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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

G.O. No.
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GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

12th October 1878, No. 1,656.

Read the following paper:—

No. 127. Proceedings of the Board of Revenue, dated 3rd April 1878, No. 908.

Read the following letter from W. WILSON, Esq., Collector of the Kistna District, to H. E. STOKES, Esq., Secretary to the Board of Revenue, dated Masulipatam, 31st December 1877, No. 3,068.

I HAVE the honor to forward true copy of a draft report on the Guntoor defalcations left by Mr. Leman before his departure hence.

ENCLOSURE No. 1.

From G. B. LEMAN, Esq., Collector of the Kistna District, to the Secretary to the Board of Revenue.

I HAVE the honor to forward my report on the embezzlement of money noted in my letter, No. 1,110, dated 4th July 1876, to the Board.

2. The delay has been chiefly caused by the long time it took to get the accounts made up, those of seven years required scrutiny, and they were not fully completed until June 1877.

3. Since then there has been heavy work from the office from the extra pressure put on me by the famine.

4. On the 3rd May 1876 the Acting Tahsildar* of Guntoor received information that one of his clerks, Madhavbi Rungacharlu, had made considerable embezzlements of Government money.

* D. Pattabhiramayya.

5. He proceeded to make inquiry into the matter, and a scrutiny of the accounts showed, first, that some of the Bank daily statements had been tampered with, and that there were false entries in the Treasury accounts; secondly, that cheques had been issued from the taluk office and cashed by the Bank for sums not due to the persons in whose names they were drawn, and that some of these cheques had been fraudulently altered after they were written.

6. I at once sent the Deputy Collector in charge of the Treasury to investigate the matter, and his report was that Rupees 14,772-15-5 had been embezzled.

7. The Sub-Collector, in whose division Guntoor is, proposed that I should apply for a special officer to investigate the accounts, and perhaps as it has taken so very long to work it out it would have been better if the inquiry had been specially made.

8. However, the officers who were in charge of the office of Tahsildar and Shoristadar were called upon for explanation, took objection to the Deputy Collector's figures as not being authentic, and were permitted to go through the accounts again, while the Gumastah who was in charge of them, the aforesaid M. Rungacharlu, was charged before the Joint Magistrate.

9. He was committed on a charge of criminal breach of trust as a public servant in regard to money collected in Kompad village, and was acquitted, while the village officer, the curnam, was convicted.

10. Since that he has been tried on a similar charge in regard to the monies of Nidamanur and been convicted together with the Curnam, Munsif, Mohatsil, and Vetty. The system on which the accounts are kept and money collections paid into the bank must here be explained.

11. The money collected in a village is when sufficient has accumulated sent by the village officers to the Bank through the Taluq Cutcherry with two Irsalnamas or remittance lists (Account No. 12, Village Manual), one a book, the other a loose sheet. At the Taluq Cutcherry both the entry in the book and the loose sheet are endorsed in English to show under what heads the remittances should be credited in the Bank, and then they and the money are sent on by the person who brought both from the village to the Bank. The money is not counted in the Cutcherry.

12. At the Bank the money being received and credited according to endorsement the book is signed by the Bank Agent and given back to the person who paid in the money to be taken back to the village. The loose sheet is also signed by the Bank Agent, and it is retained and sent next morning with any other vouchers there may be to the Taluq Tahsildar together with the Bank daily statement which shows all transactions in Government money made on the previous day.

13. On its receipt the daily statement and such of the above loose sheets and other vouchers as accompany it are (or should be) compared and checked by the Sheristadar.

14. This done they should pass to the hands of the 2nd Gumastah who prepares the Averza or journal of receipts and disbursements (Accounts Nos. 3 and 4, Taluq Manual). From him they should pass to the 3rd Gumastah who prepares the Khatas, the accounts showing the demand and collection of each village (Accounts Nos. 5 and 6, Taluq Manual). These accounts having been prepared, they should be compared by the Sheristadar with Bank daily statement which he has already compared with the vouchers.

15. At the end of the month when the taluq accounts are made up the demand, collection, and balance statement and account current (Accounts Nos. 11 and 9) are made up from the figures in the journals, Accounts Nos. 3 and 4 already referred to. The collections that appear in the Khatas Nos. 5 and 6 account showing the demand, collection, and balance of each village already referred to should also be totalled; but there the order in the manual ceases, and no total was made of the receipts of all the villages in the taluq as shown by these accounts; and no comparison between these figures and those in the account current and demand, collection, and balance statement. An order of mine in 1872 to the effect that a comparison must be made each month has been left unattended to. In the demand, collection, and balance statement village service collections are omitted, in the account current they appear; therefore again no comparison of these two is possible.

16. The Bank at the end of the month submits a cash balance report to the taluq. The amount in it should tally with the balance shown in the account current. This cash balance report accompanies the monthly accounts to the Treasury Deputy Collector.

17. The method of these embezzlements may be understood by the following example.

18. In a village during one month the collection was Rupees 6,000, viz., Rupees 5,000 under Ryotwar and Rupees 1,000 under Village Service Fund. From the total collections Rupees 1,000 was taken with the aid of the village officials. Therefore there was left to be remitted—it was Rupees 5,000. It was sent under two heads, say Rupees 4,000 under Ryotwar and Rupees 1,000 under Village Service Fund. In the Bank daily statement corresponding entry was made. In the Khata No. 5, however, the clerk could enter Rupees 5,000 under Ryotwar and Rupees 1,000 under Village Cess, thus adding Rupees 1,000 (the amount embezzled) to the ryotwar collections remitted. Had this not been done the Tahsildar would at the end of the month have seen that the collection in the village was slack, and would have sent notices and the ryots producing their receipts for money not remitted the fraud have been detected.

19. Had he stopped here there was still room for the Tahsildar to detect him because the balances as exhibited in the demand, collection, and balance would attract attention, this account being made up from the figures in 3 and 4. In order to avoid the detection he had to alter the Treasury Accounts 3 and 4 also, and so in the Averza he entered Rupees 5,000 under Ryotwar and 1000 under Village Cess. Thus he raised the ryotwar collection in the Averza by the amount embezzled, and consequently in the account current and demand, collection, and balance which are based on the Averza.

20. Thus the total of credits of the taluq was falsely raised, and the account current was made to tally with the Bank statements in the total but not in the items war particulars.

21. The collection shown under Village Cess in the Khata is larger by the amount of Rupees 10,839-7-2 than the figures given in the accounts current for the years from Fasli 1279 to 1285.

22. The Bank was established about the middle of Fasli 1279, and it seems that from its establishment the accounts kept in the taluq have been tampered with or have been very carelessly kept.

23. Statement A prepared by the Deputy Collector shows the various sums that appear in the Taluq Accounts 5 and 6 as monies received that do not appear in the Bank daily statements, and consequently have not really been received by Government. They amount to Rs. 11,275-5-10. This sum has now been reduced to Rupees 10,839-7-2 by the corrections made subsequently. It cannot be assumed that each individual sum has been embezzled as many of the items are so small as to render it absurd to suppose so. But it is my supposition that they have been made either through carelessness or if intentionally with a view to show that the entries of sums really embezzled have been made in the same manner by mistake, or else to make the accounts so complicated as to prevent detection.

24. List B, submitted by the Deputy Collector, shows that certain sums amounting to Rupees 536-15-11 entered in the Bank daily statements have been omitted from the Khata Accounts 5 and 6. These if intentionally made may have been intended in some measure to bring down the sham collections shown in the Khatas Nos. 5 and 6 to the real amount that was being misappropriated.

25. List C shows a number of items which are credited in the Khatas Nos. 5 and 6, but on dates or under heads differing from those shown in the Bank daily statements. These entries could seem to have been made to square up any differences caused by the making of wrong entries, or to show that these as well as the entries intended to cancel the misappropriations are alike made by mistake. They are simply wrong entries.

26. The collected amounts of the monies that have not been brought to account are :—

	Rs.	A.	P.
Kesamood	6,297	11	9
Chadaveram	2,329	14	3
Nidamarru	1,695	14	3
Gorantla	429	11	2
Manikalam	...	...	...
Other villages	404	6	9
Total	10,839	7	2

27. Ranganadhu, the Gumastah in the Taluq Office, who has been the chief culprit in the matter, was as I believe in the habit of receiving collections from certain of the unions which should have been paid by them in the usual way into the Bank. To prevent the fact being known he commenced making false entries in the accounts Nos. 5 and 6 of the sums so taken. These would have been at once detected if the Sheristadar had done his duty of making a daily comparison of them with the Bank statement; as he did not do so they were safe from detection.

28. Had any general total of 5 and 6 been made and compared with the account current and the demand, collection, and balances statement at the end of the month the thing would have been detected, but this was not done as I have said in paragraph 15, and the false entries in the Khatas or 5 and 6 accounts led the Tahsildar to believe that the collections of those which had been duly made had also been really credited.

29. Ranganadhu should have had no account work, being 9th Gumastah, but as he understood English he was given the work of 2nd Gumastah.

30. So long as he was in charge of the preparation of all the four accounts that have been named he continued to defraud the Government and conceal the fraud by false accounts. Ever as doing the work of 2nd Gumastah then he should only have had the charge of the Accounts Nos. 3 and 4 only according to the Board's orders, and it was in consequence of an order of mine that I would have Mr. Petty's scheme fully carried out that in August 1875 the preparation of 5 and 6 was taken from him. Between August 1875 and February 1876 there are no false figures, but then he began again. It would seem he had received a sum of Rupees 2,000 from the collections of some village or villages, and it had to be credited somehow in the accounts to save detection, so in desperation it would seem he took to altering the Bank statements and so deceiving the Gumastah on whom the duty devolved to prepare Nos. 5 and 6 accounts into making the false entries he had been in the habit of making for himself.

31. In these Bank statements a figure is inserted so palpably that a child would observe it and without an attempt to make the totals tally or in any way to conceal it; however, the tool of a Gumastah, for I have no evidence he was a knave, was taken in, drew up the accounts in accordance with the inserted figures, and so the game was again in Ranganadhu's hands.

32. Mr. Stokes, the Judge, who tried the first case took exception to this theory, and no doubt it is at first sight difficult of belief, but there is but one other way of getting over the

matter. The alterations exist in the Bank statements, and the figures in accounts agree with them.

33. It may be that my orders were not strictly carried out, and that the Taluq Officers allowed Rungacharlu still to prepare these accounts against my order, and that to screen themselves and the clerk who should have written them up they have inserted these figures, but this is so serious an accusation against an officer in a Tahsildar's position that I hesitate to bring it forward. It is the only alternative I can suggest.

34. The number of false entries in the Khatas or Accounts 5 and 6 is 121, spread over seven years. The number of false entries in the Bank statements is three, and besides these List B shows 119 omissions and C 226 wrong entries made either fraudulently or by mistake. In all there are 469 errors. Every one of these should have been detected by the Shirastadar if he had done his duty in comparing the various accounts with the Bank statements.

35. We next come to the second method of fraud, viz., by orders for payment drawn on the Bank. Some of these are for sums not due, some for sums due, in which figures have been interpolated in excess of the sums due.

36. To secure the payment of their salaries to village servants as they are due the system of keeping permanent payable orders has been introduced by Board's Circular Memorandum No. 238 of 1869. As the exact amount payable to them cannot be ascertained till the annual settlement the previous year's demand is taken as the guide until the settlement is over. When the village settlement has been made the amount already paid is deducted from the exact amount due and the remainder is distributed over the remaining months of the fasli. The permanent payable order is kept in duplicate, one by the village officers, the other in the Taluq Cutcherry, and in both payments when made should be recorded, but there is no order to that effect nor any place for the entry.

37. During that time of the year when the village officials are collecting kists and have Government money in hand they are paid from that money, and an acquittance roll is sent to the taluq for adjustment. The amount is then shown in the taluq accounts as being collected and expended, and the sum paid should be endorsed on the taluq permanent payable order by the Shirastadar. But when they have no Government money in hand the village officials apply to the taluq for the money by sending in an acquittance roll. This having been duly compared with the accounts is endorsed on the back with an order to the Bank to disburse the amount due to the various village officials. This endorsement is called a cheque.

38. The Treasury Deputy Collector reports that the amount drawn by cheques which were drawn for payments not wholly due to the village officers is Rupees 4,021-8-1, of which a portion Rupees 523-14-7 was really due to the village officials. The remainder, Rupees 3,497-9-7, he says is in excess of what should have been drawn by the taluq officials. From a more accurate account which has been subsequently prepared by the Tahsildar the amount of these cheques is ascertained to be Rupees 4,231-9-4, of which Rupees 816-12-5 was really due to the village officials, and Rupees 3,414-12-11 has been drawn in excess of what was due.

39. The particulars of the cheques are as follow:—

Name of the Village.	Name of the Officer that issued the Cheque.	Entry No.	Date.	Amount.	Cash Payment.	Kulkarni Amount not drawn.	Date of Cheque.	Date when received.	Date when encashed.	Days intervening.	Remarks.
Kasaba Bellary	Tahsildar, Bellary.	1	1873-74	1,000	1,000		3rd March 1874	3rd March 1874	3rd March 1874		
		2	1874-75	1,000	1,000		3rd March 1875	3rd March 1875	3rd March 1875		
		3	1875-76	1,000	1,000		3rd March 1876	3rd March 1876	3rd March 1876		
		4	1876-77	1,000	1,000		3rd March 1877	3rd March 1877	3rd March 1877		
		5	1877-78	1,000	1,000		3rd March 1878	3rd March 1878	3rd March 1878		
			Total	5,000	5,000						

40. Out of these there are two cheques or orders for payment that have been tampered with, the 6th of Kanapad and the 3rd of Chodaveram. In regard to the first the original entry in the village books enters that Rupees 20 are due to each of the Curnams. These six entries of Rupees 20 were Rupees 10 at first, but the Rupees 10 was, as far as I can judge, a mistake, and the figures were corrected to Rupees 20 in the village. The total Rupees 125-2-7 would not have come correct if the entries were originally 20. To these entries of 20 there is a 3 prefixed, making each entry 320 instead of 20, and thereby increasing the amount alleged to be due to the village officials by Rupees 900; the original total has been altered from Rupees 125-2-7 to Rupees 1,025-2-7 by the conversion of the 1 into 9 and the prefix of a 1. I cannot say or hazard an opinion where this was done, whether in the village or the Cutcherry, but on the back is the order for payment drawn up in Rungachariu's handwriting in red ink. It bears the Tahsildar's signature, and I have very little doubt that a charge of fabricating a false document could be established against Rungachariu.

41. It seems to me that the original sum entered as due to the Curnams was Rupees 61 and that a 9 has been prefixed, and it is quite certain that what is now Rupees 1,025-2-7 must have been Rupees 125-2-7 when the figure that now is a 9 was written a 1 and the 1 had not been prefixed.

42. The other that has been altered is the third cheque of Chodaveram. The original entry in the acquittance was Rupees 29 due to the Curnam; a 3 has been prefixed, making the money due 329, and the same prefix of 3 appears in the total.

43. On the back is the pay order again in Rungachariu's handwriting with apparently a 3 prefixed to the figures to which the Tahsildar put his signature.

44. The written words showing the amount of rupees for which each cheque is drawn correspond with the interpolated figures, but it is quite possible they were not written when the Tahsildar signed. I have endeavoured to come to a conclusion whether the black ink of the Tahsildar's signature where it crosses the red ink of the pay order is above or below it by a careful examination, but I cannot decide.

45. It is utterly impossible that a clerk of Rungachariu's experience could have drawn a cheque in which Curnam's fees of Rupees 960 or 329 were said to be due without knowing he was writing a false document.

46. The amount over-drawn by the village officials, and which has been permitted by the Inam officials who have sanctioned adjustments or payments in excess of the sums really due is Rupees 1,330-8-7. This should be recovered from the village officials and in default from the Tahsildars who signed the cheques.

47. Two cheques, one of Chodaveram for Rupees 64-6-8, another of Korneapad for Rupees 103-14-4, are missing, and I cannot tell who signed them; it must have been either the Acting Tahsildar Pattabhi Ramayya or the Sheristadar Kutumba Rao; but it would not be fair to charge either of them as it is doubtful * * * — (Three words are here illegible).

48. If, therefore, these amounts are not recovered from the villagers, they must be written off to profit and loss.

49. The fifth cheque of Korneapad was for Rupees 420-6-6. It was made payable to "K. Mangayya or order." This amount was wrongly paid by the Bank to his son Venkatasubbayya. From this the sum properly due to the village officials being deducted, the balance, Rs. 394-7-0, can be collected either from the Bank or from the Acting Tahsildar who signed the cheque.

50. The marginal figures show the amounts over-paid by cheques wrongly issued by the three persons who were in charge of the Inam during the period that these frauds have been perpetrated.

	Rs.	A.	P.
K. Purushottam Pantulu	61	6	9
K. Kutumba Rao	119	15	2
P. Pattabhi Ramayya	3,053	2	0
Amount of two cheques not found	108	6	0
Total	3,341	12	11

51. There is very little doubt that Rungachariu was the recipient of most of the money obtained in this way, and it was due to over-confidence in his honesty that his superior officers signed the cheques he brought them without due inquiry, for he was entrusted with the drawing up of orders on the reverse of acquittance rolls received from villages.

52. In regard to the culpability of the persons concerned, the Curnams must have taken the money in the first instance, and two of them, the Curnams of Korneapad and Nidamarru, have been convicted and sentenced,—one six years' rigorous imprisonment, and the other to ten years.

53. I do not know whether any case has been made out against the Curnam of Chodaveram.

54. There is no doubt that Rungachariu has received most of the money embezzled, that he falsified the accounts, and that the falsification could not have been accidental.

55. He certainly would not have done it unless he got some of the plunder. The information against him was given by the next headman, and it is a fact that he a Gumasta on Rupees 15 a-month was building himself a fine house at Gunnavaram.

