

On the proceedings of the 29th May last your Honorable Court will find accorded a correspondence on the subject of the abuses practised in the late **Mint at Allahabad** while the superintendance of the **coinage** of that Station was entrusted to Mr **Richard Ahmuty** as **Collector** of that **District**.

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With the declared view of relieving the Government from the expense of Hoondeewun or exchange on all remittances from the Treasury at Allahabad, it was recommended by Mr **Ahmuty** the Collector of the District, to the late Lieutenant Governor and Board of Commissioners for the Affairs of the Ceded Provinces, that the Mint at Allahabad, then under his immediate charge, should be authorized to coin any bullion which might be tended for that purpose into Rupees of the Lucknow currency.

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This **suggestion** was made in a letter from Mr Ahmuty dated 3rd September 1802 and on the 8th of the same month the Lieutenant Governor and Board of Commissioners authorized the proposed measure, enjoining Mr Ahmuty at the same time "to be careful that the intrinsic value of the Rupee coined at Allahabad should be fully equal to that of the Lucknow Sicca Rupee."

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The importance of a strict attention to this injunction is too obvious to require illustration. The circulation of a coin inferior in intrinsic value to the Lucknow Rupee under that denomination and as of equal value with that coin would have been a fraud on the public which could never obtain the sanction of the British Government.

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It was accordingly understood by this Government and by the Board of Commissioners that the Lucknow Rupee coined at the Mint of Allahabad was in every respect equal in value and standard to the Lucknow Sicca Rupee coined under the authority of the **Nabob Vizier** of the city of Lucknow. It appears, however, that as early as the beginning of January 1803, the **Lucknow Rupee** coined at Allahabad and now known by the designation of the **Mooteshye Rupee** from the name of Mr **Ahmuty**, was refused to be received in the Bazaar at Allahabad as equivalent to the Lucknow Sicca; this circumstance ought to have induced Mr Ahmuty to institute an immediate enquiry into the conduct of the Officers of the Mint under his charge with the view of ascertaining whether the value of the Mooteshye Rupee was maintained at its proper standard or whether any abuses were practised by the persons entrusted with the immediate management of the coinage.

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Instead of adopting this measure it appears that Mr Ahmuty represented to the late Lieutenant Governor of the Ceded Provinces, then at Allahabad on his return to the Presidency, that the Lucknow Rupee coined at Allahabad was of the proper standard and that a combination existed amongst the **Shroffs** to depreciate its value. No suspicion was then entertained by Mr **Wellesley** that any abuses had been practiced and accordingly on the 6th January 1803 he issued a proclamation at the request of Mr Ahmuty declaring "that the new Lucknow Sicca Rupee coined at Allahabad was in no respect deficient or debased; that it was to pass current similar to the Lucknow Sicca to which it was equal in value and that all who should require batta on its circulation would be considered as public criminals and be severely punished.

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Under the sanction of this Proclamation a debased coin was circulated for a period of nearly two years before the frauds practised at the Mint of Allahabad were discovered, at a rate considerably exceeding its real value; it was received into the public loans at Allahabad as equal in value to the Lucknow Sicca Rupee, and it was paid at the same rate to the **Army** to whom it became necessary to grant a compensation for their losses in consequence of this transaction.

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The losses sustained by Government in consequence of the depreciation of the coinage at Allahabad has been very considerable, but its amount cannot be ascertained. It is to be traced through various channels, in subscriptions to the loans at Allahabad, in the coinage at the **Mint of Calcutta** for remittances in specie from Allahabad, in batta paid at the Treasury at Lucknow and at other Treasuries on remittances from Allahabad, in the exchange or Hoondeewun on Bills in favor of the Commander in Chief and in the issue of **Mooteshye** Rupees at their Bazaar rate after the depreciation of the standard was known.

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It appears that from the month of January 1803 to the month of May 1804 when the operations of the Mint at Allahabad were discontinued, a debased coinage to the extent of Rupees 31,55,712 was issued from that Mint. The actual extent of the depreciation cannot be ascertained, but there is reason to believe that the debasement was progressive. On a remittance of Rupees 2,77,980 of the Allahabad coinage made to the Presidency by Mr Ahmuty, the loss sustained when compared with the produce of a remittance of the Lucknow Sicca Rupee made from Lucknow was 9067, the Allahabad Rupee having proved to be inferior to the Lucknow Sicca Rupees to the extent of 3.988 per cent.

