

MADRAS RECORD OFFICE.

Government of Madras.

Political **DEPARTMENT.**

G.O. No.	140-41	Press Vis.
Dated	17-2-	18 1837

Not to be folded or roughly handled

N^o 77

From J. A. Poyson Acting Honorable Company's Secretary
To The Chief Secretary to Government.

February 9th 1857

Sir

M. C. dated 22 Jan'y 1857 No 80
Colonial Department
M. C. dated 28 Jan'y 1857 No 99
Colonial Department

I have the honor to acknowledge the minutes of Consultation noted in the margin and to state that (under present circumstances) the course suggested by the Government Agent in para's 4, 5, and 6 of his letter to Government of the 26th ultimo of '21 is wholly impracticable and that no step can be taken by or on behalf of The Honorable Company for retarding the completion of the sale of the "Manowar Bagh".

I believe that the "Paraherry Bazaar" did not descend to the late a taluk but was purchased by him - so that even assuming that the validity of the mortgage of these premises to Abeerchand Loucar could be successfully questioned still if the same principles which the Government of India has laid down with reference to Tanjore are to be applied to the a taluk's Estate the Paraherry Bazaar must be considered and treated as private and not as public or State property and the Honorable Company have no

Yours faithfully

James Smith

no such interest therein as would warrant any intervention on their part.

I am not sufficiently acquainted with the Title and history of the Munowar Bagh to determine whether upon the principles before mentioned it properly comes under the designation of public or private estate.

It is beyond question that the value of the Pareherry Bazaar and Munowar Bagh far exceeded the amount for which these properties were recently sold, but notwithstanding this it can hardly be said that the sales were otherwise than bona fide; - seeing that the Pareherry Bazaar was sold by the Sheriff of Public Auction under a *fi fa* issued upon a Judgment of the Supreme Court and that the Munowar Bagh was sold by Public Auction in the Masters Office pursuant to a Decree of the Supreme Court and that both sales were fully advertised in the Fort Saint George Gazette and public newspapers for many weeks previously.

I am aware that the Right Honble the Governor in Council of Fort Saint George has already urged upon the Government of India the importance of giving the earliest possible attention to the affairs of the late Nabob and the various questions connected with them; but I would nevertheless take the liberty of suggesting that if definite instructions

instructions do not arrive from Calcutta by the coming steamer the following circumstances be again brought to the special notice of the Government of India, viz, that the late Nabob was possessed of very considerable landed property; and Buildings at Madras and elsewhere in the Presidency of Fort Saint George, of great value, which in part descended to him and in part was purchased by him; that during late years the Nabob having failed in inducing Soucar to make advances to himself or to any of his retinue not subject to the Jurisdiction of the Supreme Court adopted the following mode of raising money on the security of his Landed property viz by conveying it to some one of his dependants (generally to one Ghoolam Mahomed Saib) sometimes by a formal Conveyance and at other times by a less formal document; that these Conveyances (formal or otherwise) purported on the face of them to be executed for valuable consideration; that the party to whom any such property was thus conveyed (and who was always a person subject to the Jurisdiction of the Supreme Court and not exempted from process under act 1 of 1864) then mortgaged it by formal deed to the Soucar or other party who had agreed to make the required advance; that such advances were in the generality of cases collaterally secured by warrant of Attorney to confess Judgment; that these conveyances
from

from the estate to his dependents were mere colourable transfers for the purpose of raising money, and as between the estate and his dependents were without consideration; that under arrangements of this nature nearly all the property belonging to the estate was mortgaged to third parties prior to his decease; that it is even alleged that a native creditor holds an equitable mortgage of the Chepauk Palace; that some of these mortgages are proceeding with all despatch to effect sales of the mortgaged premises to them, either by the master under decree of the Supreme Court in its Equity Jurisdiction or by the Sheriff under *fi fa* upon a judgment (at Law) on a warrant of Attorney or Verdict; that in the present state of uncertainty as to the course which Government will ultimately pursue with respect to the estate's debts the native community are afraid to purchase property sold under these circumstances, and the consequence is that such property is generally purchased by the mortgagee in the name of some third party (who lends himself for the purpose), at a tithe of its real value; that the ultimate result of these proceedings and this state of things must prove very prejudicial to the Honorable Company if they resolve to liquidate the estate's debts as these mortgages will