56. The Judge, Mr. Stokes, who tried the first case against Rungachariu and the other convicted of the Curnam of taking the Rupees 3,006 and sentenced him, but he acquitted Rungachariu under the impression that he might be a scape goat. This is not my opinion or that of the present Judge Mr. Wilson, who has convicted him in the second case. It is not possible to suppose that the various Tahsildars who have been in charge, four in number, were in turn guilty of plundering the Government.

57. The Sheristadar who was once in charge was induced by a stratagem to sign a cheque for money not due. The taluq permanent payable order was endorsed with the last pay drawn; the village permanent pay able order on which the excesses had not been made in the village was therefore brought and put before him and endorsed by him with the excess payment he subscribed. I think this fact alone shows he could not be the culprit.

58. Rungachariu has been in charge of the accounts. The false figures are his entries, and those in a large credit to Government of Rupees 10,88-7-2 which have been collected and paid to the Bank. He must be examined, there may be others but I cannot see any evidence on which to charge any one else.

59. The Sheristadar bears an excellent character, but the whole loss by falsification of accounts is due to his carelessness.

60. The following are the Tahsildars who were in charge during the time referred to in this report.

61. Pattabhi Ramayya was in charge when the frauds were discovered. He has signed seven Rupees 6,005-2-0 in cheques as previously explained. He can have made no reference, as he should have done, to the taluq permanent payable order before signing. I think he must have the benefit of the doubt in the cases where 300 and 900 Rupees have been interpolated; he may have signed, and I think the probability as the figures have been altered is that he did sign for an amount less than what was due to the village. I would make him responsible only for Rupees 1,170-4-0 the balance, provided it cannot all be recovered from the village officials. He kept Rungachariu in illegal confinement, and allowed him access to the record-room to enable him as he said to clear up the matter in a most loaded way; and the only wonder is that all the papers were not destroyed by him when he had so good a chance. He caused him to execute two documents while in such illegal custody in which he pledged his property for the Government money he had taken. He was Acting Tahsildar when the Bank statements in which there were the entries of Rupees 900 and 329 as first due to village officers were due in his office. If he opened them and looked at them his want of attention to the fact that so large sums of money could not properly be due is inexcusable; and if as I suspect, and as all say, the Bank statements were intercepted by Rungachariu, then his neglect to notice the non-arrival of such an important paper is also inexcusable. It is believed that the Bank statements on four different dates were never seen by him and that he never discovered their absence.

	Rs.	A.	P.
* Total of adjustments of excess sums taken by the village officials	1,170	11	0
Amount of over-payments sanctioned but paid by the Bank to wrong persons	694	7	0
Total	1,865	2	0

62. He is utterly unfit to be a Tahsildar, and I regret I should have so misjudged him as ever to have recommended him. I think he should be retained in public service only in the event of his making good Rupees 1,865-2-0 which he has by his carelessness allowed to be overdrawn, and he should never be appointed to any position of trust.

63. Kutumba Rao preceded him in charge. He signed but one cheque and I think his excuse that he was taken in by the village permanent payable order instead of the taluq one being brought to him is a sufficient excuse for his act in signing the cheque by which the village officials were enabled to draw as excess over their dues of Rupees 119-15-2.

64. As for his general carelessness as Sheristadar I cannot find an excuse. It is unlucky for him that his Curnam was smarter than himself and that he trusted him, but his carelessness is very great. The two Bank statements issued already alluded to were, I believe, intercepted by Rungachariu; but as I say of the Acting Tahsildar, I say of him too. If he saw them, his carelessness in passing over such a large sum as paid to village officers is inexcusable. If he did not see these and two others which he says were kept from him by Rungachariu than his failing to notice that so important a paper had not been given him on four particular dates shows either

that the custom was to let Rungachariu open these covers or that he himself merely went through the form of opening them, but did not take any notice of the contents or take the least care that his most important and daily duty was done.

65. The whole of his defence is to the effect that he is overburdened with work, and from what he writes it would seem that he subordinated his most important work, that of the Account-ant Department, for any other work that presented itself.

66. He makes it very clear how much he did trust Rungachariu and how cunningly he was overreached. I find that he was habitually lax in his work of the Account Department, and that he did not exercise the supervision the Government have a right to expect; and I would reduce him to the office of the head clerk. He is now under suspension.

67. The present Tahsildar Purushottam preceded him. He signed one cheque by which he allowed the village officers to overdraw Rupees 64-6-9 more than was their due.

68. This can be recovered from the village or in default from him; it is the only instance against this man, and I think may be pardoned.

69. Timmiengar Venkatachellam who preceded him is dead. Mr. Sharkey preceded him, and in his time I find wrong entries amounting to Rupees 1,648-0-6.

70. For these however I hold the Sheristadar to be chiefly responsible.

71. I do not think any change in the accounts or in the method of them will be useful.

72. Had the Sheristadar done his duty the whole thing must have been at once detected. I have ordered that the accounts of the Village Service Fund are to be balanced yearly.

73. A good deal is said by the Sheristadar about the complicity of the Bank officials, but I find no cause to say I doubt them.

74. It cannot be assumed that they have such a knowledge of revenue payments as to suspect that a cheque is wrong in consequence of the amount of it, and I can find no fault there. The interpolation of figures was not such as to excite suspicion, and I think that, though these cheques should not have been cashed until the minutest alteration had been initialled, that the payment of them should not excite suspicion.

75. In the case where the Bank paid the persons not entitled, Government can, I believe, recover the money. It would seem, however, that had the Bank officials known there was any thing wrong about these cheques they would have been very careful not to pay the wrong persons.

76. The one suspicious case is that during over the accounts in the Bank it is found that on the 21st January 1876 money collected and remitted by the Ippattur village is found credited to Nidamarru, the amount being Rupees 217-1-6. So far it might be nothing but a clerical error. But when inquiry was made it was found that, though the remittance had come from Ippattur, the Nidamarru Curnam had an entry in his Irashanna Book, unattested by the Bank, that that identical sum of money had been remitted that day by him.

77. This being false it stands to reason that some one informed him of the wrong entry in the Bank Daily Statements. The Bank Clerk may have made a mistake and Rungachariu taken advantage of it and sent word to the Curnam, or it may have been done on purpose by the Bank Cumastu.

78. I give him the benefit of the doubt.

(True Copy.)

(Signed) W. WILSON,
Collector.

ENCLOSURE No. 4.

From D. HOTHAMTHILL, Esq., Sub-Collector, to G. D. LEMAN, Esq., Collector of the Kistna District, dated Guntur, 28th December 1878, No. 387.

I have the honor to submit herewith the Tahsildar explanations furnished by the Tahsildar and Sheristadar of Guntur Taluq regarding their responsibility in the defalcations called for in your letter, No. 1,703, of the 23rd September.

2. I also return the report of your Treasury Deputy Collector, which was sent to me for perusal. I have read it through several times and I am unable to find anything to add or to say that it is wrong as to the amounts embezzled or the manner in which the frauds were effected. Such accounts as looking over a mass of documents have been so artfully manipulated as appears to have been done by the present Cashier, I consider the skill of an expert in the subject, which I am not, to trace out all the fraudulent transactions.

3. I think the Sheristadar of this taluq is guilty of nothing more than of being greatly overburdened with work in the offices for which he is not to blame, the most able of the Cumastas to assist him, the Cumastah being a stranger and consequently at a disadvantage in the

manner pointed out by the Sheristadar to perpetrate frauds and deceive his superiors; it is undenied that the work of the Sheristadar of this taluq far exceeds that of any other, and that it is much complicated by the treasury being located in the Bank; for all this he gets no extra pay and probably less consideration for his difficulties; he cannot get more than twenty four hours out of the space from midnight to midnight, and if the work in smaller talugs is considered enough for one man it follows that this work here ought to be apportioned amongst two, otherwise a man must be disadvantaged by his efficiency.

4. As I have not got a copy of the Judge's remarks regarding the Record-keeper I simply send up a memorandum, which is a translation of the Record-keeper's explanation as furnished to the Tahsildar; the original is also enclosed.

5. I have already sent my letter, No. 187, dated 21st November 1878, sent to you the charges submitted by the Tahsildar.

ENCLOSURE No. 5.

From D. PURUSHOTTAMAYA, Deputy Collector in charge of the Treasury, Kistna District, to G. D. LEMAN, Esq., Collector of the Kistna District, dated Masulipatam, 2nd September 1878, No. 1,066.

I have the honor to submit my report on the examination of the accounts of the Guntur Taluq from November 1861 in which the Branch Bank of Madras was established at Guntur, up to the end of June 1878, comprising part of Fasli 1270 and Faslis 1280, 1281, 1282, 1283, 1284, and 1285, in connection with the irregularities lately brought to notice.

The service of M. V. Rungacharlu, the Taluq Cumastah, who is at the bottom of all the misdeed, is coeval with the Bank; and it seems that he began to tamper with the accounts in the very first year of his service, having acquired some experience in the accounts by working with his father for about three years before his death.

2. The treasury business in the taluq is conducted as follows:—

When a remittance is made from a village it is accompanied by the Remittance Book, No. 12, of the Village Munsif and the Irashanna, which is written on a loose sheet, being a copy of the entry in the Remittance Book. These two documents are addressed in English (by foreign hands, the only Cumastah in the taluq who knows English except the Head Cumastah, who is not available for this duty) and signed by the Tahsildar or Sheristadar for Tahsildar. They are then sent to the Bank with the remittances by the hand of the Village Munsif or Vetty. The bag containing the remittance is not opened, or the contents of it examined in the taluq. When the money is received in the Bank it is shroffed there and credited in the Journal of the Bank (which is called the "*Cheera*"). The Remittance Book in question is returned duly receipted to the village servants, and the Irashanna, which is also receipted by the Bank, is sent next morning to Tahsildar with an extract from the Journal on a loose sheet called the "Daily Bank Statements," which is examined by the Sheristadar with vouchers and initialled by him. It is then handed over to the Cumastah, who prepares the "*Khata*" and the "*Averza*" of the monthly account current, both of which were used to be prepared by Rungacharlu.

3. The "*Khata*" is the Villagewar Ledger (Nos. 5 and 6, C Appendix of the Taluq Manual) in which the demand, collection, and balance of each village are entered.

4. The "*Averza*" is the abstract in which the receipts and disbursements of each day are posted under the different heads of account, and from which the totals are extracted into the monthly account current. If these three documents, viz., (1) the Daily Bank Statement, (2) the "Khata," and (3) the "Averza," are compared with each other, it is quite possible to detect any errors or irregularities.

6. There are 129 Seri and 14 Inam Villages in the taluq. The collections made in them are entered in the Daily Bank Statements. These have been compared with those entered in the "Khata," in order to find out whether all the collections entered in the latter were actually received in the Bank. The result is that very many differences have been found between the two accounts, which there ought not to be if the "Khata" had been carefully and correctly prepared.

7. In Fasli 1284 (1874) the late Treasury Deputy Collector K. Rama Row Pantulu examined the accounts of this taluq. Up to that time the Bank Journal contained only cash dealings and adjustments of the following items, viz.:—

1. Collections of land revenue in other taluqs on account of this taluq;
2. Collections as well as payments connected with the Village Service and Found Funds.
3. Deposits adjusted or credited to proper heads were all entered in the Taluq "Chitta."

I have therefore examined these chittas also.

The Chitta is the account in which the daily receipts and payments are entered.

Since the Deputy Collector's examination each transactions as well as adjustments are shown in the Daily Bank Statements.

8. I beg to submit herewith four lists, marked A, B, C, and D, showing the differences between the Daily Bank "Statements" and the Taluq "Khata."

A—shows collections entered in the Khata in excess of those which appear in the Daily Bank Statements, and are the items embezzled.

B—shows the collections credited in the Daily Bank Statements but omitted in the Khata. These omissions were intended in some manner to make up for the excess shown in A.

C—shows certain items which appear both in Daily Bank Statements and in the Khata, but which are credited on different days, or under different heads. These would seem in some cases to have been made to reconcile the differences caused by false entries.

D—shows excess collections of the Village Service Fund over and above the demand. These are intended to show certain nominal collections for eventual transfer after the real collections had been embezzled.

9. The following is an abstract statement of the four lists in question:—

Faslies.	A. Excess sums entered in the Khata which were not received in the Bank.				B. Sums received in the Bank which were not entered in the Khata.				C. Items differently entered in the Daily Bank Statement and Khata.				D. Collections of the Village Service Fund over and above the demand.		
	No.	Rs.	A.	P.	No.	Rs.	A.	P.	No.	Rs.	A.	P.	No.	Rs.	A. P.
1279	10	341	6	4	1	4	13	5	6	816	0	10	...	...	...
1280	12	15	4	3	163	10	4	11	58	4,380	1	8	...	...	...
1281	42	1,311	0	3	26	104	6	7	64	8,136	0	9	...	...	...
1282	17	70	13	0	48	302	0	0	27	1,851	15	7	3	5	6 8
1283	14	859	7	6	20	104	3	6	43	1,119	6	2	4	242	3 1
1284	26	4,077	1	10	4	10	12	10	48	2,903	10	8	10	1,420	5 3
1285	8	3,730	0	0	...	...	...	...	1	217	1	6	...	...	...
Total ...	124	11,275	5	10	119	536	15	11	236	19,438	5	2	17	1,667	14 11

10. The embezzlement commenced in partnership with the Curnams in the village of Nidamarru, and gradually extended chiefly to two other villages of Korrepad and Chodavaram, the assessments of which are noted in the margin. The manner in which it was carried on is very intricate. By a private arrangement between Ranganadhu and the Curnams the collections under the various heads of revenue in the accused villages were embezzled, and were not remitted to the Bank through the Tahsildar. But in order to prevent demands being levied for the collection of what should have appeared as arrears in the Khata, he kept all genuine collections in it. In the Monthly Account Current and the Demand, Collection, and Balance Statement, however, which are submitted to the Huzur, the amount of actual collections only was entered, so that the totals might agree with the Bank totals. But unless the sums embezzled (system ryotwari collections of the villages of Nidamarru are included in the Demand, Collection, and Balance Statement there will be a large balance against that village, and explanation called for. To avoid this he transferred an equal sum from the collections of the Village Service Fund (which does not unfortunately appear in the G. ryotwari entered in the Monthly Account Current and Demand, Collection, and Balance Statements might agree with the ryotwari collections entered in the Khata. But there must be corresponding deficit in the Village Service Fund. It was managed, however, not to show any deficit at all. The "Khata" is the only account in which the Demand, collection, and balance of the Service Fund for each village are shown; and in this account Ranganadhu entered the *true collections of the ryot, because the transfers he had made from it* to prevent demands for larger balances than were actually due.

11. The only way in which the fraud could have been found out was by comparing the collections entered in the Khata with those entered in the Daily Bank Statements. It is said that this was done by Ranganadhu himself, who reported that everything was right, and he was taken to be a most trusty and hardworking servant, and was entrusted with the most important accounts.

Nidamarru ... ... Rs. 3,677 9 3
Korrapad 6,341 12 7
Chadavaram 2,092 4 8

12. The manner in which Ranganadhu played his game in the earlier part of his career is as follows:—Supposing he received Rupees 50 out of the ryotwari collections of a village, say Nidamarru, in a certain month, and Rupees 500 were collected in other villages in the taluq and received in the Bank, he entered the Rupees 50 as a collection against Nidamarru in the Khata; but if he credited the Rupees 500 also in it, it would make a total of Rupees 550 and differ from the Bank account, in which Rupees 500 only were credited. He therefore deducted Rupees 50 from the ryotwari collections of some other villages to make the total 500, and transferred the 50 Rupees to the Village Service Fund in the Khata, so that if he were ever questioned why the ryotwari collections in certain villages were less than those entered in the Bank account, he might excuse himself that by mistake they were entered under "Village Fund" instead of "Ryotwari," and that the necessary transfers might be made from one head to another. But such inquisitive questions, however, were apparently never put to him, or he would have been suspended at once. Subsequently, when Service Fund collections were received, he transferred the Rupees 50 again to Ryotwari, and thus maintained the full amount of ryotwari collections in each village.

13. In Fasli 1285 the preparation of "Khata" having been transferred to another Clerk according to Mr. Pelly's rules, Ranganadhu lost this weapon in his hands which he had wielded so successfully, and began to alter the figures in the Bank statements to deceive the Khata Clerk, and so obliterate the entry of sham collections against his three villages. Had the Khata Clerk been more vigilant, he could have noticed these interpolations; and had he added up the items under the heads "Byre wara," "Miscellaneous," "Road Fund," "Village Service Fund," and "Interest" in the Khata, there was no necessity to add up all the items entered in the Bank statement to see whether the total was correct or not; and that he never had any notion of the figures in the Bank statements being tampered with.

14. The preparation of cheques or the writing of endorsements in English on the pay abstracts of village establishments having been in the hands of Ranganadhu for reasons stated above, he played tricks in different ways, viz., *by preparing some cheques for sums not due, and others for sums already paid, and also by altering figures in certain cheques after they had been signed by the Tahsildar.*

15. All this mischief shows his extraordinary ability for evil and the undue trust reposed in him by his superiors.

16. The particulars of some of the improper cheques prepared by Ranganadhu which have been discovered are noted below. They were all drawn on the Bank on account of service fees in favor of the Curnams of the aforesaid three villages, Korrepad, Chodavaram, and Nidamarru. None of them bears the initials of the Taluq Sheristadar, although they were usually made on all other cheques; and it appears that Tahsildars signed them without examining the Permanent Payable Orders, in which the last payments were or should have been noted.

17. *First Cheque*.—There are six cheques connected with *Korrapad*—

Date of Cheque.	Amount. Rs. A. P.
24th August 1875	25 15 8

It is stated in this cheque that the payment was for July 1875. It appears, however, that the amount was already paid for July, and therefore this cheque is redundant. This second payment was made to Curnam Mangayya, and the cheque was examined by the Head Gumastah, Mallikarjunaiah, who says that he passed it, as the first payment was not noted by Ranganadham in the Permanent Payable Order. This cheque is signed by the Tahsildar, K. Purushottam Pantulu.