Removal of Mr Richard Ahmuty from Office

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These facts have neither been controverted nor denied by Mr Ahmuty. That gentleman has however attempted to vindicate his own conduct by a plea that his attention was almost exclusively occupied in raising supplies for the public service and that his confidence was betrayed and his credulity imposed on by those in whom he was obliged to confide. It remained therefore to be determined whether it can reasonably be believed that Mr Ahmuty could have remained in ignorance of the abuses practised in an establishment for the conduct of which he was personally responsible.

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It has already been stated that the fact of the **Mooteshye** Rupees being rejected in the Bazaar, excepting at a batta, ought to have led to an immediate investigation of their standard and if any enquiry had been made the frauds practised in the Mint must have been discovered within a very few months after the commencement of the coinage of the Lucknow Sicca Rupee.

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So far however from adopting this measure of obvious precaution, Mr Ahmuty obtained the sanction of the late Lieut. Governor to the promulgation of the proclamation already noticed and the whole course of Mr Ahmuty's subsequent proceedings, as far as they have come under the observations of Government, appear to have been calculated to prevent the detection of the abuses practised at the Mint of Allahabad.

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In the months of February, March and April 1804, assignments were issued by the Accountant General on the Treasury of Allahabad for considerable advances on account of the investment in favor of the Commercial Resident at Benares. According to the established usage of the service of which Mr Ahmuty now pleads ignorance, the amount of these assignments ought to have remained in the Treasury at Allahabad until an application had been received from the Resident for their transmission in specie or for their being remitted to him by Bills on Benares. Instead of adopting this obvious course of proceeding, it appears that immediately on the receipt of the usual notice from the Accountant General's Office that the assignments had been granted, the amount thereof was remitted by Mr Ahmuty by Bills on Benares at an extravagant exchange. The great expense of making this remittance by Bills is easily to be accounted for with reference to the depreciation of the coinage in exchange for which they were granted. Mr Ahmuty must have been aware that the expense of a remittance in specie from Allahabad to Benares, a distance not exceeding eighty miles, must have been inconsiderable, the Governor General in Council therefore can only ascribe the conduct of Mr Ahmuty on this occasion to a certain desire to prevent the detection of the abuses practised in the Mint, which could not have been concealed from the Commercial Resident at Benares, if the amount of the assignments in his favour had been paid to him in specie.

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In the months of February and March 1804, large subscriptions were made at Allahabad to the loan then open and those subscriptions were received by Mr Ahmuty in the debased coinage of the Mint at Allahabad. On the receipt of intelligence of these subscriptions at the Presidency where the state of the coinage at Allahabad was not then known, immediate instructions were transmitted by the Accountant General to Mr Ahmuty for the disposal of the balance in his Treasury. Previously to the receipt of those orders however, it appeared that the greater part of the balance was disposed of in remittances by Bills to the Commander in Chief and to the Commercial Resident at Benares at an extravagant rate of exchange.

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When required to explain the necessity of making the remittances to the Army on such unfavourable terms Mr Ahmuty observed that he "received orders from His Excellency the Commander in Chief to remit the balance in his Treasury for the use of the Army and that the Resident at Lucknow informed him of the great want of cash in His Excellency's camps and stated at the same time the rate of Hoondeeawan on Jeypore, within twenty coss of which the Army then was, he called on the Bankers and engaged for the remittances of ten Lacks of Rupees, as inserted in his Treasury Account."

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Mr Ahmuty having been called on to furnish a copy of the Orders above referred to from the Commander in Chief, he writes as follows in reply: "I received no specific authority from His Excellency the Commander in Chief to make the remittance, but having a large unexpected balance in the Treasury and the Resident at Lucknow having repeatedly communicated to me the want of cash which prevailed in His Excellency's camp, under the above exigency, I humbly trust that I shall not be considered liable to censure in having exerted myself to supply of His Excellency's Army."

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The attempt of Mr Ahmuty to justify his making remittances to the Army at the heavy exchange of Rupees 6.12 per cent by the recommendation and advice said to have been given to him by the Resident at Lucknow, induced the Accountant General to require from Colonel Scott copies of his correspondence with Mr Ahmuty on the subject of remittances to the Army and the same was accordingly furnished. The following extracts from this correspondence appears to be applicable to the present question.

Removal of Mr **Richard Ahmuty** from Office

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On the 19th February 1804 Colonel **Scott** wrote as follows to Mr **Ahmuty**:

"By repeated letters from the Commander in Chief, I am enabled to state that money is much required for the use of the Army under his command and I take the liberty of adding that on occasions where you have cash at command, it appears to me that it will be more advantageous to the public, as well as the more expeditious mode of supplying the Army with money, to dispatch it in specie to **Cawnpore** than to remit it to me by Bills payable twenty one days after date. If you could procure Bills on Bankers in the camp of the Commander in Chief at moderate rate of exchange, it would be a mode of supplying money for the use of the Army still more advisable than the remittance of specie."

