

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	1561	Press Mis.
125-26 Dated 14-10-1870		

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
14th October 1870.*

No. 125. Read the following Proceedings of the Board of Revenue, dated 13th September 1870, No. 5,704:—

Read the following letter from the Collector of Madura, to the Acting Secretary to the Board of Revenue, dated 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 inquiry 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 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 inquiry 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.

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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 chittah. 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 Rupees 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 inquiring into the matter both the Shroffs confessed that the entries were false. They said that the stamped papers had somehow 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.

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 Collectors'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.

No. 126. ORDER THEREON, 14th October 1870, No. 1,561.

Miscellaneous.

THE Government will await the further report promised by the Collector.

The Board will be requested to state

what check is provided in the rules to ensure the sale proceeds of stamps being credited in the cash account daily.

(True Extract.)

(Signed) R. A. DALYELL,

Acting Secretary to Government.

To the Board of Revenue.

Exd. E. C. Shunker.

3/
Revenue Department.

No 1561

Proceedings of the Madras Government
Under date the 14th Decr 1870

Recd the following
Proceedings of the Board of
Revenue. -

Submitting Letter from
Collector Madras District
forwarding R. Asst. Collector's
report of result of his summary
investigation into Defalcation
of Rs 500 in Branch Treasury
at Raminad in the District.

(R. E. 13th Sept 1870 No 5704)

The Government
will await the further
report promised by the
Collector. The Board
will be requested to state
what check is provided
in the rules to ensure the
sale proceeds of stamps being
credited in the cash account daily.

14 To Board of Revenue. Dec 15/70

Govt. of 1870: 31/12/75.