18. *Second Cheque*—

Date of Cheque.	Amount. Rs. A. P.
16th November 1875	195 11 10

For what period the money was drawn is not stated. The Bank Writer wrote in the middle of this cheque "from November 1874 to June 1875." He says that he asked the Curnam and noted the period. This is not part of his business; he should have simply reported the omission and returned the cheque to the Tahsildar for supplying it. The cheque was signed by the Tahsildar, K. Purushottam Pantulu, and the money paid to Curnam Mangayya.

19. *Third Cheque*—

Date of Cheque.	Amount. Rs. A. P.
5th February 1876	209 3 4

It is not stated in this cheque also for what period the amount was due. It was signed by the Acting Tahsildar, T. Partasiti Ramayya.

The wording in it "Please debit Rupees....." shows that it was only for an adjustment of the amount taken in the village. The "Kaiba," or the pay abstract on the first page of it, was duly signed by the Mustd and Curnams. The Mohasib's mark is put down at the bottom of the second page in a corner. This is meant to be the signature of the person who actually received the money. The words "Contents received" are not written above the signature of the payee in some cheques even when cash is paid. The Bank statement containing this item is now before the Sessions Court with the record of a case in which Rungasamy and two others were committed to stand their trial before that tribunal. It was seized by the Police in the possession of N. Pundarikakudu, Curnam of Nidumarru, and in it the amount was altered from Rupees 239 to Rupees 2,299 to induce the Khata Clerk to enter the latter amount in the Khata.

The "Kaiba" is the Pay Bill of village Establishment prepared by the Curnam showing the amount payable to each servant. It is endorsed by the Tahsildar to the Bank on the reverse in English either for payment or adjustment if money has been already taken in the village.

20. *Fourth Cheque*—

Date of Cheque.	Amount. Rs. A. P.
15th February 1876	408 0 0

For what period the amount is drawn is not stated. I cannot see how, without this information, it is possible to pass or pay a cheque for salaries. This cheque also seems to be for adjustment of the amount taken in the village, as it says "Debit Rupees ....." It is signed by D. Pattabhi Ramayya, the Acting Tahsildar, and acquitted by the Curnam's son Venkata Subbayya.

21. *Fifth Cheque*—

Date of Cheque.	Amount. Rs. A. P.
18th March 1876	420 6 6

The period is put down "from July 1875 to February 1876." The order was to "Pay to K. Mangayya," but his son Venkata Subbayya acquitted it and took the money, although it was not stated in the order *Pay to Mangayya or order*. This cheque is signed by D. Pattabhi Ramayya.

22. *Sixth Cheque*—

Date of Cheque.	Amount. Rs. A. P.
11th April 1876	1,025 2 0

Again in this cheque the period for which the pay was due is not stated. The order was to pay to Mahatad Mahammad Khasim and he acquitted it. The payment was also witnessed by Venkata Subbayya, the Curnam's son, a novelty! This cheque is a regular forgery. In the Tolaya it appears that Rupees 10 were ordered at first against the names of each Curnam (three in number), but this was altered into 20 to each before the cheque was signed, and other payments were made aggregating 125. After it was signed the figure 3 was prefixed to make the amount Rupees 320 opposite each Curnam's name, and the total was increased from 125 to 1,025 *by altering* 1 *into* 9 *and prefixing another figure* 1 to the amount. In the English endorsement or order on the reverse of the kaiba the amounts entered against the Curnams was 60 at first, and it was increased to 960 by prefixing 9. The total in words were apparently written after the Tahsildar signed the order, as they are squeezed in at the bottom of endorsement, whereas they are written at the top in or another cheque. As this cheque looks suspicious, payment should have been stopped at the Bank and a reference made to Tahsildar. But it was sent on the last office day before the Easter Holidays, and was returned with the Bank sheet probably during the Easter Holidays to the Tahsildar. It seems that he never received it as the date of receipt was not put in by him, nor was it examined by the Sheristadar, because it does not bear his initials. It is a mystery how it came into the possession of Rungachariu, for it was lately found in a letter given by him to a Curnam, which was seized by the Police.

23. There are three cheques connected with *Chadayavaram*—

		Amount. Rs. A. P.
The first and second are dated	21st August 1875 ...	10 13 0
	2nd October " ...	10 13 0

These are drawn in favor of K. V. Subbayya, the Curnam, for July 1875, and signed by K. Tumalkottam Pantulu. The payee signed at one corner below the endorsement. The Head Curnam who examined the cheque says that as the last payment was not noted in the Permanent Payable Order by Rungacharlu, he was misled. A form of the Permanent Payable Order is given below. It was written under the month headed "July," "Order to Bank," which means that payment was made for July, but the date of order of payment is not mentioned.

PERMANENT ORDER.

To the Village Accountant of

You are hereby authorized to pay to the Village Establishment duly entitled thereto the following salaries for each Month from

No.	Month.	Name.	Rank.	Amount to be paid for each month. Rs. A. P.	Amount drawn for the months of January, February, March, April, May, June. Rs. A. P.	Amount drawn for the months of July, August, September, October, November, December. Rs. A. P.	Total for Fasli 128. Rs. A. P.

24. *Sirukkanur*—

Date of Cheque.	Amount. Rs. A. P.
19th April 1876	259 9 3

The period for which the amount was due is not stated, and there is nothing to show the Pattakkaran's signature. Against the Curnam Rupees 20 were at first entered, which were then struck out and Rupees 8 entered in their place. Against the Munsif's signature Rupees 8 were also entered, but these were struck out and the figure 8 was pencilled in in the English acknowledgment on the cover. The total is made up slovenly written at the bottom between the figures and the signatures, and the amount seems, too, to be wrong. Only a part of the amount, however, is to be received by the Curnam Vaduka Sivalayar. Only a part of the amount, however, is to be received by the village during the last five years being only Rs. 230-6-2.

25. There are seven cheques connected with *Nedumarru*—

Date of Cheque.	Amount. Rs. A. P.
10th November 1875	97 6 3

Fasli.—The money was taken in the village, but it was not stated for what period. Fasli 1284 and 1285 are entered at the top. It appears, however, in the two tables as the yearly demand of this village land for one fasli is Rupees 233 13-8. The cheque is signed by K. Paramasivam Pandia.

Date of Cheque.	Amount. Rs. A. P.
10th November 1875	19 7 0

26. *Sarai.*—In this cheque it is mentioned "Debit to Village Service Fund" and *also* to Kuri Reddi, but there is no corresponding credit. The money was apparently paid to Kuri Reddi, and the cheque is signed by K. Paruthottam Pandia.

Date of Cheque.	Amount. Rs. A. P.
24th January 1876	116 15 2

27. *Land and Forest.*—These two are settlement cheques signed by D. Pattabhi Ramayya. The former was debited to Village Service Fund as "Levation under your own, &c. On one of these cheques "Fasli 1284" is entered, and on the other nothing is mentioned. It is not clearly stated for what period the sums were taken in the village.

Date of Cheque.	Amount. Rs. A. P.
4th February 1876	130 0 11

28. *Food.*—In the first side of the kabz it is stated that the fees are due from July 1875 to January 1876. The cheque was drawn in favor of the Curnam and Munsif and signed by P. Kotumpu Row, the Shorstadar, or Tahsildar. As the payments up to September 1875 are noted in the office copy of the permanent payable order, the Shorstadar says that Rangalangalu sent for the permanent payable order in the village in which the payments were not regularly noted, and, showing it to him, obtained his signatures on the cheque. The amount overpaid is only for three months—July, August and September—amounting to Rupees 58-7-11, but the payment for the remaining four months is correct.

Date of Cheque.	Amount. Rs. A. P.
2nd March 1877	316 11 5

29. *Sirukkanur.*—Fasli 1282 is put at the top of the cheque, which is signed by D. Pattabhi Ramayya. The period for which this money was taken is not mentioned. It was for Fasli 1282, what is become of the salaries for the Faslis 1283, 1284 and 1285?

Date of Cheque.	Amount. Rs. A. P.
11th April 1876	316 9 0

30. *Sirukkanur.*—The period for which the money was taken is not mentioned. This is signed by D. Pattabhi Ramayya, and the Village Accountant the first side by the Mirasi Chinnavadli Kottaiah and by the Curnam. This seems to be an adjustment for the amount taken in the village.

31. The dates and the total amount of all the above cheques is shown hereunder:—

Date of Cheque.	Amount. Rs. A. P.	
24th August 1875	25 15 8	
10th November	185 11 10	All these be-
8th February 1876	299 3 4	long to the
10th ,, ,, ...	408 0 0	Village of
18th March ,, ...	420 6 6	Kottapatti.
11th April ,, ...	1,025 2 7	
Total ...	2,374 7 11	

Date of Cheque.	Amount. Rs. A. P.	
21st August 1875	16 13 6	These appertain to Fasli 1284.
2nd October ,, ...	10 12 6	
15th April 1876	32 5 5	
Total ...	359 0 11	
10th November 1875	97 6 3	
10th ,, ,, ...	19 7 0	
24th January 1876	116 15 2	All these be-
24th ,, ,, ...	233 13 8	long to the
4th February ,, ...	130 6 11	village of
2nd March ,, ...	316 9 0	Nedumarru.
11th April ,, ...	316 9 0	
Total ...	1,350 15 4	
Total of three villages ...	4,091 8 2	
Deduct amount overpaid as per particulars given below	3,497 0 7	
Remainder properly due	593 11 7	

Particulars.

No.	Name of Village.	Amount paid from Fasli 1280 to 1285.	Amount due from Fasli 1280 to 1285.	Remainder defalcated.
		Rs. A. P.	Rs. A. P.	Rs. A. P.
1	Kottapatti	3,905 2 4	1,871 6 3	2,033 7 1
2	Chandiravam	1,046 2 1	224 1 1	822 1 0
3	Nedumarru	2,879 4 3	1,403 14 8	1,480 5 0
	Total ...	7,831 13 8	1,502 0 1	3,497 0 7

32. In order to find out whether there were any overpayments in other villages besides the three above mentioned, I prepared a footwar statement for all the villages in the taluq, and the following is an abstract of it showing the Service Fund demand of each village and the amount paid to its establishment since Fasli 1280 to which the collections and payments of Board's Circular Memorandum, No. 1,094, dated 12th March 1880 Village Service Fund were brought to account, and permanent payable orders introduced under the Board's Proceedings noted in the margin.

No.	Name of Village.	Demand from Fasli 1280 to 1285.	Payments made from Fasli 1280 to 1285.	Balance remaining to be collected.	Remarks.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	
1	Kottapatti	5,905 2 4	3,871 6 3	2,033 7 1	
2	Chandiravam	1,046 2 1	224 1 1	822 1 0	
3	Nedumarru	2,879 4 3	1,403 14 8	1,480 5 0	
4	Kovilpatti	3,615 12 0	2,511 1 3	1,104 10 9	
5	Kovilpatti	1,046 2 1	1,046 2 1	...	
6	Kovilpatti	1,046 2 1	1,046 2 1	...	
7	Kovilpatti	1,046 2 1	1,046 2 1	...	
8	Kovilpatti	1,046 2 1	1,046 2 1	...	
9	Kovilpatti	1,046 2 1	1,046 2 1	...	
10	Kovilpatti	1,046 2 1	1,046 2 1	...	
11	Kovilpatti	1,046 2 1	1,046 2 1	...	
12	Kovilpatti	1,046 2 1	1,046 2 1	...	
13	Kovilpatti	1,046 2 1	1,046 2 1	...	
14	Kovilpatti	1,046 2 1	1,046 2 1	...	
15	Kovilpatti	1,046 2 1	1,046 2 1	...	
16	Kovilpatti	1,046 2 1	1,046 2 1	...	
17	Kovilpatti	1,046 2 1	1,046 2 1	...	
18	Kovilpatti	1,046 2 1	1,046 2 1	...	
19	Kovilpatti	1,046 2 1	1,046 2 1	...	
20	Kovilpatti	1,046 2 1	1,046 2 1	...	
21	Kovilpatti	1,046 2 1	1,046 2 1	...	
22	Kovilpatti	1,046 2 1	1,046 2 1	...	
23	Kovilpatti	1,046 2 1	1,046 2 1	...	
24	Kovilpatti	1,046 2 1	1,046 2 1	...	
25	Kovilpatti	1,046 2 1	1,046 2 1	...	
26	Kovilpatti	1,046 2 1	1,046 2 1	...	
27	Kovilpatti	1,046 2 1	1,046 2 1	...	
28	Kovilpatti	1,046 2 1	1,046 2 1	...	
29	Kovilpatti	1,046 2 1	1,046 2 1	...	
30	Kovilpatti	1,046 2 1	1,046 2 1	...	

No.	Name of Village.	Demand from Fasli 1289 to 1295.	Collections from Fasli 1289 to 1295.	Increase.	Decrease.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
17	Ekas	1,938 4 11	1,853 7 5	...	84 13 6
18	Chinnamun	943 13 8	896 0 2	...	47 13 6
19	Chinna Vadlapudi	453 13 6	450 0 8	...	3 12 10
20	Peda Vadlapudi	1,930 10 8	1,884 1 2	...	46 9 6
21	Kandeli	5,171 10 10	5,100 10 3	...	71 0 7
22	Sri Seshendrapuram	499 9 10	406 15 3	...	92 8 7
23	Injetam	325 7 6	241 8 10	...	133 19 8
24	Metampadi	513 11 10	317 6 6	108 11 5	252 14 11
25	Gharevu	779 15 4	743 13 10	...	35 1 6
26	Gudimedu	1,812 8 9	1,377 10 6	62 6 6	...
27	Penur	999 13 11	476 15 3	...	22 14 8
28	Kanakam	1,139 6 3	1,081 11 5	...	57 12 10
29	Pata Nagallapalli	999 4 6	835 13 3	...	73 7 3
30	Nellamarru	1,139 14 9	2,579 4 3	1,186 5 6	...
31	Nandure	1,081 3 7	803 7 7	...	315 12 0
32	Bengupil	726 13 6	730 14 7	...	3 15 11
33	Vennelakota	1,186 12 7	1,354 5 7	...	167 6 0
34	Vemugatta	1,138 14 9	937 12 5	...	16 2 4
35	Yadapalli	1,306 17 8	1,290 8 3	...	79 7 11
36	Vandesadi	734 15 5	791 10 6	56 10 10	...
37	Kavuravupalem	1,255 6 7	1,195 10 7	...	60 12 5
38	Kasagadda	1,917 12 10	1,813 12 10	...	103 1 0
39	Nimmada	917 15 9	636 16 6	...	280 15 3
40	Lakshmiram and Vanuva Vinnakapadu ...	1,781 8 6	1,454 8 5	...	327 0 1
41	Venkatrayapuram	1,409 0 10	1,352 8 11	...	56 7 11
42	Sarvasam	3,413 7 11	3,140 6 6	...	193 1 5
43	Velagapadi	1,749 15 1	1,693 8 11	...	51 6 2
44	Peddasreerangapuram	696 15 9	645 13 3	...	11 0 8
45	Gundayagrahara	727 6 9	663 0 6	...	64 6 3
46	Injetapalem	1,059 2 3	869 3 11	...	189 14 5
47	Gollapudi	2,399 3 5	2,328 5 2	...	70 14 3
48	Sitharamapalem	737 5 6	718 13 10	...	23 7 8
49	Dibbapalem	811 0 7	446 8 2	...	364 7 11
50	Lakshmidevipuram	1,752 1 2	1,691 2 7	...	60 14 7
51	Chikkayapuram, Samlet Chinna Hedlam	2,834 6 9	2,705 1 6	...	129 5 3
52	Peda Mutyam	955 3 3	899 8 0	...	55 11 3
53	Vadlapuram	1,132 11 3	1,105 6 3	...	27 5 0
54	Pithapuli Agraharam	961 13 3	922 14 10	...	38 14 5
55	Lakkam	1	1	...	...
56	Doddapadu	5,845 7 9	5,236 11 5	...	608 12 4
57	Nelapadu	1,064 13 3	976 3 3	...	328 13 0
58	Anantavaram, Inamlee Vakadam	1,295 1 3	1,236 8 3	...	102 2 3
59	Sirsidi	776 8 10	676 3 10	97 14 0	...
60	Cheerapadu	206 15 10	702 14 10	...	...
61	Nimmada	320 0 5	319 7 2	...	13 1 3
62	Tatiparti	1,103 15 9	1,080 9 3	...	23 6 6
63	Tavalam	639 0 7	624 5 3	...	14 15 4
64	Dharmavaram	1,026 12 6	747 3 2	...	279 9 4
65	Nemalavaka	1,079 5 3	1,010 15 6	...	68 9 9
66	Kavuravupalem	845 10 9	713 11 6	...	132 15 3
67	Peravallivalasa	445 0 10	301 3 3	...	143 13 7
68	Kapparada	1,331 4 13	1,172 9 6	...	158 5 11
69	Nallavanipeta	147 10 0	703 6 6	...	68 14 6
70	Kavuravupalem	2,133 3 0	2,109 11 13	...	23 10 5
71	Kavuram, Samlet Chinna Vadapudi ...	1,566 5 0	1,566 15 0	...	0 10 0
72	Kadimpeta	700 2 3	426 11 5	...	273 5 10
73	Sankilipudi	1,613 7 6	1,453 9 3	...	159 14 3
74	Chinnavalasa	1,339 13 10	1,224 9 5	...	115 4 5
75	Vavalapudi	499 10 5	511 12 11	...	12 2 6
76	Nimmakada	3,057 12 6	3,030 4 8	...	27 7 10
77	Jalantrakota	715 8 11	676 11 3	...	41 13 8
78	Peda Kavuru	3,119 1 2	2,983 2 7	...	135 14 7
79	Chikkala	6,066 0 7	5,843 13 9	...	222 6 10
80	Sampavada	1,016 15 6	793 12 3	...	23 3 3
81	Jami	2,501 14 4	2,399 5 6	...	102 8 10
82	Ziyanidevipeta	1,501 10 5	1,401 0 7	216 2	...
83	Tavarambilli	3,082 10 10	3,230 13 6	...	10 12 4
84	Pandidevi	1,001 10 8	881 10 7	...	10 15 5
85	Kandala	1,552 12 1	1,532 10 3	...	460 1 10
86	Chinnapuram	0 0 11	151 13 3	2 4 3	...
87	Peda Kavuram	4,500 10 0	410 3 13	...	179 12 ...
88	Kallavanam	1,000 7 3	941 11 6	...	58 11 9
89	Kavuram, Samlet Veerabhadra	1,000 0 1	1,165 15 9	...	874 0 8
90	Peda Gollapalem	3,000 8 3	3,312 3 7	46 5 4	...
91	Gollapudi	2,110 8 0	2,113 8 0	...	44 5 9
92	Kandi Pudi	325 10 2	302 10 ...	...	76 11 12
93	Pata Kavuru	879 9 4	358	...	110 15 8
94	Nimmalapeta	3,000 13 6	2,776 7 7	...	126 5 11
95	Kasimkota	1,000 10 6	200 13 3	...	443 13 10
96	Bhimili	14,000 7 1	9,000 3 1	...	499 3 10