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On the 21st of February 1804 Mr **Ahmuty** informed Colonel **Scott** that he could procure Hoondees in Jeypore in favour of the Commander in Chief for any sums he can command and desires information respecting the rate Hoondeeawun between Lucknow and Jeypore and whether Colonel **Scott** would consider it to be advisable for him to make remittances to Jeypore at 30 days after date.

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In reply to this letter, Colonel **Scott** wrote to Mr **Ahmuty** on the 26th of February 1804 that "when he addressed him on the 19th he had reason to suppose that the Army under the Commander in Chief would be in the vicinity of Jeypore, but as he was doubtful where it might be after the lapse of thirty three or thirty four days, he could not take upon him to say that it would be advisable for Mr **Ahmuty** to make remittances to Jeypore."

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Colonel **Scott** at the same time stated that the rate of exchange between Lucknow and Jeypore is from 6 to 7 per cent and added the following remarks: "The rate of exchange which I have paid for Bills on Bankers in camps is 4 per cent payable 21 days after dates, if you can procure Bills upon the same terms, I am sure the remittance would be most acceptable. I could draw to the extent of five Lacks had I money at command; in case therefore of your not being able to procure Bills on camp, if you can remit to me specie or Bills, the former would be far preferable, I should be able to remit to the extent of such supply."

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On the 14th of March 1804 Mr **Ahmuty** wrote to Colonel **Scott** in the following terms: "I shall be able to command about six or seven Lacks of Allahabad Lucknow Rupees by the 1st proximo, the Hoondeewun between this and Lucknow is 2 per cent and from hence to the Army 6 per cent, the Bills payable 21 days after date. Will you be so good as to inform me whether it will be advisable to remit this money to Lucknow to the camps or send specie direct to the Army?"

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To this reference Colonel **Scott** replied in the following terms on the 18th of March 1804: "The Commander in Chief some days ago informed me that he could obtain money from the Bankers for Bills on Lucknow at the rate of exchange of 2 per cent. This is much more favourable than the rate at which I obtained Bills on the Bankers in camp, that I recommended to His Excellency the immediate closing with the proposals of the Bankers and I imagine Bills will be drawn on this Treasury to nearly the amount of your late remittances. Were it therefore practicable or advisable to continue to supply the Army with cash through the Bankers, it is evident that it would be more advantageous for you to remit the money here than to take up Bills on camp at 6 per cent. I imagine, however, that the Bankers in camp have not funds to make any farther large supplies to the Army and as there seems to be no great probability of the Army moving to any considerable distance, I think it would be advisable for you to send as large a quantity of specie as you can collect to **Cawnpore**, advising the Commander in Chief as early as possible of the dispatch that His Excellency might instruct the Commanding Officer at **Cawnpore** regarding the farther progress of the money. By a letter which I have this day received from Lieutenant Colonel **Ouchterlony**, I find there is great distress at **Delhi** for money; consequently when your money shall be on the way, it will be in the option of the Commander in Chief to have it brought into the Army or to Agrar or **Delhi**."

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On reference to the account furnished by Mr **Ahmuty** to the Accountant General on the 6th of June 1804, it appeared that from the 2nd to the 9th of March inclusive, he had taken up Bills in favour of the Commander in Chief to the amount of two Lacks and fifty thousand Rupees at 31 days after date and at the high rate of exchange of Rupees 6.12 per cent. On the 23rd of the same month, Mr **Ahmuty** took up Bills for sixty thousand Rupees and on the 26th for the farther sum of four Lacks and ninety thousand Rupees at the same unfavourable rate of exchange. When these last mentioned Bills of Exchange were negotiated, Mr **Ahmuty** must have been in possession of Colonel **Scott's** letter of the 18th of March 1804 which contained the strongest recommendation that the balance in his Treasury applicable to the service of the Army should be remitted in specie to **Cawnpore** and he could not therefore have been ignorant that this measure would have produced a great saving of expense if the money remitted had been of the proper standard. The only inference therefore which can reasonably be drawn from his conduct on this occasion is that the remittances were made by Bills for the purpose of concealing the depreciation of the currency and the justice of this inference is corroborated by Mr **Ahmuty's** contradictory statements with respect to his Orders from the Commander in Chief and by his misrepresentation of the tenor of his correspondence with the late Colonel **Scott**.