pre fer

prefer claims for the aggregate amounts due to them for principal and interest less the amounts realised by these sales of mortgaged property after deducting costs; that if these sales have been effected under a decree or judgment of the Supreme Court they cannot well be questioned by the Honorable Court or the Commissioners appointed to investigate the estate's liabilities; and it follows that under these circumstances the Honorable Court will be losers to the extent of the difference between the amounts realised by these forced sales of mortgaged property and the increased amounts which such property might and probably would have realised if sold when all question as to ownership &c &c were put an end to and the native community by an adjustment of their claims against the estate were placed in a position to compete as bidders for such property. I can well imagine that these differences might amount in the aggregate to a very considerable sum and I think it especially undesirable upon this and many other grounds that every effort should be used to expedite the contemplated adjustment of the estate's affairs. There are two other suits against Ghoolam Mahomed Saib now in progress and I believe that others will shortly be commenced.

One of these two suits is at the instance
of Rajah Coondun Lall a Soucar who
is said to be a mortgagee of property worth
upward of a Lakh of Rupees and the
other of these suits is at the instance of
Messrs. P. & Co. who are alleged to have
mortgaged of no less than 13 distinct
properties for exceeding in value the last
mentioned amount. It can readily be
conceived that if all this property is
sold about the same time and under
the same disadvantageous circumstances
which now prevail there will be much
reason to fear that the whole or a portion
of it will be sold for far less
than its fair market value.

I have the honor to be
Sir

Yours most obedient servant

M. Roy

actg. Secy to Govt.

Political Dept

P. 140

Extracts of Cons. Dated 17th February 1857
From Mr Secretary 9 Feb 1857

Resolved that copy of
Part of above letter be for-
warded to the Govt
Agent at Chhapra in
reference to his letter
of 20 and 26 ult

At Mr Secy No 15 & 21.

M.

Resolved also that
the concluding para
[5] of Mr Secretary
letter be communi-
cated to the Govt of
India in reference
to the previous com-
-munication on the
date of the the last
pursuant and that

At Secy to Govt 30th July
22nd of 1857
19022

Forwarded to Mr Secy
Political 13th Sept 1857
From the Govt Secy
Mr Secretary 9/9/57
SEV. 140/44

Copy of letter to the Secy
of the Govt. 17th Feb 1857
Copy of letter to the Secy
of the Govt. 17th Feb 1857

Dated 9th 57. 1857
No 136
Submitted in reference to the
the Govt of the Monsoon 1857

the following letter be
despatched -

To the Govt of
India

No. 141.

Foreign Dep^t.

Letter to the Secy to Govt of
India, D. D. 724 Dec. 1856 No. 538
Do - Do of same 77 No. 21
Do - Do of same 80

with reference to the
previous correspondence.
- same as per mem.
- in relation to the
duty of H. H. the late
Governor of the Province
- the I am & to
forward for sub-
mission to the R.
H. the G. G. (the
accompanying ex.
- sent from a letter
of July 1857 from the H. C. Act. Soli-
citor describing
the proceedings of
the alleged creditors
of the late in respect

to property under
assented mortgage
to them - the loss of
will in consequence
to sustained - and
the important need of
such questions being
adjusted at the ear.
- with private call

date

For S^t George,
17th February, 1857

JP

Copies of the P. M. C. to the H. C. Acting Collector disp^d 17th
" of same of - do - to Agent at
Chikanah with copy of same } Disp^d 17th
1 of W. Rogers's letter -

Dr. Le Roy 22 July
Dec 11 of 1857 and 19c 22

in Council & Albany
Division 1857 Dec 11

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Dr. Le Roy
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Dr. Le Roy
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Dr. Le Roy
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Dr. Le Roy
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