No.	Name of Village.	Demand from Fasli 1289 to 1295.	Payment from Fasli 1289 to 1295.	Increase.	Decrease.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
97	Chordavaram	1,... 3 5	1,... 4 5	...	31 7 0
98	Jannachandra	734 1 1	1,096 2 1	362 1 0	...
99	Ennamadi	893 15 0	893 8 0	...	...
100	Nadimpeem	1,340 1 9	1,345 3 6	...	31 7 0
101	Tarasalapalem	519 4 3	214 14 10	...	303 15 5
102	Chinnamidepadu	788 11 5	241 12 11	...	534 5 6
103	Unnava	590 3 11	319 8 0	...	118 14 3
104	Pattipatu	488 9 10	383 8 0	...	70 14 2
105	Gottipadu	5,269 12 3	4,367 0 0	...	56 8 1
106	Malayapalem	693 3 3	386 1 5	...	974 11 10
107	Gorlantadagantapalem	446 0 5	367 3 2	...	17 2 10
108	Yerrava	387 2 2	108 13 6	...	79 4 7
109	Kondapadu	625 8 9	437 13 6	...	188 3 3
110	Garapadu	747 8 5	693 1 6	...	317 11 11
111	Chinnalpalligadda	855 3 3	174 1 6	...	387 2 5
112	Kurumalla	451 9 11	204 12 10	...	78 1 8
113	Korukpadu	501 8 0	396 1 3	...	349 12 1
114	Yetukuru	1,511 6 3	4,906 9 4	2,695 3 1	...
115	Bontapadu	998 12 0	967 13 0	...	30 9 3
116	Dommapadu	928 11 11	846 2 8	...	82 9 3
117	Gosivaram	1,440 14 6	1,344 15 7	...	95 15 1
118	Gundavaram	889 7 8	868 3 4	...	21 4 4
119	Chemalapadi	1,111 13 5	981 5 11	...	82 1 6
120	Kazapadu	614 5 2	499 13 8	...	150 5 6
121	Vallabhavaram	516 0 5	493 7 7	...	14 10 6
122	Mattam	1,100 12 0	819 11 1	...	19 11 2
123	Narsimadi	1,359 11 8	902 12 10	...	530 1 11
124	Gundalapadu	694 1 3	382 14 5	...	452 7 6
125	Narsimadevi koodai, Nimavaram	676 4 7	382 12 4	...	260 3 3
126	Yelandlu	2,117 3 1	1,072 9 1	...	18 9 2
127	Siddapalli	1,505 10 10	1,449 10 11	...	145 1 8
128	Sekuru	1,959 7 10	1,913 8 9	68 10 6	65 15 11
129	Belapadu	2,781 15 7	2,896 13 9	14 14 2	...
		488 5 7	332 9 3	...	155 12 4
	Total ...	1,49,659 9 3	1,49,653 8 6	5,382 3 6	15,093 3 6

Particulars.

	Rs. A. P.
Amount defalcated by cheques alluded to above	9,407 0 7
Amount overpaid	859 9 11
Total ...	4,837 4 6

32. It will be observed from the above statement that the total amount overpaid including the above cheques is Rupees 4,837-3-6, and that still due is Rupees 15,093-3-6. It appears, however, that a part of the latter sum was already taken by the village officials in their villages, but not adjusted in the accounts. This should be done at once, and what is still due by the villagers should be collected from them and paid to the village officials.

34. The total amount embezzled from Fasli 1279 to Fasli 1295, both inclusive, by false entries and cheques is Rupees 14,772-15-5 as follows :—

	Amount.
	Rs. A. P.
By false entries, Fasli 1279	321 6 4
" " " 1280	15 4 3
" " " 1281	1,311 6 2
" " " 1282	70 13 0
" " " 1283	859 5 5
" " " 1284	4,977 1 10
" " " 1285	3,720 0 2
Total (as per List A)...	11,275 5 10
By cheques in Fasli 1285	3,497 9 7
Total amount embezzled...	14,772 15 5
Amount overpaid from Faslis 1280 to 1285 to Village Establishments	859 9 11
Grand Total...	15,632 9 4

It would seem that a large portion of this amount goes to the debit of the Village Service Fund.

35. I shall now give a short history of this fund, and make a few suggestions for its future management.

The Village Servants in this taluq are—

The Munsif,	The Mohatad, and
The Curnam,	The Vetty.
The Shroff,	

It appears that formerly fees were paid to them in the villages without their being brought to account.

36. In 1861 the Government ordered in their Minutes of Consultation dated 11th December 1861, that the Munsif should be paid in the shape of deduction of assessment in his patta, and the Mohatad in cash, this amount being debited under the head "Allowances to District and Village Officers." The Curnam, the Shroff, and the Vetty were paid out of collections made from ryots and inamdars at different rates for dry and wet, and for resident or non-resident ryots according to the customs prevailing in the respective villages.

37. Prior to Fasli 1280 fees were paid to the extent of *actual* collections. But from Fasli 1280 under the provisions of Circulars Nos. 69 and 73 of 1868, published in the District Gazettes, Nos. 24 and 25 of 1869, the full amount of fees which is fixed for each village at the time of settlement is paid out of the Village Service Fund, Kyotwari, or any other collections made in the village. Permanent payable orders showing the monthly scale of village servants' emoluments are prepared in duplicate. The original is sent to Village Munsifs with an endorsement thereon to make payments in villages according to the scale out of any collections remaining in hand and to furnish the kabz or acquittance roll to taluq cutcherry for the necessary adjustment. The duplicate is retained in the taluq. When a payment is made for any month or months, it is noted in the original payable order by the Curnam and on the duplicate by the Taluq Gumasta. The latter is checked by the Taluq Shereistadar and initialled by him when the kabz is endorsed to the Bank by the Tahsildar either for adjustment (if the money was already taken in the village) or for payment in cash at the time.

38. *In collecting those adjustments* are made as follows:—

When the fees are taken in the village from *Village Service Fund*, there is no instalment note, but only the kabz, which is endorsed as under by the taluq to the Bank:—

"Please credit to Village Service Fund and debit *per contra* Rupees ——————, viz.

Munsif	... ...	Rs. ——————
Curnam	... ...	„ ——————
&c.,	&c.,	&c.

But when money is taken from *any other collections* in the village, the kabz is sent to the Bank with an instalment. The amount entered in the former (kabz) is debited to Village Service Fund, and that entered in the latter (instalment) is credited to the several heads from which the amount was taken in the village.

39. CASH RECEIPTS.—When the Village Service Fund is remitted in cash to the Bank it is credited as follows in the Bank Chitta:—

Grain fees to Curnams	... ...	Rs. ——————
Monies to Vetties	... ...	„ ——————
Fees to Shroffs	... ...	„ ——————

When payment is made in cash by the Bank, the kabz is endorsed in the taluq as follows:—

"Please pay to ——————— and debit the sum of Rupees ——————— under Special Funds, 'Village Service Fund.'"

Munsif	... ...	Rs. ——————
Curnam	... ...	„ ——————
&c.,	&c.,	&c.

40. When payment is made or adjusted in the Bank accounts as stated above, the Bank returns the kabz with the daily statement to the taluq on the following day, when each item in the statement is checked with the vouchers by the Taluq Shereistadar and the Bank statement is initialled by him.

41. During the *nonsmelcheo days* the kabz sent by Village Officers is endorsed to the Bank authorizing the Agent to remit money to the honor of the bill for distribution to village servants through the Munsif. This is in accordance with the spirit of the instructions contained in paragraph 4 of the Collector's Circular No. 69 embodying the Board's Circular Memorandum, No. 338, dated 12th March 1869, by which it appears that monthly payments to village servants should not be postponed on the ground that there are no corresponding credits in accounts in that particular months as such debits can receive credits by subsequent replenishments.

42. Up to the examination of taluq accounts by the late Treasury Deputy Collector, the villagers were in the habit of retaining with them the collections of Village Service Fund with a view to eventually paying themselves and furnishing cheques to the taluq for contra adjustment. In the course of the examination of the village accounts of certain villages he, having discovered in the village day book certain sums of Village Service Fund detained in villages, asked for an explanation. It appears that the Curnams answered that as the collections on account of Village Service Fund were solely intended for payment to them, they thought it better to keep the amount with them for making payments when due, so that they might avoid the necessity of frequently drawing money from the Bank in non-collection days. Whereupon the Deputy Collector explained the meaning of the circular above referred to to the effect that all collections made on account of Village Service Fund should be remitted in common with other collections of revenue, and that payments to Village Officers according to the monthly scale might be made out of any collections in the village, cheques duly acquitted for the sums paid being sent to the taluq with insluamas showing the heads from which the sum was received, so that the necessary adjustments might be made in the taluq accounts. Accordingly the Village Officers now remit the Service Fund collections to the taluq and pay themselves in villages out of *new* collections then remaining in hand, sending the kabz to the taluq for adjustment with an insluama. Payments made in Bank from July to December are recouped in collection days. The sums received in former fasils by the Village Officers from the Service Fund were adjusted subsequent to the Deputy Collector's visit, and there is still a large amount to be adjusted on account of former fasils. This should be done without further delay.

43. I would recommend that hereafter the kabz or the pay abstract of village servants be invariably written on printed forms, the order on the reverse of the kabz being also printed as follows in the form of Bank cheques:—

Please pay to ——————

Rupees ——————— being salaries of the Village Establishment of ——————

——————— due from ——————— to ——————— 187 .

Rupees ———————

Shereistadar *Tahsildar.*

Clerk.

44. This will enable the Tahsildar or any other officer signing the cheque to see at once whether the amount is written in letters or not in the proper place before it is signed, and to compare the writing with the figures. The word *original* or *duplicate* should be written on the permanent payable order, so that the villagers' original order in which the payments are not noted down may not be shown to the Tahsildar when the kabz is brought for his signature. No cheque is to be signed until the necessary note is made in the duplicate permanent payable order that Rupees ——— have been paid for such month or months. The entries in the permanent payable orders should be initialled by the Tahsildar at the same time, and they should all be written in a book and every page of it numbered and seated. In the taluq account current only the totals of collections and of payments are entered, and an abstract in the annexed form is sent to Huzur showing the total amount paid to the different Village Servants in the taluq.

Board's Proceedings, No. 1,285, dated 14th May 1875.

VOUCHER No. 4.

Pay Abstract of the Village Establishment of the District of ——— for the Month of ——— 187 .

Taluq.	Number of Village in each Taluq.	Village Servants. No.	Village Servants. Designation.	Salary per Month.	Amount.	Deductions on account of fines and charges.	Net Amount passed.	Actual Amount disbursed.	Disbursed Balance of Salary paid in this Month.	Remarks.
					Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	

45. So it is not known at all in the Huzur what amount is due and what is paid out of it. I would recommend that printed forms as annexed below showing the demand, collection, and balance, as well as payments, be sent to all the Government taluqs and the Tahsildars be directed

46. I would also recommend that the treasury business be conducted in the taluq instead of in the Bank, as the latter involves unnecessary labor and delay as will be explained below.

47. In taluq [illegible] the day book is prepared simply with reference to vouchers received from villagers and parties. But when a taluq keeps account with the Bank there must be two challans for every item of receipt, both of which must be written in English, the original to be returned to the party and the duplicate to be forwarded with the daily statement to the taluq. If the remitter fails to produce a duplicate, it should be prepared in the taluq under the Accountant-General's Manual, which increases the work still more. Moreover, the services of men acquainted with English are required to conduct the treasury business for writing endorsements in English and posting figures in abstracts of receipts and disbursements from the English duty statements received from the Bank, to prepare the account current and its subsidiary statements. In the taluq most of the Gumastahs are not acquainted with English, and therefore the services of Rangadurgadu were availed of to do the above work in addition to keeping the khata in which the figures are to be posted under different heads from the English duty sheets and vouchers. The endorsement on one challan is equivalent to an entry in day book. If the time required for endorsing a single challan be devoted to writing day book there would be the saving of time required for writing an endorsement on the duplicate challan. Besides that only such number of remittances as can be taken between 10 A.M. and 2½ P.M. are received. When the Bank closes, the village servants in charge of money have to return to the Taluq Cutcherry, where the bags are secured in a box, which is placed in the Town Station-house until they are handed over next day to the respective Mohatads and Vettics to pay into the Bank. For this purpose a book is kept in Taluq Cutcherry wherein the particulars of remittances, viz., the name of the villages, the amount and the office of the person who brought the remittance are entered. Sometimes the Mohatads and Vettics return to their villages leaving no bills in hand to wait, and when it is convenient to themselves they come again and take their bags to the Bank. Even then it is not certain that their remittances can be taken without fail, as the working time of the Bank is limited, and as the Bank's dealings with merchants, &c., take place during the same time.

48. In collection months from December till the balances are reduced to nothing, there is generally a large influx of remittances, but as all cannot be received in the Bank on the same day on which they reach the Taluq Cutcherry, the Mohatads, &c., return to their villages and do not come back for a number of days. When the Village Munsifs and Curnums ask for drafts as duly remitted by the Bank Agent they come back to the Taluq Cutcherry and demand the return of their bags from the box. Every time a remittance bag is taken into and issued out of the box the Taluq Sheristadar has personally to attend the station-house, where the box is secured, and superintend the distribution of remittance bags to the Mohatads and Vettics. This kind of supervision causes great waste of time. The Taluq Sheristadar has to supervise every thing in the office and so it impedes his other work. His frequenting the station-house for the above purpose having caused some inconvenience to the Station-house Officers, the Police Inspector reported to his superiors that the frequent attendance to the station-house of the Taluq Sheristadar accompanied by Mohatads and Vettics greatly interfered with the duties of the Station-house Officers, and proposed that the boxes wherein the remittances and stamps are secured might be kept in the Taluq Cutcherry. The boxes were accordingly removed there and a guard was provided; but it was subsequently withdrawn to save expense, and the boxes were replaced in the station-houses. Thus, village remittances are now retained there for days without being brought to account, because in the absence of Mohatads and Vettics that accompanied them, they cannot be sent to the Bank by the Taluq Officials for fear of responsibility being thrown on them in the event of the contents of the bags being different or tampered with. If the day book is prepared in Taluq Cutcherry, almost all the remittances can be credited the same day by working when necessary till 5 P.M. Moreover, as the Chitta Gumasta must be acquainted with the nature of each item it will not be so easy to perform forged cheques, and he cannot shift responsibility by saying that all that is wanted is the Tahsildar's signature to the cheque. At the close of the day the chitta is brought to the Sheristadar before closing the cash balance, and no payment can then escape his attention. In fact he could not have

Vide Clause No. 3, dated 11th April 1876, paragraph 4 of allowed a thing like paying Rupees 1,020 to one village on account of fees.

this report.

49. Under these circumstances I would strongly recommend that the treasury business be conducted henceforth in the taluq, remittances being made to the Bank as often as necessary. There is no Store Clerk in the taluq now simply paying salaries, keeping accounts of stamps, &c., and receiving remittance bags when they are returned to the Bank.

50. In the present case the mischief has come out providentially owing to certain domestic quarrels between Venugopalayya and his brother, who gave a clue of what was transpiring to the Cash-keeper of the Bank, who at once reported it to the Acting Tahsildar. The two officers then examined their accounts together and, having found differences, inquiry was set on foot.

51. I regret to report that after I went to Guntur I was not able to obtain the daily Bank statements and some other accounts, which were all thrown in a state of chaos. In some cases I was obliged to refer to the journals of the Bank Office. The arrears Khata of Mangalagiri Division was not found for sometime; and when it was found, the first sheet containing the villages of Nidumarru and Navuluru had been torn off.

52. It may be that the whole demand of the Village Service Fund has not been collected from villagers, for it was not all credited in their receipt books. I sent for the ryots of Kondapad and Chandavarum and examined their books. In most cases the demand and collections of the Village Service Fund are entered in the receipt books. Some of the ryots, however, said that no receipt books were given them. But the Curnam, Venkata Subbayya, said that all the ryots did pay the Village Service Fund in full. He has no accounts to show, and he says some were lost and others filed in the Taluq Cutcherry. They cannot, however, be found there.