Removal of Mr **Richard Ahmuty** from Office

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It is likewise acknowledged by Mr Ahmuty in his letter to the Chief Secretary to the Government dated the 8th of October 1804 that in receiving the **Mooteshye** Rupees in subscriptions to the loans in the beginning of that year he did not "consider them equal to the Lucknow currency." At that period of time, therefore, he must have been aware that fraud had been practised by the Officers of the Mint at Allahabad, yet he still refrained from making any representation on the subject to this Government, nor were those frauds discovered at the Presidency until in consequence of many suspicious circumstances which led to enquiry and of numerous **complaints** from individuals of the losses to which they were subjected from the issue of the **Mooteshye** Rupee as equal in value to the Lucknow Sicca, those frauds could no longer be concealed.

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Under all the circumstances the Governor General in Council considered the explanations given by Mr Ahmuty to be altogether unsatisfactory and insufficient to exculpate him from the charge of wilfully and knowingly suffering the Officers of the Mint at Allahabad to debase the coinage at that Station below the regulated standard by which the Honorable Company and the public at large have been exposed to severe loss and the confidence of the public in the purity of the coinage issued from the Mint established under the authority and control of the British Government may have been materially shaken.

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On the grounds above stated, the Governor General in Council was concerned to be compelled to declare that he considered it to be his duty to mark the sense which he entertained of the conduct of Mr Ahmuty by removing him from Office until the pleasure of your Honorable Court shall be known.

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**Mr Ahmuty** has accordingly been removed from the Office of **Judge & Magistrate** of the Zillah of **Farruckabad**

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We shall hereafter consider whether it may not be just and proper to hold Mr Ahmuty **personally responsible** for the loss which may have been sustained by the Honorable Company in consequence of the frauds practised at the Mint at Allahabad. In the meantime the Accountant General will be required in communication with the Board of Revenue and with many other Officers of Government who may possess the means of furnishing information on this subject to prepare a statement of the amount of those losses as far as the same can now be ascertained.

(BL - IOR/F /4/849/22640)

Hoondee - Hoondewun

a negotiable instrument such as a bill of exchange or promissory note used by native bankers in India and worded in the vernacular; also money remitted by such an instrument

Sicca rupee

new minted standard rupee esp the EICo's Bengal rupee 1793-1836

Batta

an allowance in addition to ordinary pay; subsistence money; travelling allowance

Lack - Lakh

a hundred thousand, usually of rupees, written 1,00,000

Specie - in specie

coined money, in coin

Shroff

a money-changer; banker

Coss

a measure of distance in India averaging about 1½ miles

## The Report

Richard Ahmuty was in charge of the Mint at Allahabad where alleged mismanagement of the Lucknow Rupee, known as the **Mooteshye Rupee** after his name, later led to his suspension as the Judge and Magistrate of the Zillah of Farruckabad.

Edited extracts of Report dated 7 June 1806 submitted to the Court of Directors regarding dubious procedures at the Mint at Allahabad while the superintendence of the coinage of that Station was entrusted to Mr Richard Ahmuty as Collector of that District:

Mr Ahmuty the Collector of the District proposed that the Mint at Allahabad then under his immediate charge should be authorized to coin any bullion which might be tended for that purpose into Lucknow Rupees to save the expense of exchange or Hoondeewun (negotiable instrument, promissory note) on all remittances from the Treasury at Allahabad.

The proposal sent to the Lieutenant Governor and Board of Commissioners for the Affairs of the Ceded Provinces was authorized five days later when Mr Ahmuty was enjoined to be careful that the intrinsic value of the Rupee coined at Allahabad should be fully equal to that of the Lucknow Sicca Rupee (new minted standard rupee especially the Bengal Rupee of the East India Company 1793-1836)

This Government and Board of Commissioners therefore assumed the Lucknow Rupee was in every respect equal in value and standard to the Lucknow Sicca Rupee coined under the authority of the Nabob Vizier of the city of Lucknow. In 1803 the Lucknow Rupee coined at Allahabad, and now known by the designation of the **Mooteshye Rupee** from the name of Mr Ahmuty, was refused to be received in the Bazaar at Allahabad as equivalent to the Lucknow Sicca. Mr Ahmuty should have enquired into the conduct of the officers under his charge to ensure the Rupee was being maintained at its proper standard and procedures adhered to by those entrusted with the direct management of the coinage.

