. 5,350, will be communicated to all Collectors for their information. Their attention is particularly directed to the way in which stamps have been sold.

(True Copies and Extract.)

J. W. Cunningham
Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department.
,, Collector of Madura.

Copy to all other Collectors,
with Board's Proceedings, No. 5,350 of 1870.

Exd. G. A. Turton.

54

No. 2906

The Govt await the further report of the Collector of Madura regarding the defalcation in the Ramnad Treasury.

Sept 30 –

11 Octr 1870 Rec'd Bright 18

Pn. 4 Sept 70 Nos 62-68

Revenue Department

1870. No. 2906.

Board of Revenue,

MADRAS.

PROCEEDINGS, 13TH SEPTEMBER 1870, No. 5,701.

Desp 22 Sept 70

Encl.

Received 26 Septr 70.

SEPTEMBER.

No. 5,704.

Defalcation—of Rupees 500 in Branch Treasury at Ramnad in Madura District.—Letter from Collector, forwarding Head Assistant Collector's report of result of his summary investigation into—, submitted to Government. Copy of these Proceedings and of those dated 18th August 1870, No. 5,350, communicated to all Collectors.

S. Cert 15 Oct 1870

62

Dp