53. In conclusion, I beg to state that the amount overpaid to Village Officers should be recovered by withholding the payment of fees in future until the debt is liquidated, except in the case of Nidamarru, Chandavaram, and Kompadu whose Curnams should at once be dismissed. Ilangachuryulu is, of course, under trial. He should also be dismissed and proclaimed unfit for Government service. There is not the slightest doubt left in my mind of his criminality after seeing what everything wrong is in his handwriting.

54. It is the duty of the Taluq Officers to keep themselves informed of the collections in each village for the punctual realization of the balances. The "Khata" is the principal account in the taluq which contains this information. In the Taluq Manual, Part III, paragraph 101, it is laid down that the entries in the khata should be totalled every month for each item and fasli and a balance struck and shown under the proper heads. This account having been so greatly tampered with, it is hardly necessary for me to add that these rules have been so little attended to.

55. The Bank sends a pass book daily to the Tahsildar showing the total receipts and disbursements of the preceding day on account of Government with the daily statement, which is a counterpart of the Bank's General Ledger. These documents have not been tampered with, except lately a few of the Bank statements were altered after the Khata had left the hands of Ilangachuryulu. The weekly cash balance report sent from the Bank shows the amount of cash in the Bank on Government account with particulars of notes and coin. If the daily statement had been carefully compared with the taluq khata, no frauds could have occurred as I stated above.

56. The Tahsildars should be ordered invariably to send a certificate hereafter with the monthly accounts current that they have *personally* examined the "Chitta" and "Averiah" of the monthly account current, and compared the items therein entered with those in the "Khata."

57. In addition to this the periodical examination of the taluq and village accounts should be punctually carried out.

58. The explanations in question having been dredged in April last, the sum of Rs. 3,720 embezzled in Fasli 1283 from "Revenue" collections, which were compensated by a transfer from the Village Service Fund, was adjusted in the taluq before the accounts of the fasli closed, by debiting to "Revenue" and crediting to "Village Service Fund." Hence out of the total amount embezzled, Rupees 14,772-15-5, Rupees 3,720 appertain to "*Revenue*," and the remainder, Rupees 11,052-15-5, to "*Village Service Fund*."

* Not paragraphs in text.

With the foregoing letter Mr. Wilson submits a report drawn up by his predecessor on the defalcation of Government money in the taluq of Guntoor. The report which is neither complete nor clear will be submitted to Government with reference to G.O., dated 25th July 1876, No. 1,011.

2. The total sum embezzled as stated to be Rupees 14,254-4-1. The embezzlement was perpetrated by the Taluq Curnams and Curnams of certain villages, (1) by appropriating Government money received from villages for their own use without bringing it to account, and (2) by issuing cheques on the Bank in favor of individuals to whom no money was due, or in excess of the sums due.

	Rs.	A.	P.
(1)	10,839	7	2
(2)	3,414	12	11
Total ...	14,254	4	1

3. The amounts under the first head relate to the villages noted in the margin and to the years Fasli 1279—1285. It seems that the ground for considering that this sum has been embezzled is that it appears as collected in the taluq accounts of demand, collection, and balance, while it does not appear in the Bank's accounts of actual receipts. It is stated that though the money received was embezzled, it was shown as collected in the taluq accounts in order to prevent the Tahsildar from issuing coercive process for its collection, which he would do if it appeared as an arrear in the accounts. The Board are not satisfied that disagreement between the Bank and taluq accounts is conclusive proof of the face of embezzlement, or of the amount easily embezzled, for it is reported that in this very taluq there are certain sums which have been entered in the Bank's accounts as received, but which do not appear in the taluq accounts, and there are numerous other discrepancies between the Bank and taluk accounts. The Board think that the accounts of all the villages in the taluq must be thoroughly scrutinised at the next Jamabandi by the Divisional Officer, and the correct state of things ascertained and reported. There is no doubt that certain sums collected have been embezzled, but a thorough scrutiny of the village accounts may disclose more extensive frauds.

	Rs.	A.	P.
Kompad	6,207	11	9
Chandavarum	2,020	11	3
Nidumarru	1,686	14	3
Gorantla	429	11	2
Other villages	464	6	9
Total ...	10,809	7	2

Fasli.	Rs.	A.	P.
1279	331	6	5
1280	18	4	8
1281	1,311	6	3
1282	70	13	6
1283	950	3	3
1284	1,972	1	10
1285	3,720	9	0
Total ...	11,275	5	10
Deduct amount struck out on further examination ...	135	10	8
Total	10,839	11	2

* Board's Circular Memorandum, 12th March 1880.

4. Under the second head, money was misappropriated by issuing cheques on the Bank in favor of village officers for sums over and above the amounts due to them. Under the existing system,* village officers are paid monthly either by direct cash payments from the Treasury or the Bank, or by allowing them to deduct from the collections of their villages the sums due to them. When the latter course is followed, the amount is adjusted in the taluq by debiting the sum to the Village Service Fund, with a corresponding credit to the head to which the money actually appertains. In issuing cheques on the Bank under this system, the taluq authorities appear to have drawn cheques for sums already paid or not due at all. Some of these cheques fraudulently issued were for cash payments, and others for adjustments. The latter were issued obviously to screen the previous embezzlements, and the former, of course, with a view to immediate misappropriation.

	Rs.	A.	P.
Cash payments	1,575	4	4
Adjustments	1,843	8	7
Total ...	3,414	12	11

5. The chief perpetrator of the frauds was Ilangachuryulu, a Taluq Curnam, who is now in jail, as are also the Curnam of Kompad and Gumasta Mirsit Mohsud and Vetty of Nidamarru. It does not appear whether any of the officers of the other villages are implicated, and whether any steps have been taken to bring them to Justice.

6. The question for present consideration is how far the Tahsildar and Taluq Shoristadar are responsible for these frauds, and what orders should be issued to prevent their recurrence in future.

7. As regards the first point the Board consider that so far as the non-discovery of the frauds in connection with the misappropriation of money remitted from villages is concerned, the Taluq Sheristadar is responsible and not the Tahsildar; when a remittance is received from a village the Sheristadar should examine the remittance list with the chitta of collections which must accompany it, and this does not appear to have been done; if this precaution had been observed, no fraud could have occurred unless the chitta itself was forged in the village, in which case the taluq authorities could not be held responsible, and the fraud would soon be discovered on the issue of demands for collection.

8. As regards the issue of cheques for sums not due, the Sheristadar should be responsible; but it appears that none of the cheques under notice were examined or initialled by him except in the case of one cheque, which he himself signed for the Tahsildar. The Taluq Sheristadar explains that the cheques used to be examined either by him or by the Tahsildar, and when they were examined by the latter he did not place his initials thereon. When a cheque is passed for the salary of a village officer, the officer who passes it should see whether the money is actually due or not, and this is done by referring to the "permanent order" kept in the taluq, in which the payments for each month are noted down as the cheque is issued. In the case of the cheques under notice, the Tahsildars who signed them do not appear to have referred to the permanent order, and it is not clearly stated whether in the permanent orders former payments have been noted and initialled or not. If not, even a reference to them would not have enabled the Tahsildar to discover whether the cheque he was signing was for a sum due or not; but it is certain that the Tahsildars who signed them did not pay any attention to the matter. In some cheques the period for which money was due is not stated; in others the payment is entered as being for an old arrear. The Tahsildar should have instituted inquiries as to how the salaries were allowed to fall into arrears to such an extent, and why the period of payment was not mentioned; they should also, before signing, have directed the Taluq Sheristadar to examine the papers. These obvious precautions they did not take, and there is no valid excuse for the omission. In the case of the cheque signed by the Taluq Sheristadar, he did examine the permanent order; but the village instead of the taluq copy was shown him, and his initials obtained by deceit. The Collector thinks that this is a sufficient excuse, and that the Sheristadar cannot be held responsible for the amount lost; but the Board do not understand how he could have been deceived as the village copy could not have contained the initials of the taluq authorities to each payment. Perhaps it was not usual to initial the entries of payment in the permanent order; if so, the practice was wrong.

9. The amounts of these fraudulent cheques signed by each officer are noted below:—

Name of the Tahsildar who signed the Cheque.	Date of Cheque.	Amount of the Cheque.	Deduct Amount rightly due.	Amount in excess of the sums due.	Remarks.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	
Pattabhiramayya, T.	6th Feb. 1876	289 3 4	58 6 11	230 12 5	The period for which payment was due is not inserted in these.
2	10th " "	498 6 7		498 6 6	
3	11th April "	315 6 0	83 13 3	232 9 3	
4	3rd Jan. "	360 12 10	48 13 9	311 12 4	Fasli 1281-8 entered as the period for which payment was due.
5	28th Feb. "	346 11 3	19 7 8	327 3 8	Fasli 1283 is entered as the period for which payment was due.
6	24th April "	421 5 6	23 13 6	397 7 6	The payment is stated to be due from July 1875 to February 1876. The cheque was issued in favor of Chinna Mangoh, but the book allowed him to draw the money.
7	11th April 1876	1,025 2 7	106 11 6	921 5 10	It would appear that when the Tahsildar signed the cheque the amount entered in it was only Rs. 125-2-7, which was subsequently altered to Rs. 1,025-2-7. The period for which the amount was due is not stated in the cheque.
8	10th April "	438 5 5	93 14 11	362 6 6	When the cheque was issued the figure was only Rs. 38-5-5, which was subsequently altered to Rs. 438-5-5. The period for which payment was due is not stated.
Total ..	...	3,524 10 1	469 3 1	3,060	
Kotla Purnaiah and Pentaiah	19th Nov. 1875	97 3 6	33 1 8	64 6 6	Fasli 1284 and 1285 are entered as the period for which payment was due.
Taluq Sheristadar Kotapalli Row	4th Feb. 1876	135 8 13	19 7 9	113 10 2	The cheque shows that the sum due was from January 1875 to January 1876; the permanent payable order in the village was shown to the Taluq Sheristadar when he signed the cheque, which satisfied him that payment had not been made for the same period previously. He, it would appear, had no means of knowing whether the order produced was that kept in the village or the taluq.
Amounts for which cheques are not forthcoming (1) ..	...	168 5 0	...	168 5 0	The cheques must have been signed either by Tahsildar Pattabhiramayya or the Sheristadar Kotapalli Row. Nothing to show which signed.
Total ..	...	3,926 14 3	522 4 4	3,404 12 11	

10. The Collector does not question the integrity of the Taluq Sheristadar or Tahsildars who signed the cheques; he considers that they were only careless and too confident of the honesty of their subordinate Rangachariloo.

Of the sum of the cheques (Rupees 3,065-2-0) signed by Tahsildar Pattabhiramayya, the Collector considers that he cannot be held responsible for Rupees 1,200, which sum was entered in the Cheques Nos. 7 and 8 after they were signed by him, and that the sum of Rupees 394-7-0 (Cheque No. 6) paid by the Bank to a wrong individual should be recovered from the Bank or the Tahsildar, and that the remainder, Rupees 1,470-11-0, should be collected from the Tahsildar if it cannot be recovered from the village officers who have misappropriated the money. Pattabhiramayya is now acting Tahsildar having reverted to his permanent appointment of Vernacular Head Clerk in the Collector's office. The Collector thinks that he should be retained in the public service only in the event of his making good the loss occasioned by his neglect of duty, and that he should never be appointed to any position of trust.

From Tahsildar Purushotham Pantulu the Collector would collect Rupees 64-6-9, if the same cannot be recovered from the villagers; and as this is the only instance of neglect on his part he would not punish him further. As regards the Tahsildar, Sheristadar Kotumba Row, some perfectly free from suspicion of complicity in the frauds; they are the victims of misplaced confidence, and it is urged by the Collector on behalf of the last-mentioned officer that he was overburdened with work. The interests of the public service demand that their carelessness, which was taken advantage of by designing subordinates, should not be passed over, though it may be treated leniently under the circumstances. The amount lost through the carelessness of the Tahsildar Purushotham Pantulu is small, Rupees 64-6-9, and the Board think it will suffice if he is called upon to make good the amount. As regards Pattabhiramayya, who has reverted to the post of Vernacular Head Clerk in the Collector's office, the sum for which he is responsible is far beyond his ability to meet, and the Board resolve to direct his suspension for a period of three months. Kotumba Row, the Telugu Sheristadar, appears, from the position which he has addressed to the Board, to be under suspension for some other offence, regarding which the Board are not in possession of any information. For his share in the transactions under notice he should be punished in the same manner as Pattabhiramayya and suspended for three months; if he has already undergone suspension for that period, and the other matter to which he alludes does not require his being kept out of office longer, he may be restored. The Board would not attach any further penal conditions than those above specified, and think the sum which has been misappropriated, with the exception of Rupees 64 to be recovered from the Tahsildar, must be written off the accounts as there is no means of recovery from the village officer concerned except by civil suit which, under the circumstances, would not be likely to be successful. It does not appear advisable to make any claim on the Bank at this late period for the amount of the cheque paid to the son instead of the other.

12. As regards the measures to be adopted for the prevention of such frauds in future, the Board will notice the several improvements suggested by the Deputy Collector who examined the accounts in order. His recommendations are—

1st.—That the pay abstract of village officers drawn on the Bank or Treasury should be invariably written on printed forms as noted in the margin. This would enable the signing officer to see that the amounts in letters corresponded with the figures.

Please pay to	Rupees One hundred only	from	to	for

being salaries of the village establishment of

The suggestion is a good one; the names of the servants should be entered on the reverse of the cheque.

2nd.—That the words *Original* and *Duplicate* should appear at the head of the permanent payable orders, so that the taluq and village copies may be readily distinguishable.

The suggestion approved.

3rd.—That as soon as a cheque is issued, the payment should be noted down in the Permanent Order and the entry initialled by the Tahsildar. The permanent orders should be in a book, every page of which should be numbered and sealed.

The Board approve and think that the number of the cheque and the date of payment should also be noted thereon.

4th.—That an abstract in the form noted below should be sent to the Collector's Huzur, monthly.

YEARLY No. 4.

Tax Assessed on the Village Establishment of the District of for the month of 187.

Number of Villages in each Taluq.	Village Servants. Number.	Designation.	Salary per month.	Actual Amount required to be paid by the Collector. On account of this month.	On account of past month.	Total.	Deduction on account of fines and losings.	Net amount paid.	Amount.	On account of this month.	On account of past month.	Total.
Taluqs.												

The form is approved, but it requires a slight addition to show payments of arrears of salary.

Orders—That as there is no information in the Civil Audit Office as regards the amounts due and credited to the Village Service Fund at the close of the year, and as the form now shewing the demand, collection, and balance as well as payments should be sent by Talukdars monthly, to the Huzur. The Head Clerks are enjoined to have this done punctually, and the Talukdar's statement is sent to the Huzur, they do not consider it necessary that the statement should be sent for each village, but that arrears for each cell should be shewn separately as will prevent account being of course discontinued on the map.

Statement showing the Demand, Collection, and Balance of the Village Service Fund and payments made to Village Servants in Taluq for 127 Fasli 128.

Name of Village.	Demand.			Collections.			Balance.	Cash in the Treasury at the beginning of the Fasli.	Total of Columns 7 and 9	Payments.			Total.	Cash Balance in the Treasury.	Remarks.
	Arrears at the beginning of the Year.	Current demand.	Total.	Up to last month.	In this month.	Total.				Up to last month.	In this month.	Total.			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

6thly.—That the village collections, instead of being remitted to the Bank direct, should be, in the first instance, received in the taluk and the money afterwards remitted by the Tahsildars to the Bank as often as may be necessary in a month. The Deputy Collector states that the present system of sending money to the Bank direct entails more labor on the taluk officials, gives them more time to commit fraud, and lessens their responsibility. The Board do not think that if each man performs his duty, the opportunities for fraud are greater under the present system than under that proposed; on the contrary, the necessity for the transactions passing through the Bank should operate as a safeguard to a certain extent. No change of procedure appears required.

7thly.—That to the monthly account current a certificate should be attached by the Tahsildar to the effect that the total collections entered therein correspond with the figures posted in the village-wise accounts prescribed by the Manual. This is a very good suggestion, but the Board would require the Sheristadar to give the certificate instead of the Tahsildar.

13. The most important of all checks, however, is the examination of the Chitta of the village when the remittances are received. This should be strictly enforced and a certificate appended to the account current by the Taluk Sheristadar that the village Chittas have been duly examined and that the amounts entered therein correspond with those brought to account. This will no doubt entail a great deal of labor, but it is a duty of the utmost importance and considerations of the amount of work involved must not be allowed to stand in the way of its performance. It should also be a rule that no arrears of pay should be disbursed to village officers without the special sanction of the Deputy Collector when they are left undrawn for more than two months. This would effectually prevent frauds of the kind practised in the case under notice.

14. If these recommendations are approved by Government a Standing Order on the subject will be issued.

(True Copies and Extract.)

(Signed) C. A. GALTON,
Acting Secretary.

No. 128. ORDER THEREON, 12th October 1878, No. 1,656.

Miscellaneous.

The Board now reply to the inquiries contained in G.O., 28th July 1876, No. 1,011, R.D., which were as follows:—

(1.) How the fraud was possible, and in what respects the standing orders had been disregarded?

(2.) What checks exist to reduce frauds like these to a minimum?

(3.) What objections exist to the substitution of a "Bank Pass Book" for "Bank daily sheets?"

2. In regard to the first inquiry it is stated that the frauds were committed in two ways—(1) by a misappropriation in the Taluk Office of the money received from villages; and (2) by an issue of fictitious cheques on the Branch Bank at Cuttack. The mode in which these frauds were committed and the facilities existing for their perpetration are explained in the Treasury Deputy's report (paragraphs 2 to 34) and the Collector's letter (paragraphs 11 to 20) and a careful review of the same is contained in paragraphs 2 to 11 of the Board's Proceedings.

3. The amount believed to have been embezzled by the first method of fraud is Rs. 10,869-7-2, and that by the second method Rs. 3,414-12-11. The Board have ordered a thorough scrutiny of accounts of all the villages in the taluk by the Divi-

sional Officer at the next Jamabandi, and if Grace the Governor in Council desires to have a further report on the result of this scrutiny. Till then, the amount actually embezzled in the first manner can not be accurately known.