However Mr Ahmuty advised the Lt Governor of the Ceded Provinces then at Allahabad on his return to the Presidency the Lucknow Rupee was of the proper standard and that the Shroffs (bankers or money changers) had agreed to depreciate its value. Mr Wellesley (Richard Wellesley, Governor General 1798-1805) unaware of the situation and at the request of Mr Ahmuty issued a Proclamation that the new Rupee coined at Allahabad was in no respect deficient or debased and that it was to pass current similar to the Lucknow Sicca to which it was equal in value and that all who should require Batta (allowances for travel or subsistence etc in addition to ordinary pay) on its circulation would be considered as public criminals and be severely punished.

Under the Proclamation a debased coin was circulated at a rate considerably exceeding its real value for nearly two years before the frauds practised at the Mint were discovered. It was received into the public loans at Allahabad as equal in value to the Lucknow Sicca Rupee and paid at the same rate to the Army who were granted compensation for their losses. Government has sustained losses through subscriptions to the loans at Allahabad, coinage at the Mint of Calcutta for remittances in specie (coinage) from Allahabad, in Batta paid at the Lucknow Treasury and other treasuries, in exchange or Hoondeewun or bills in favour of the Commander in Chief and in the issue of Mooteshye Rupees at their Bazaar rate after the depreciation of the standard was known.

Such facts have not been denied by Mr Ahmuty who has attempted to vindicate his own conduct by a plea his attention was almost exclusively occupied in raising supplies for the Public Service and that his confidence was betrayed and credulity imposed on by those in whom he was obliged to confide. It has to be determined whether Mr Ahmuty could have remained ignorant of such practices in an establishment he was personally responsible for when the Mooteshye Rupees was rejected in the Bazaar and his subsequent conduct appears calculated to prevent the detection of malpractice.

In February and March 1804 subscriptions to loans at Allahabad were received by Mr Ahmuty in the debased coinage of the Mint of which the presidency was unaware and the Accountant General instructed Mr Ahmuty to dispose of the balance in his Treasury. Prior to receiving this order the greater part of the balance was disposed of by remittances to the Commander in Chief and the Commercial Resident at Benares at an extravagant rate of exchange.

When asked the necessity of making the remittances to the Army on such unfavourable terms Mr Ahmuty replied that he had received orders from His Excellency the Commander in Chief to remit the balance in his treasury for the use of the Army; that he had received advice from the Resident at Lucknow (Lt Col William Scott, Resident of Lucknow 1799-1804) of the need for cash in His Excellency's camps and been given the rate of Hoondeewan on Jeypore where the Army then was within twenty coss (one and a half miles); and that he had called on the Bankers to arrange for the remittance of ten Lacks of Rupees as inserted in his Treasury Account.

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When asked to give a copy of the Order from the Commander in Chief Mr Ahmuty wrote: that I received no specific authority from His Excellency the Commander in Chief to make the remittance but having a large unexpected balance in the Treasury and the Resident at Lucknow having repeatedly communicated to me the want of cash which prevailed in His Excellency's camp; and that under this exigency I humbly trust that I shall not be considered liable to censure in having exerted myself to supply of His Excellency's Army.

Mr Ahmuty advised the Government Chief Secretary that he did not consider the Mooteeshye Rupees received in the loan subscriptions as equal to the Lucknow currency. Therefore he must have known that fraud had been practised by the Officers of the Mint at Allahabad but still did not advise this Government. The frauds were discovered at the Presidency only by enquiry and complaints by individuals of losses sustained from the issue of the Mooteeshye Rupee as equal in value to the Lucknow Sicca.

The Governor General in Council considered the explanations given by Mr Ahmuty to be quite unsatisfactory and insufficient to exculpate him from the charge of wilfully and knowingly suffering the Officers of the Mint at Allahabad to debase the coinage at that Station below the regulated standard. The Honorable Company and the public at large have been exposed to severe loss and the confidence of the public in the purity of the coinage issued from the Mint established under the authority and control of the British Government may have been materially shaken. On such grounds the Governor General in Council felt compelled to declare he considered it his duty to mark the sense which he entertained of the conduct of Mr Ahmuty by suspending him from Office until the pleasure of your Honorable Court shall be known. Mr Ahmuty has accordingly been suspended from the Office of Judge and Magistrate of the Zillah of Farruckabad.

We shall hereafter consider whether it may not be just and proper to hold Mr Ahmuty personally responsible for the losses which may have been sustained by the Honorable Company in consequence of the frauds practised at the Mint at Allahabad. Meanwhile the Accountant General is required to communicate with the Board of Revenue and other Officers of Government seeking information on this subject and to prepare a statement of the amount of those losses as far as the same can now be ascertained.

Bengal Records of the Board of Commissioners for the Affairs of India 1807-1808