4. The Collector's report is confuse and inconclusive, and does not clearly show what has been actually embezzled from Revenue collections and Village Service Fund collections, respectively. The latter fund must be recouped if still in default, but the Government infer that all payments due were made to those entitled from State funds in advance, and that it was funds which should have been credited to Government to recoup them that were embezzled so far as this Village Service Fund is concerned. If so, the whole fraud practically refers to State funds.

5. There can be no doubt as to the amount embezzled by the second method, and the fraudulent cheques bear the signatures of the following officials to the extent noted:—

	Rs.	A.	P.
1. Acting Tahsildar Peraldhoomoya	3,065	2	0
2. Permanent Tahsildar Purshotam Partala	64	6	9
3. Taluk Sheristadar Kanundarow	116	15	2
4. Amount of cheques not forthcoming	168	5	0
Total ...	3,414	12	11

6. Carelessness there must have been on the part of these officials, but they appear to have fallen victims to an organised and insidious fraud and forgery. Personal responsibility cannot, in the circumstances, be enforced without great hardship. His Grace the Governor in Council, therefore, approves the Board's disposal of all the cases.

7. The guilty parties have been criminally punished, though Mr. Leman does not mention the penalty awarded to the principal culprit Ranganarla. This man, it would appear, has some valuable property in Cuttack, and every effort should be made to realise therefrom the amount embezzled.

8. As to the improvements proposed by the Deputy Collector with the object of preventing such frauds in future, the Collector has not said anything except Paragraphs 35 to 37 of the Deputy Collector's letter. that he does not think any change in the accounts or the method of their will be useful. The Board, however, have reviewed the Deputy Collector's proposals in length, and their recommendations* as to the method of dealing with * Paragraphs 12 and 18 of the Board's Proceedings. village servants have the entire approval of Village Service Fund and payments by Government. Some of the precautions now suggested might have been properly adopted when the new system of payments to Village Officers was introduced.

9. Of the other recommendations relative to remittances from villages, the sixth refers to the maintenance of the existing practice of village remittances going straight to the Bank. In paragraph 33—37 of his letter the Deputy Collector proposes that these might be received by the taluk and sent thence to the Bank, as such a course would reduce labor in the taluk and minimize fraud. The Subdivisional Officer at the Treasury being located in the Collector thinks that the work is now much. There is much truth in the Deputy Collector's suggestions and the Board are of opinion that he should be requested to report further on the subject after consulting other Collectors and the Accountant General.

10. The seventh recommendation is doubtful whether the direction will be observed is no doubt correct, but it is difficult to devise any effectual remedy to obviate fraud.

11. The certificate prescribed in paragraph 10 of the Board's Proceedings should be a most useful check, but the Government consider that an extract from the Chitta (cash book) should also accompany the remittance list.

8 October 1878, No. 1,656.

Board in regard to the disbursement of
Grace the Governor in Council considers
er which the Deputy Collector's sanction

fee for the Government should proceed
which is understood to be considerable,
money embezzled. It is understood that
ed, but was not fined.

(True extract.)

(signed) L. A. CAMPBELL,
Under-Secretary to Government.

To the Board of Revenue.
" the Accountant-General.
" the Government Pleader.

Exd. F. R. Dashleman,

12. As to the last suggestion of arrears of pay due to village officers, I that six months should be the limit should be sought before payment.

13. The Government Pleader will against the convict Rangacharlu's prop especially in land for the recovery of th he was sentenced to ten years' imprison

No. 233.

CIRCULAR MEMORANDUM.

It having been decided that in future no separate provision shall be made in the Budget of Charges on account of payments to Village Establishments, the Collectors of those Districts in which payments are made to the Village Establishments from Imperial Funds, or by deductions from the Beriz, are requested to deduct the whole of the assets from the gross revenue of each individual Village in the Curnum's accounts each year; but in the Districts for which provision is made in the Revenue Budget for 1868-69 for the Village Establishments, only such amount as is required from March to June 1869, or for four months, should be deducted from the Beriz of the current Fusly. This should be done from April 1869.

2. To effect the annual deduction from the Beriz in future a proportionate amount of each month's collections of the Fusly will be credited to the Village Service Fund, so that the entire assets to be deducted may be brought to the credit of the Fund when the collections of the last kist of the Fusly are made in the villages. The payments made every month to the village establishment should of course be debited to the same head. In the first few months of the Fusly there may be no collections on account of the Fusly, but this is not to interfere with the monthly payments to Village Officers, which should either be made from the arrear collections in the village or by a remittance from the taluk. These payments may appear at first as over-debits to the Fund as if loans were received from Imperial Revenues, but they will be replenished by credits to the Fund in subsequent months from the current collections, and thus the whole account will be adjusted within the year.

3. As regards the mode of paying the Village Officers, the Board direct that the Monigar of each village be furnished with a scale of [illegible] allowed for the village, and a "Permanent Order" of the Tahsildar. With reference to this he will pay himself and the rest of the establishments out of the village collections, making out a receipt on paper signed by himself and the other village servants, and attested by two respectable ryots in token of the payment having been properly made, and forwarding the same to the taluk with the usual remittance, to be adjusted in the Taluk Chitta. This arrangement will simplify the mode of payment to Village Officers, and render their presence at the taluks every month unnecessary.

4. The Collectors will be careful in seeing that these instructions are literally carried out. The Tahsildars of the talooks should be furnished with detailed instructions, and the Circular issued to them should be published in the District Gazette.

Revenue Board Office,
Madras,
12th March 1869.

(Signed) A. MACGREGOR,
Acting Secretary.

(True Copy.)

(Signed) J. T. MAYNE,
First Assistant.

To all Collectors.

Exd. T. Cattledge.

1869.

Board of Revenue,

MADRAS.

No. 208.

CIRCULAR MEMORANDUM.

Dated Fort St. George, 11th March 1869.

Received

Office Establishments—Instructions to Collectors relative to deductions to be made from Salary, for Payment of —.

No. 902.

Proceedings of the Board of Revenue, dated 3rd April 1878.

Read the following letter from W. WILSON, Esq., Collector of the Kistna District, to H. C. STOKES, Esq., Secretary to the Board of Revenue, dated Masulipatam, 31st December 1877, No. 3,006;—

I have the honor to forward true copy of a draft report on the Guntur defalcations left by Mr. Leman before his departure hence.

Enclosure No. 1.

From G. D. LEMAN, Esq., Collector of the Kistna District, to the Secretary to the Board of Revenue.

I have the honor to forward my report on the embezzlement of money noted in my letter No. 1,113, dated 6th July 1876, to the Board.

2. The delay has been chiefly caused by the long time it took to get the accounts made up, those of seven years required scrutiny, and they were not fully completed until June 1877.

3. Since then there has been heavy work from the office from the extra pressure put on me by the famine.

4. On the 3rd May 1876 the Acting Tahsildar of Guntur received information that one of his clerks, Mudamba Ranganadam, had made considerable embezzlements of Government money.

5. He proceeded to make inquiry into the matter, and a scrutiny of the accounts showed first that some of the Book daily statements had been tampered with, and that there were falsifications in the Treasury accounts; secondly, that receipts had been issued from the taluq office and retained by the Bank for sums not due to the persons in whose names they were drawn, and that some of these cheques had been fraudulently altered after they were written.

6. I at once sent the Deputy Collector in charge of the Treasury to investigate the matter, and his report was that Rupees 17,772-10-5 had been embezzled.

7. The Joint Collector, in whose division Guntur is, proposed that I should apply for a special officer to investigate the accounts, and perhaps as it has taken so many days to work it out it would have been better if the inquiry had been specially made.

8. However, the officers who were in charge of the offices of Tahsildar and Sheristadar were called upon for explanation, took objection to the Deputy Collector's figures as not being accurate, and were permitted to go through the accounts again, while the Gumastah who was in charge of them, the aforesaid M. Ranganadam, was charged before the Joint Magistrate.

9. He was committed on a charge of criminal breach of trust as a public servant in regard to moneys collected in Kotappakonda village, and was acquitted, while the village officer, the curnam, was convicted.

10. Since that he has been tried on a similar charge in regard to the moneys of Nidamarru and been convicted together with the Curnam, Munsif, Mahomed, and Vetty. The system on which the accounts are kept and money collections paid into the Bank must here be explained.

11. The money collected in a village is when sufficient has accumulated sent by the village officers to the Bank through the Taluq Cutcherry with two treasurers or remittance lists (Account No. 12, Village Manuals), one a book, the others loose sheet. As the Taluq Cutcherry both the entry in the book and the loose sheet are endorsed in English to show under what head the remittances should be credited in the Bank, and then they and the money are sent by the person who brought both from the village to the Bank. The money is not counted by the Taluq.

12. At the Bank the money being received and credited according to endorsement the book is retained by the Bank Agent and given back to the person who paid in the money to be taken back to the village. The loose sheet is also signed by the Bank Agent, and it is retained until such time as, together with any other remittances there may be to the Taluq Tahsildar, together with the Bank daily statement which shows all transactions in Government money, sends on the previous day.

13. On its receipt the daily statement is struck off the above loose sheets and after vouchers are necessary it are (or should be) compared and checked by the Sheristadar.

14. This done they should pass to the fourth of the Sad Granath's volumes, the Average or Journal of receipts and Disbursements, Accounts Nos. 3 and 4, Talug Mode II. Under this they should pass to the 3rd Granath who prepares the Abstract showing the demand and collection of each village Accounts Nos. 5 and 6, Talug Mode. These accounts having been prepared, they should be compared by the Shirastdar with Bank daily statement which he has already compared with the vouchers.

15. At the end of the month when the above accounts are completed and balance statement and account current, Account No. 11 ought to tie exactly to the figures in the journals, Accounts Nos. 1 and 4 already referred to. There remains then only the Khatas Nos. 5 and 6 account showing the demand, collection and balance of each village already referred to should also be tendered; but since the duty in the manner above described was made of the receipts of all the villages in the talug as shown by these accounts and comparison between these figures and those in the account current as entered in the balance statement. An order of time is here to the account current as tendered, and each month has been left uncontended to. In the demand, collection, and balance of village service collections are omitted, in the account current they appear, therefore no comparison of these two is possible.

13. The Bank at the end of the month submits a cash balance equal to the talug. The amount in it should tally with the balance shown in the account current. This cash balance report accompanies the monthly accounts to the Treasury Deputy Collector.

17. The method of these embezzlements may be understood by the following example.

18. In a village during one month the collection was Rupees 8,000, viz., Rupees 5,000 under Ryotwar and Rupees 1,000 under Village Service Funds. From the total collections Rupees 1,000 was taken with the aid of the village officials. Therefore there was left to be remitted to the Bank Rupees 7,000. It was sent under two heads, viz Rupees 4,000 under Ryotwar and Rupees 3,000 under Village Service Fund. In the Bank daily statement corresponding entry was made. In the Khatas Nos. 5, however, the clerk could enter Rupees 4,000 under Ryotwar and Rupees 1,000 under Village Cess, thus adding Rupees 1,000 (the amount embezzled) to the amount remitted. Had this not been done the Talukdar would at the end of the month have found the collection in the village was short, and would have sent notice and the cycle pursuing their embezzlements would have been detected.

19. Had he dropped here there was still room for the Talukdar to detect the embezzlement by balance as exhibited in the Account, collection, and balance, as it appears in the Average being made up from the figures in 5 and 6. In order to avoid detection he had to alter the Treasury Accounts 3 and 4 also, and so in the Average he enter Rupees 8,000 under Ryotwar and 2,000 under Village Cess. Thus he raised the system collection in the Average by the amount embezzled, and consequently in the account current and demand, collection, and balance which are based on the Average.

20. Thus the total of credits of the talug was falsely raised, and the account current was made to tally with the Bank statements in the total but not in the item wise particulars.

21. The collection shown under Village Cess in the Khata is larger by the amount of Rupees 10,953-2-2 than the figures given in the accounts current for the years from Fasli 1279 to 1285.

22. The Bank was established about the middle of Fasli 1278, and it seems that from its establishment the accounts kept in the talug have been tampered with or have been very grossly kept.

23. Statement A prepared by the Deputy Collector shows the various sums that appear in the Talug Accounts 3 and 4 in months showed that the discrepancies mentioned above had already been created by the entries in the Bank daily statements. The total now to be remitted to Bangalore by the collectors is Rupees 14,500-0-10. It would be unsound that such individual sums have been created at times of the month are of their own accordance or if unintentional, with a view to show that the entries of sums remitted have been made in the same manner by mistake, enable to make the accounts so complicated as to prevent detection.

24. Table II, submitted by the Deputy Collector shows that certain sums amounting to Rupees 15,13 entered in the Bank daily statement have been omitted from the Khata Accounts 5 and 6. This is intentionally made may have been debited in some manner to being given the collections shown in the Khatas Nos 5 and 6 to the real amount that was

25. List C shows a number of items which are omitted in the Khatas Nos. 5 and 6, but on dates or under heads differing from those shown in the Bank daily statements. These entries would seem to have been made to square up any differences caused by the making of wrong entries, or to show that these as well as the entries intended to cancel the misappropriations are alike made by mistake. They are simply wrong entries.

26. The collected amounts of the months that have not been brought to account are:—

	Rs.	A.	P.
Mhowpad	6,237	11	9
Chinnapura	2,020	11	8
Yelahanka	1,436	14	3
Coondur	129	11	2
Kidigdurra	4	0	0
Other villages	104	6	9
Total ...	10,830	7	2

27. Tungachalpat, the Gumastah in the Talug Office, who has been the chief culprit in the matter, was as I believe in the habit of receiving collections from certain of the carnatus which should have been paid to them in the usual way at the Bank. To prevent the fact being known he commenced making false entries in the accounts Nos. 5 and 6 of the sums so taken. These would have been at once detected if the Shirastdar had done his duty of making a daily comparison of them with the Bank statement; as he did not do so they were safe from detection.

28. Had any general total of 5 and 6 been made and compared with the account current and the demand, collection, and balance statement at the end of the month the thing would have been detected, but this was not done as I have said in paragraph 19, and the false entries in the Khatas 5 and 6 accounts led the Talukdar to believe that the collections of these which had been duly made had also been really credited.

29. Rungachalpat should have had no access to cash, being 9th Gumastah, but as he could read English he was given the work of 2nd Granathah.

30. So long as he was in charge of the preparation of all the four accounts that have been named he continued to defraud the Government and conceal the fraud by false accounts. Even as long the work of said Gumastah there he should only have had the charge of the Accounts Nos. 3 and 4 only according to the Board's orders, and it was in consequence of an order of mine that I should have Mr. [illegible]'s scheme fully carried out that in August 1877 the preparation of 5 and 6 was taken from him. Between August 1875 and February 1876 there are no false figures, but then he began again. It would seem he had received a sum of Rupees 2,000 from the collections of some village or villages, and if had to be credited somehow in the accounts to save detection, so in desperation it would seem he took to altering the Bank statements and so deceiving the Gumastah on whom the duty devolved to prepare Nos. 5 and 6 accounts into making the false entries he had been in the habit of making for himself.

31. In these Bank statements a figure is inserted so palpably that a child would observe it and without an attempt to make the totals tally or in any way to conceal it, however the fool of a Gumastah, for I have no evidence he was a knave, was taken in, drew up the accounts in accordance with the incorrect figures, and so the game was again in Rungachalpat's hands.

32. The Sudder the Judge, who tried the first case, took exception to this theory, and no doubt it is not without difficulty of belief, but there is but one other way of getting over the matter. The alterations exist in the Bank statements, and his figures in accounts agree with these.

33. It may be that my orders were not strictly carried out, and that the Talug Officers followed Rungachalpat still to prepare these accounts against my order, and that themselves did the deed, but should have written them up they have asserted times [illegible]. But this is a [illegible] conclusion against all evidence, a [illegible] I hesitate to bring it forward. It is the only alternative I can suggest.

34. The number of false entries in the Khatas or Accounts 5 and 6 is 121, spread over seven years. The amount of false entries in the Bank statements is three and besides these 121 it shows 120 entries and 62-3 would either have made either fraudulently or by mistake. In all the [illegible] figures. Except one of these might have been detected by the Shirastdar if he had done his [illegible] comparing the various accounts with the Bank statements.

Name of the Village.	Name of the Cultivator to whom the Cheque was given.	Date of Cheque.	Amount.	Deduct Amount previously paid.	Balance which will be paid on Survey.	Cash previously paid.	Adjustments.	Total.
			Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Kurumpad ...	O. Pattabhi Ramayya Antony	3rd Cheque, 5th February 1879	225 0 0	225 0 0				
	Tubacolar.	2nd Do. 1882	219 0 0	219 0 0			219 12 8	219 12 8
		3rd Do. 15th March	228 0 0	228 0 0			228 0 0	228 0 0
		4th Do. 14th April	225 0 0	225 13 6		224 1 0	...	224 1 0
		5th Do. 14th April	3,195 0 0	3,195 0 0	521 0 10	...	...	521 0 10
		Cheques not found ...	267 14 4	...	...	...	103 13 4	103 13 4
		Total ...	4,359 10 4	3,818 0 6	541 0 10	224 1 0	732 13 8	3,068 5 7
Chodavaram ...	Do. do.	2nd Cheque, 1st April 1880	250 0 0	250 14 11	250 0 0	...	...	250 0 0
		Cheques not found ...	84 0 4	...	...	...	84 0 8	84 0 8
		Total ...	333 14 4	250 14 11	250 0 0	...	84 0 8	334 0 8
Kidisamra ...	K. Parasalasti Pantulu	1st Cheque, 10th November 1878	97 8 0	32 1 8	...	...	64 6 8	64 6 8
	D. Pattabhi Ramayya ...	2nd Do. 24th January 1879	210 0 0	68 13 4	...	...	671 13 4	671 13 4
	K. Parasalasti Pantulu	3rd Do. 24th February	116 13 3	38 13 4	...	...	...	313 15 4
	K. Kamachia Rao ...	4th Do. 4th February	116 6 12	38 7 3	...	...	116 13 2	116 16 2
	D. Pattabhi Ramayya ...	5th Do. 24th Do.	316 11 6	49 7 3	...	...	317 6 3	317 6 3
		7th Do. 15th August	316 6 0	98 25 3	...	...	293 0 3	293 0 3
		Total ...	1,304 7 3	436 0 3	...	...	1,062 7 2	1,062 7 2
		Grand Total ...	5,997 12 1	4,505 1 0	1,330 13 4	224 1 0	1,879 4 7	3,414 12 11
Add amount of five cheques prepared but not signed ...			252 14 0	252 14 0	...	...	...	...
Do. eight cheques not issued ...			41 13 2	41 13 2	...	...	...	...
			4,294 9 4	818 12 5	...	...	...	...

* Original bill follows. Copy submitted.

54. There is no doubt that Rangachariu has received most of the money embezzled, that he falsified the accounts, and that the falsification could not have been accidental.

55. He certainly would not have done it unless he got some of the plunder. The information against him was given by his own brother, and it is a fact that he a Gumasta on Rupees 15 a month was building himself a fine house at Gantoor.

56. The Judge, Mr. Stokes, who tried the first case against Rangachariu and the other convicted the Curnam of taking the Rupees 3,000 and sentenced him, but he acquitted Rangachariu under the impression that he might be a sepoy-gent. This is not my opinion or that of the present Judge Mr. Wilson, who has convicted him in the second case. It is not possible to suppose that the various Tahsildars who have been in charge, four in number, were in turn guilty of plundering the Government.

57. The Sheristadar who was once in charge was induced by a stratagem to sign a cheque for money not due. The talaq permanent payable order was endorsed with the last pay drawn; the village permanent payable order on which the endorse had not been made in the village was therefore brought and put before him and endorsed by him with the excess payment he sanctioned. I think this fact alone shows he could not be the culprit.

58. Rangachariu has been in charge of the accounts. The false figures are his entries, and there is a false credit to Government of Rupees 10,833-2 which have been collected and not paid to the Bank. He must be criminal; there may be others but I cannot see any evidence on which to charge any one else.

59. The Sheristadar bears an excellent character, but the whole loss by falsification of the accounts is due to his carelessness.

60. The following are the Tahsildars who were in charge during the time referred to in this report.

61. Pattabhi Ramayya was in charge when the frauds were discovered. He has signed away Rupees 3,065-2-6 in cheques as previously explained. He can have made no reference, as he should have done, to the talaq permanent payable order before signing. I think he must have the benefit of the doubt in the cases where 900 and 300 Rupees have been interpolated; he may have signed, and I think the probability as the figures have been altered is that he did sign to an amount less than what was due to the village. I would make him responsible only for Rupees 1,770-11-0 the balance, provided it cannot all be recovered from the village officials. He kept Rangachariu in illegal confinement, and allowed him access to the record-room to enable him as he said to clear up the matter in a most foolish way; and the only wonder is that all the papers were not destroyed by him when he had so good a chance. He caused him to execute two documents while in such illegal custody in which he pledged his property for the Government money he had taken. He was Acting Tahsildar when the Bank statements in which there were the entries of Rupees 900 and 329 as fees due to village officers were due in his office. If he opened them and looked at them his want of attention to the fact that so large sums of money could not properly be due is inexcusable; and if as I suspect, and as all say, the Bank statements were intercepted by Rangachariu, then his neglect to notice the non arrival of such an important paper is also inexcusable. It is believed that the Bank statements on four different dates were never seen by him and that he never discovered their absence.

62. He is utterly unfit to be a Tahsildar, and I regret I should have so misjudged him as ever to have recommended him. I think he should be remained in public service only to the extent of his making good Rupees 1,605-2-6 which he has by his carelessness allowed to be overdrawn, and he should never be appointed to any position of trust.

	Rs. A. P.
* Total of 4 statements of excess fees taken by the village officials.	1,270 11 0
Amount of over-payments sanctioned and paid by the Bank to wrong persons	334 7 6
Total	1,605 2 6

63. Kotumba Rao preceded him in charge. He signed but one cheque, and I think his excuse that he was taken in by the village permanent payable order indorsed (the talaq not being brought to him as a sufficient excuse for his act in signing the cheque by which the village officials were enabled to throw an excess over their dues of Rupees 115-15-2.

64. Now his general carelessness as the steward, I cannot find an excuse. It is unlikely for him that the Gumasta was sharper than himself and can be twisted him, but his carelessness is very great. The two Bank statements signed already alluded to were, I believe, intercepted by Rangachariu; but as I say of the Acting Tahsildar I say of this man. If he saw them, his carelessness in passing over such a large sum as paid to village officers is inexcusable. If he did not see them and two others which he says were kept from him by Rangachariu, then his failing to notice that so important a paper had not been given him on four particular dates shows either

[illegible] the entries were to be [illegible] upon these accounts to enable [illegible] to pay [illegible] the form of opening them had [illegible] but I never saw a case of [illegible] his local superiors [illegible] they were [illegible]

63. [illegible] I [illegible]

64. [illegible] [illegible] [illegible]

12. The manner in which Rungachariu played his game in the earlier part of his career was as follows:—Supposing he received Rupees 50 out of the ryotwari collections of a village say Nidumuru, in a certain month, and Rupees 500 were collected in other villages in the taluq and received in the Bank, he entered the Rupees 50 as a collection against Nidumuru in the Khata; but if he credited the Rupees 500 also in it, it would make a total of Rupees 550 and differ from the Bank account, in which Rupees 500 only were credited. He therefore deducted Rupees 50 from the ryotwari collections of some other village to make the total 500, and transferred the 50 Rupees to the Village Service Fund in the Khata, so that if he were ever questioned why the ryotwari collections in certain villages were less than those entered in the Bank account, he might excuse himself that by mistake they were entered under "Village Fund" instead of "Ryotwari," and that the necessary transfers might be made from one head to another. But such inquiries or questions, however, were apparently never put to him or he would have been supplied as above. Subscription, Village Service Fund collections were received, he transferred the Rupees 50 again to Ryotwari, and thus maintained the full amount of ryotwari collections in each village.

13. In June 1883 the preparation of "Khata" having been transferred to another Clerk according to Mr. Pelly's rules, Rungachariu saw this weapon in his hands which he had wielded so successfully, and began to allow the figures in the Bank statements to deceive the Khata Clerk, and so obtain the entry of above collections against his three villages. Had the Khata Clerk been more vigilant, as must have occurred to an interpolation; and had he added up the figures, he would have found that a small increase. He saw that as he had only to extract a few Rupees under the heads of "Ryotwari," "Miscellaneous," "Road Fund," "Village Service Fund," and "Interest," into the Khata, there was no necessity to add up all the items entered in the Bank statement to see whether the total was correct or not; and that he never had any question of the figures in the Bank statements being tampered with.

14. The preparation of abstracts or the writing of endorsements in English on the pay abstracts of village establishments having been in the hands of Rungachariu for nearly a decade, he played tricks in different ways, viz., *by preparing some cheques for sums not due, and others for sums already paid, and also by altering figures in certain cheques after they had been signed by the Talukdar.*

15. All this unusual shows his extraordinary ability for evil and the undue trust reposed in him by his superiors.

16. The particulars of some of the improper cheques prepared by Rungachariu which have been discovered are noted below. They were all drawn on the Bank on account of services in favour of the Cultivators of the aforesaid three villages, Kuruppal, Chedavarigu and Nidumuru. None of them bear the initials of the Taluq Shirastadar, although they were usually made on all other cheques; and it appears that Talukdars signed them without examining the Permanent Payable Orders, in which the last payments were or should have been noted.

17. *First Cheque.*—There are six cheques connected with *Kuruppal*—

Date of Cheque.	Amount. Rs. A. P.
24th August 1875	23 15 8

It is stated in this cheque that the payment was for July 1875. It appears, however, that the amount was already paid for July, and therefore this cheque is redundant. The seconds payment was made to Gurram Mangayya, and the cheque was examined by the Head Hindustadi, Mallikarjunayya, who says that he passed it, as the first payment was not noted by Rungachariu in the Permanent Payable Order. This cheque is signed by the Talukdar K. Purushottam Pantulu.

18. *Second Cheque*—

Date of Cheque.	Amount. Rs. A. P.
16th November 1876	105 11 10

For what period the money was drawn is not stated. The Bank Writer wrote in the remarks on this cheque "from November 1874 to June 1876." He says that he knew the period from the Permanent Payable Order. This is not part of his business; he should have simply reported the entries and returned the cheque to the Talukdar for examining it. The cheque was signed by the Talukdar K. Purushottam Pantulu and the money paid to Gurram Mangayya.

19. *Third Cheque*—

Date of Cheque.	Amount. Rs. A. P.
5th February 1876	210 1 4

It is not stated on this cheque also for what period the amount was due. It was signed by the Acting Talukdar K. Purushottam Pantulu.

The wording on the Cheque Book Rules

Date of Cheque.

16th February 1876

The period is put down as from July 1877 to February 1876, the order was to pay to Mr. Montagu not for Vaukins subbyns appointed and took the money, which is not stated in the order. Pay to Montagu or order. This cheque is signed by D. Pascal & Sharpe &c.

Date of Cheque.

11th April 1876

A cheque the period for which the pay was due is not stated. The order was pay Richmond Richmond to acquittance. The payment was also signed by Vaukins Sharpe &c. Pascal & Sharpe. The cheque is a regular cheque. In the Salary or wages column into 20 s. each before the wages was struck, and other payments were made in the same manner, and the total was increased from £5 to £222 6s. either by Pascal or Sharpe. The total so made was then checked and found correct or rather the reverse [illegible] Pascal & Sharpe. Pascal & Sharpe. Pascal & Sharpe.

Date of Cheque.

16th February 1876

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Pascal & Sharpe.

Pascal & Sharpe.

Date of Cheque.

	Amount.	
31st August 1875	£8 1s. 8d.	
30th October 1875	10 13 9	These appertain to Chavakkam.
10th April 1876	10 13 0	
	360 5 8	
Total ...	390 0 11	
10th November 1875	61 8 8	
24th ,, ,,	10 7 8	
24th January 1876	113 13 8	All these belong to the village of Nelsamara.
2nd March ,,	243 12 8	
6th Idamaes ,,	126 8 11	
2nd March ,,	343 11 8	
15th April ,,	316 0 0	
Total ...	1,364 13 1	
Total amount of these villages ...	1,754 13 1	
Deduct amount overpaid as per particulars given below	6,997 0 7	
Remainder now only due	5,242 13 6	

Previously

Amount paid from Deposit Fund in 1875.	Amount due from Public Fund in 1875.	Amount deducted.
Rs. A. P.	Rs. A. P.	Rs. A. P.
2,000 0 0	2,000 0 0	2,000 0 0
1,000 0 0	1,000 0 0	1,000 0 0
2,000 0 0	1,000 0 0	1,000 0 0
5,000 0 0	4,000 0 0	4,000 0 0

It appears from the above that there were 11 applications in all received in the year 1875 for the payment of the Village Service Fund, but the Collector has only allowed 8 of them, viz., those of Chavakkam, Nelsamara, Manmunai North, Manmunai South, Manmunai West, Manmunai Centre, Manmunai North-West and Manmunai South-West. The Collector has not given any reason for disallowing the other 3 applications, nor has he called for any explanation from the Vidane Arachchies of the villages concerned. The Collector should have called for explanations from the Vidane Arachchies of the villages concerned, and should have given his reasons for disallowing the applications. The Collector has also not given any reason for the deduction of Rs. 4,000 from the amount due from Public Fund in 1875. The Collector should have given his reasons for the deduction.

Vidane Arachchi's Commission.

No.	Name of Village.	Amount due from Public Fund in 1875.	Amount paid from Deposit Fund in 1875.	Amount deducted.	Amount due from Public Fund in 1876.	Amount paid from Deposit Fund in 1876.	Amount deducted.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1	Unnai	90 0 0			103 0 0		
2	Attakarapattu	2,010 0 0	2,000 0 0	10 0 0	170 0 0		170 0 0
3	Kavalpatta	600 0 0	480 14 0	119 2 0			
4	Vellaveddy	450 0 0	130 0 0	320 0 0	150 0 0		150 0 0
5	Pedda Kallar	807 10 0	201 10 11	97 14 1			
6	Pedda Kallar	1,144 10 0	1,082 11 3	921 1 0			
7	Chavakkam	1,607 0 0	1,575 14 0		31 2 0		
8	Nelsamara	1,240 1 0	906 10 0		334 5 0		
9	Manmunai North	1,000 0 0	1,000 0 0		174 0 0		
10	Manmunai South	892 0 0	536 14 10		130 1 3		
11	Manmunai West	1,000 0 0	178 13 2		10 12 3		
12	Manmunai Centre	1,000 0 0	271 0 4		100 0 0		
13	Nelsamara	1,000 4 0	1,000 0 0		5 2 0		
14	Manmunai North-West	2,000 7 10	2,000 14 5		130 0 0		
15	Kallaru	1,000 4 0	900 12 6		110 0 0		
16	Kaddaimunai	1,000 0 0	4,000 0 0		30 0 1		
		2,000 0 0	1,000 14 0		90 0 1		

It appears from the above that there were 16 applications in all received in the year 1875 for the payment of the Vidane Arachchi's Commission, but the Collector has only allowed 11 of them, viz., those of Unnai, Attakarapattu, Kavalpatta, Vellaveddy, Pedda Kallar, Pedda Kallar, Chavakkam, Nelsamara, Manmunai North, Manmunai South, Manmunai West, Manmunai Centre, Manmunai North-West and Manmunai South-West. The Collector has not given any reason for disallowing the other 5 applications, nor has he called for any explanation from the Vidane Arachchies of the villages concerned. The Collector should have called for explanations from the Vidane Arachchies of the villages concerned, and should have given his reasons for disallowing the applications. The Collector has also not given any reason for the deduction of Rs. 4,000 from the amount due from Public Fund in 1875. The Collector should have given his reasons for the deduction.

No.	Name of Village.	Demand from Faslis 1280 to 1285.	Payment from Faslis 1280 to 1285.	Increase.	Decrease.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
97	Chandravaram	724 1 1	1,008 8 1	283 1 0	...
98	Dasarajupalli	894 15 9	862 8 0	...	31 7 9
99	Devarapalle	1,019 1 9	1,615 1 0	...	595 12 3
100	Kondapalem	426 4 2	274 14 10	...	151 5 4
101	Pasarlapudi	360 11 3	283 12 11	...	77 14 4
102	Thandavapuram	399 8 11	281 8 9	...	118 14 2
103	Vavilala	388 0 10	317 8 8	...	70 13 2
104	Vemulavalla	361 8 6	295 8 2	...	66 0 4
105	Yerrapadu	5,300 14 4	4,307 4 6	...	993 9 10
106	Yerrapalem	503 4 3	466 1 8	...	37 2 10
107	Gundrumadugulapalem	443 8 6	326 3 8	...	117 4 10
108	Kondapalem	357 2 3	193 13 6	...	79 3 3
109	Kovvaluru	905 3 6	477 12 6	...	189 3 3
110	Kovvapudi	987 3 3	805 1 0	...	297 14 11
111	Kovvapudipadu	2 4 3 2	174 1 3	...	321 3 5
112	Kuruvella	454 9 11	204 10 10	...	78 1 9
113	Lovvipudi	891 9 0	630 1 4	...	345 13 4
114	Nemalam	3,271 5 3	3,006 3 4	1,025 5 1	264 14 9
115	Nemalipudi	623 12 6	867 15 6	...	99 0 3
116	Nedana-pudi	2,2 11 11	345 8 8	...	93 9 3
117	Nallacheru	1,410 11 3	1,344 13 7	...	65 15 1
118	Nandivarama	509 7 9	305 6 4	...	92 1 5
119	Narasannapalem	1,111 11 6	981 5 11	...	130 5 6
120	Narravada	514 6 2	352 10 8	...	13 10 6
121	Nellacheruvu	516 0 0	492 3 7	...	19 11 5
122	Nuzvid	1,140 13 0	*550 11 1	...	540 1 11
123	Pedda-pudi	1,192 0 6	902 14 10	...	285 7 8
124	Pemidi	493 1 8	463 14 4	...	29 3 3
125	Sankarapuram and Sirivaram	2,6 4 7	361 12 2	...	14 9 5
126	Tupadu	2,117 9 1	1,972 6 1	...	145 1 0
127	Vellanelli	1,290 10 10	1,139 10 11	...	60 15 11
128	Vissanna	1,540 7 10	1,419 2 4	85 10 8	...
129	Zalupudu	3,591 13 7	3,593 13 9	11 14 8	...
		489 6 7	403 9 3	...	166 13 4
	Total ...	1,60,259 0 6	1,44,693 3 6	4,357 3 6	16,094 1 6

Deduct.

	Rs. A. P.
Amount deducted by cheques alluded to above	3,497 2 7
Amount overpaid	859 9 11
Total ...	4,357 3 6

33. It will be observed from the above statement that the total amount overpaid including the above cheques is Rupees 4,357-3-6, and that still due is Rupees 16,093-1-6. It appears, however, that a part of the latter sum was already taken by the village officials in their villages, but not adjusted in the accounts. This should be done at once, and what is still due by the villagers should be collected from them and paid to the village officials.

34. The total amount embezzled from Fasli 1279 to Fasli 1285, both inclusive, by false entries and cheques is Rupees 14,772-15-5 as follows:—

	Amount.
	Rs. A. P.
By false entries, Fasli 1279	321 6 4
,, ,, ,, 1280	13 4 3
,, ,, ,, 1281	1,311 6 3
,, ,, ,, 1282	70 13 9
,, ,, ,, 1283	869 5 5
,, ,, ,, 1284	4,977 1 10
,, ,, ,, 1285	2,720 0 0
Total (as per List A) ...	11,275 6 10
By cheques in Fasli 1285	3,497 2 7
Total amount embezzled ...	14,772 15 5
Amount overpaid from Faslis 1280 to 1285 to Village Establishments	869 9 11
Grand Total ...	15,662 9 4

It would seem that a large portion of the amount goes to the debit of the Village Service Fund.

must be in the nature of the examination of the village accounts of certain villages by having discovered in the course of the audit of the accounts of Village Service Fund dismissed or suspended for an examination it appears that the Karnams answered that as the full amount of Village Service Fund was under detention for payment to them they thought it better to keep in touch with them for making payment when due, so that they might avoid the necessity of re-enrolling many applicants for the situation after. We accordingly all settlements made on account of Village Service Fund should be entered in the manner above referred to in the case of other collections and that payments to Village Officers according to the monthly scale should be made out of any collections in the village Service Fund acquitted by the settlement that the total amount of collections during that month from which the same was to be paid. It is necessary in order to effect the taking accounts. Accordingly villagers out of any collections when necessary to land, enabling the kists to the taluq for collection duly. The whole received in January under this head from July to December are accepted for payment to village servants by the Village Officers from the services to be adjusted on account of former kists. This should be done without trouble being.

13. I am requested that any cases of non-collection of the full amount of village servants' pay in the form of land cesses, the saving on the account of the kists may also be taken

Please pay to

Rupees

dues to

Rupees

for the subscribers of the Village Establishment of

Taluq.

Village Officer.

Taluq.

Village Servants.

Name.	Caste.	Designation.	Monthly Salary.	Amount of Village Service Fund collected during the month.	Amount paid to each Village Servant.	Signature of Village Servant.

Taluq.

Taluq Sheristadar.

Check.

14. This will enable the Tahsildar or any other officer signing the above to see in what manner the amount written in letters are kept in the letter place before it is signed, and to compare the writing with the figures. The second column of the above should be written on the printed form, and the entries entered under it while the persons are present, but the amounts need not be shown to the Tahsildar when the take is brought for his signature. No erasure is to be made and the necessary notice made in the diary to that effect.

15. Rates paid for each month or fraction. The reasons in the payment to village officers should be initialled by the Tahsildar at the same time, and they should all be written in a book and every page of it numbered and sealed. In the taluq account current only the totals of collections and of payments are entered, and an abstract in the annual form is sent to Huzur showing the total amount paid to the different village servants in the taluq.

Board's Proceedings, No. 1918, dated 4th May 1871.

VOUCHER No. 4.

PAY ABSTRACT of the Village Establishment of the District of for the Month of 187

Village.	Village Servants.											
	Name.	Caste.	Designation.	Salary per month.	Amount of Village Service Fund collected during the month.	Amount paid to each Village Servant.						

15. Such is not known at all in the Huzur what amount is due and what is paid out of it, balance, as well as payments, by small to all the Government things and the Tahsildars be directed

46. I would also recommend that the treasury business be conducted in the taluq instead of in the Bank, as the latter involves unnecessary labor and delay as will be explained below.

47. In taluqs where there is no Bank, the day book is prepared simply with reference to vouchers received from villagers and parties. But where a taluq keeps account with the Bank there must be two challans for every item of receipt, both of which must be written in English, the original to be retained in the taluq and the duplicate to be transmitted with the daily statement to the Bank. If the receipts were to require a duplicate it should be prepared in the taluq under the Accountant-General's Manual, which increases the work still more. Moreover the services of men acquainted with English are required to conduct the treasury business for writing endorsements in English and posting figures in abstracts of receipts and disbursements from the English daily statements received from the Bank, to prepare the account current and its subsidiary statements. In the taluqs most of the Amanatdars are not acquainted with English, and therefore the services of Sheristadars were granted to do the above work in addition to keeping the khata in which the figures are to be entered and to different heads from the English daily sheets and vouchers. The endorsement on one challan is equivalent to an entry in day-book. If the time required for endorsing a single challan be devoted to writing day book there would be the saving of time required for writing an endorsement on the duplicate challan. Besides that only such number of receipts are to be taken between 10 A.M. and 2 P.M. as are received. When the Bank closed, the village servants in charge of money have to return to the taluq Cutcherry, where the bags are sealed in a box, which is placed in the Town Station-house until they are handed over next day to the respective Mahtards and Vettias to pay into the Bank. For this purpose a book is kept in taluq Cutcherry wherein the authorized remittances, viz. the names of the villages, the amount and the office of the person who brought the remittance are entered. Sometimes the Mahatds and Vettias return to their villages having not been in hand to start, and when it is considered to be unsafe to send them back again and take their bags to the Bank. From this it is not certain that their remittances can be taken without fail, as the working time of the Bank is limited, and as the Bank's dealings with accounts, &c., take place during the same time.

48. In collection months, from December till the balances are reduced to nothing, there is generally a large influx of remittances; but as all remittances are made in the form of the stamp slips on which they reach the taluq Cutcherry, the Mahatds have to return to their villages and do not come back for a number of days. When the Village Munsifs and Curnums ask for credit for daily remittances by the Bank Agent they come back to the taluq Cutcherry and demand the return of their bags from the box. Every time a remittance bag is taken into and issued out of the box the Taluq Sheristadar has personally to attend the station house, where the box is secured, and superintend the destruction of remittance bags by the Mahatds and Vettias. This kind of supervision causes great waste of time. The Taluq Sheristadar has to supervise every thing in the office, and to it impedes his other work. His frequenting the station house for the above purpose having caused some inconvenience to the Station-house Officer, the Police Inspector reported to his superior that the frequent attendance of the station-house of the Taluq Sheristadar accompanied by Mahatds and Vettias greatly interfered with the duties of the Station-house Officers, and proposed that the boxes containing remittance bags should not be allowed to be kept in the Taluq Cutcherry. The boxes were accordingly removed there and a guard was provided; but it was subsequently withdrawn to save expense, and the boxes were replaced in the station-house. Thus village remittances are now detained there for days without being brought to account, because the absence of Mahatds and Vettias that accompanied them, they cannot be sent to the Bank by the Taluq Officials for fear of responsibility being thrown on them in the event of the accounts of the boxes being differences tampered with. If the day book is prepared in Taluq Cutcherry, almost all the remittances can be credited the same day by writing such necessary slip as are. However, as the Chitta Shanabogs must be acquainted with the names of such items it will not be so easy to produce forged cheques, and be spared this responsibility by saying that all that is wanted is the Tahsildar's signature on the cheque. At the close of the day the officer is brought to the Sheristadar before closing the cash balance, and no payment can then escape his attention. In fact he could not have allowed a thing like paying Rupees 1,025 to one Villageon account of fees.

Vide notice No. 3 read with April 1871 paragraph of the report.

49. Under these circumstances I would strongly recommend that the treasury business be conducted henceforth in the taluq cutcherries, using cash to the Bank as often as necessary. There is no need in the latter doing simply paying, adding, keeping accounts of stamps, &c., and receiving remittance bags when they are refused in the Bank.

50. In the present case the misdeed has come out providentially owing to certain domestic differences between Venkatasubbiah and his brother, who gave a clue of what was transpiring to the Cash-keeper of the Bank, whose suspicions were reported to the Acting Tahsildar. The two officers then examined their accounts together and having found out errors, inquiry was set on foot.

Kurnool	...	1,250	11
Cuddapah	...	2,000	11
Nellore	...	4	12
Guntoor	...	1,000	12
Other villages	...	1,000	12
	Total	5,254	4
1278	...	1,000	12
1280	...	1,000	12
1281	...	1,000	12
1282	...	1,000	12
1283	...	1,000	12
1284	...	1,000	12
1285	...	1,000	12
	Total	7,000	12
Less not collected on further examination	...	750	12
	Total	14,254	4

The paragraph 6 of Inspector Cadenhead's note and the statements therein referred to.

by the Divisional Officer, and the correct state of things ascertained and reported. There is no doubt that certain sums collected have been embezzled, but a thorough scrutiny of the village accounts may disclose more extensive frauds.

4. Under the second head, money was misappropriated by issuing cheques on the Bank in favor of villages officers for sums over and above the amounts due to them. Under the existing system, village officers are paid monthly either by direct cash payments from the Treasury or the collections of their villages. The sums so paid appear in the Bank's accounts as "Services Charges." It is stated that the Bank pass vouchers presented by village officers as cash to the extent of the amount of the cheque, and that no further process for payment is held to be necessary. The Board are not satisfied that Government between the Bank and taluq accounts is sufficiently close. The fact of embezzlement, or of the amount being embezzled, can at once be proved from the Bank's accounts, but it is beyond doubt that at the very time there are sums which have been entered in the Bank's cash as received, but which do not appear in the taluq accounts, and there are doubtless other discrepancies between the Bank and taluq accounts. The Board think that the accounts of all the villages in the taluq must be thoroughly scrutinized at the next Jamabandi and the correct state of things ascertained and reported. There is no doubt that certain sums collected have been embezzled, but a thorough scrutiny of the village accounts may disclose more extensive frauds.

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* Board's Circular Memorandum, 14th March 1885.

Taluq, or by allowing them to deduct from the sums due to them. When the latter plan is followed the amount is adjusted in the taluq by debiting the sum to the Village Service Fund, with a corresponding credit to the head to which the money sent up appertains. In issuing cheques on the Bank under this system, the taluq officers appear to have drawn cheques for sums already paid or not due at all. Some of these cheques fraudulently issued were for cash payments, and others for adjustments. The latter were issued obviously to screen the previous cash drawals, and the former, of course, with a view to immediate misappropriation.

	Rs.	A.	P.
Cash payments	1,070	4	6
Adjustments	1,007	8	7
Total ...	2,414	13	11

5. The chief perpetrator of the frauds was Rangacharlu, a Taluq Gumastah, who is now in jail. So are also the Carnam of Kurnapad and Carnam Mustafa Mohitad of the village of Nellamarru. It does not appear whether any of the officers of the other villages are implicated, and whether any steps have been taken to bring them to justice.

6. The question for present consideration is how far the Tahsildar and Taluq Sheristadar are responsible for these frauds, and what orders should be issued to prevent their occurrence in future.

The Village Service Fund has not been audited since 1873-74. I sent for the books of Kurnapadu and Nellamarru, examined the Journal and Collections of the Village Service Fund for all the years, to prove, and that to the Taluq Sheristadar, Graduate Surveyor, and those all the evils that may result, however, to found cases.

* The paragraph as above

Village officers should be paid until the date is furnished, except in the case of Karnams, who, it is to be remembered, should at once be dismissed. His Head Under is dismissed and proclaimed unfit for Government service, and did not in any kind of his criminality after having.

The Taluq Sheristadar informed of the collections in each village, known. The "Khata" is the principal account in the Taluq Manual, Part III, page 101, it is entitled every month for each item and half year. This account having been greatly necessary for the Tahsildar that these rules have been so little attended to.

The Bank sends a fortnightly to the Tahsildar showing the total receipts and disbursements on account of Government with the daily statements which is called the Bank Abstract. These documents have not been compared with the Taluq accounts since the Khata had left the hands of the Bank Sheristadar. The monthly cash balance report sent from the Bank shows the amount of Government account with particulars of notes and coin. In the daily statement, compared with the taluq books, no frauds could have occurred as I

In addition to this the periodical examination of the taluq and village accounts should be punctually carried out.

10. The defalcations in question having been divulged in April last, the sum of Rs. 3,720 embezzled as "Hoobaree" collections, which were compensated by a transfer from the Village Service Fund, was adjusted in the taluq before the accounts of the half closed, by debiting "Hoobaree" and crediting to "Village Service Fund." Hence out of the total amount embezzled, Rupees 14,772-15-6, Rupees 3,720 appertain to "*Hoobaree*," and the remainder, Rupees 11,052-15-5, to "*Village Service Fund*."

With the foregoing letter Mr. Wilson submits a report drawn up by his predecessor on the defalcation of Government money in the taluq of Guntoor. The report which is neither complete nor clear will be submitted to Government with reference to G.O., dated 23th July 1870, No. 1,011.

2. The total sum embezzled is stated to be Rupees 14,254-4-1. The embezzlement was perpetrated by the Taluq Gumasta and Carnams of certain villages, (1) by appropriating Government money received from villages for their own use without bringing it to account, and (2) by issuing cheques on the Bank in favor of individuals to whom no money was due, or in excess of the sums due.

	Rs.	A.	P.
... ...	10,839	7	2
... ...	3,414	12	11
Total ...	14,254	4	1

3. In addition to this the periodical examination of the taluq and village accounts should be punctually carried out.

10. The defalcations in question having been divulged in April last, the sum of Rs. 3,720 embezzled as "Hoobaree" collections, which were compensated by a transfer from the Village Service Fund, was adjusted in the taluq before the accounts of the half closed, by debiting "Hoobaree" and crediting to "Village Service Fund." Hence out of the total amount embezzled, Rupees 14,772-15-6, Rupees 3,720 appertain to "*Hoobaree*," and the remainder, Rupees 11,052-15-5, to "*Village Service Fund*."

from Tasildar Presidency Pandit for Collector would [illegible] [illegible] [illegible]

The form is different, but it suggests a slight amendment to the existing one.

Statement showing the Demand, Collection, and Balance of the Village Service Fund and payments made to Village Servants in Taluq for 187 , Fasli 128.

Name of Village.	Demand.			Collection.			Balance.	Credit on the 1st January of the year succeeding that of the demand.	Value of Columns 7 and 9.	Disbursements.			Cash Balances in the Treasury.	Remarks.
	Arrears at the beginning of the year.	Current demand.	Total.	Up to last month.	In this month.	Total.				Up to last month.	In this month.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	

6thly.—That the village collections, instead of being remitted to the Taluk direct, should be in the first instance lodged in the Village and the money afterwards remitted by the Talukdars to the Bank as often as may be necessary in a month. The Deputy Collector states that the present system of sending money to the Bank direct entails much labour on the ishq officials, gives them more time to commit fraud, and lessens their responsibility. The Board do not think that if each man performs his duty, the opportunities for fraud are greater under the present system than under that proposed, or that the restrictions necessary for the transactions passing through the Bank should operate as a safeguard to a certain extent. No change of procedure appears to be required.

7thly.—That to the monthly account current a certificate should be attached by the Talukdar to the effect that the total collections entered therein correspond with the figures posted in the village war roomsas prescribed by the Manual. This is a very good suggestion, but the Board would require the Sheristadar to give the certificate instead of the Talukdar.

13. The most important of all checks, however, is the examination of the Chitta of the village when the remittances are received. This should be strictly enforced and a certificate appended to the account current by the Taluq Sheristadar that the village Chittas have been duly examined and that the amounts entered therein correspond with those brought to account. This will no doubt entail a great deal of labor, but it is a duty of the utmost importance and considerations of the amount of work involved must not be allowed to stand in the way of its performance. It should also be a rule that no arrears of pay should be disbursed to village officers without the special sanction of the Deputy Collector when they are left undrawn for more than two months. This would effectually prevent frauds of the kind practised in the case under notice.

14. If these recommendations are approved by Government a Standing Order on the subject will be issued.

(True Copies and Extract.)

Acting Secretary.

To the Secretary to Government, Revenue Department,
with 11 original enclosures and two petitions to be returned, and copy of Board's Circular Memorandum, dated 12th March 1909, No. 238.

" Collector of the Kistna District.

Bvd. A. F. Goodall and others.

1878.

Board of Revenue,

MADRAS.

PROCEEDINGS, 3RD APRIL 1878, No. 903.

APRIL.

No. 903.

Defalcation of Government Money—in the Tahsildar's Office of Gunlooor in Kistna District.—Submitting to Government report from Collector on the —.

Recueil de Lettres

medical attendance pharmacy pharmaceutical
care supplied.

12. [illegible] to the accomplishments
performed by the Defendant Collec-
tor within the appointed Division during
dried previous to Jan[illegible] the Defen-
dants have used diverse exceptions con-
cerning the above said Statute con-
cerning the Collectors and Assessors
of Taxes

13. [illegible] the accomplishments
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and previous to Jan[illegible] the Defen-
dants have used diverse exceptions con-
cerning the above said Statute con-
cerning the Collectors and Assessors
of Taxes

14th [illegible] the accomplishments
performed by the Defendant Collec-
tor within the appointed Division
and previous to Jan[illegible] the Defen-
dants have used diverse exceptions con-
cerning the above said Statute con-
cerning the Collectors and Assessors
of Taxes

Decree rendered on the Petition of
the Colegues.

2nd That the Petitioner Eugene
Canal Collector should appear
with the Books of his Assessment
Geographic Register.

3rd That the Petitioner
Colegues is ordered the Assessment
should be rectified agreed on the
Assessment Roll by the Petitioner

Petitioners Counsel be heard
a Month every Steps of Contestation
be carried forward until Definitive
the Court dont, that the Petitioner
of the Colegues and the Clerk of
Assessment should be the Proof
Witness.

4th That Petitioner Collector
and the Petitioner Assessor should
be Confronted before Witnesses.

5th That the Petitioner Collector
Petitioner Assessor be heard
Each Party be the Petitioner

This is the first page
Pembroke College
Oxford

Rec. 16th
47

No 1808

Proceedings of the Municipal Government
under date the 15th Feb. 1875

Read the proceedings of
the Council of Bombay
dated 3rd April 1875 Page

Pour copie conforme à celle déposée au Greffe de la Justice de Paix du Canton de Vevey

Vevey le 30 Juillet 1850

Le Greffier de la Justice de Paix

Ch. Ls. Secretan