

ORDINARY MS.

G.O., No. 97

DATED 5th Feb 1896

[Despatch Abstract.]

Recording C.P. Revenue Confdl, passing
orders on papers relating to the defalcation
in a remittance from the Preamble
Tahik Treasury.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

CONFIDENTIAL.

10. 12. Rev. 2 15. 1. 96

Perambala Jena Purnima

Pension (1896) Septo.

Govt. of {1896} Madras.

REVENUE.

Current N^o 98

Issued

Recd.

Encl.

G.O., No. 12, 15th January 1896.

JANUARY.



Defalcation.

Passing orders on papers relating to the —
in a remittance from the Perambalur taluk
treasury.

Order 75-2-96, no 97

Recorded

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No. 12, REVENUE, 15TH JANUARY 1896.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—again the following G.O., Mis. No. 2033, Revenue, dated 22nd May 1895:—

Read—the following Proceedings of the Board of Revenue (Land Revenue), Mis. No. 2279, dated 6th May 1895:—

Read—the following letter from E. A. ELWIN, Esq., Acting Collector of Trichinopoly, to the Secretary to the Commissioners of Land Revenue, dated 2nd May 1895, Current No. 1429/Rev.:—

I have the honour to report that, on the afternoon of 29th ultimo, a deficiency of Rs. 2,000 was discovered in a remittance received from the Perambalur taluk. The remittance consisted of nine boxes stated to contain 56,000 rupees in cash and 6,000 rupees in currency notes. The boxes, as soon as they arrived at the huzur treasury on 24th ultimo, were lodged in the double lock strong room for safe custody, their seals and fastenings being apparently in good order.

2. The remittance was not taken up for examination until 29th ultimo, because remittances previously received from other taluks were pending at the date of its receipt and their examination was finished only on Saturday the 27th. On being opened one of the boxes which should have contained Rs. 6,000, or six bags of whole rupees, was found to contain but four bags, or Rs. 4,000.

3. The Tahsildar of Perambalur was at once directed to report whether there was any surplus in his sub-treasury to cover the deficiency found here. His report, just received, is to the effect that there is no such surplus, and the amount has been charged in the cash book under article 664 of the Civil Account Code as an "advance recoverable" pending the result of the inquiry which the Deputy Collector in charge of the division, the Superintendent of Police and myself are making.

4. A full report will be forwarded as soon as the inquiry is completed.

Resolution—Mis. No. 2279, dated 6th May 1895.

Recorded.

2. The further report promised in the Collector's letter is awaited.

3. The Board observes that this is the second occasion on which a defalcation has been reported from this district within a very short space of time—*vide* Board's Proceedings, No. 1882, dated 17th April 1895. The Collector's reports upon both defalcations should be expedited.

(A true Copy and Extract.)

(Signed) R. C. C. CARR,
Ag. Secretary.

Copy to the Secretary to Government, Revenue Department.

Order--Mis. No. 2033, Revenue, dated 22nd May 1895.

Recorded.

(True Extract.)

(Signed)

G. S. FORBES,

Ag. Secretary.

To the Accountant-General.

READ--again G.O., Mis. No. 2758, Revenue, dated 11th July 1895.

ABSTRACT.—Passing orders on papers relating to the defalcations in the Huzur treasury at Trichinopoly on the 3rd April 1895.

READ--again the following G.O., Mis. No. 2939, Revenue, dated 24th July 1895.

Read—the following letter from F. C. HARRISON, Esq., Officiating Accountant-General to the Government of Madras, to the Secretary to Government, Revenue Department, dated Fort St. George, 11th July 1895, No. C. 37.

With reference to my letter to Government, No. 1595, dated the 21st June 1895, I have the honour to make the following remarks on (1) the defalcation which occurred at the Huzur treasury, Trichinopoly, on the 3rd April 1895, (2) the deficiency found in a remittance made to the same treasury by the sub-treasury at Perambalur on the 22nd April 1895.

2. A report on the former case was submitted to Government by the Board of Revenue (Land Revenue) in its Proceedings, Mis. No. 3007/Confdl. No. 56, dated 17th June 1895; the final report on the latter case has only just (on the 7th instant) been forwarded to the Board by the Collector. In this communication, however, I propose dealing with both cases, as the incidents occurred in the same treasury, though the treasurer was not the same, the one concerned in the first case having been suspended on the 5th April 1895.

3. As regards the defalcation of the 3rd April, I may observe that the Collector's first report left points to be cleared, which necessitated my obtaining from him a second report, copy of which I enclose for the information of Government (letter No. 1140 E, Revenue, dated 7th July 1895, with enclosure). The balance of the 2nd April (apparently verified by Mr. Rawson some time on the 3rd) in the treasurer's hands amounted to Rs. 1,078-1-0. If it be a fact that the balance of the treasurer had been for some time under Rs. 2,000 and he had not access to the double lock balance or to the unshroffed coin, then the deficiency could not have been a "chronic" one. It would therefore follow that the treasurer (or one of his subordinates) embezzled the money on a day of inspection and then on the evening of the same day informed against himself. I cannot accept this view, and it appears from the Collector's second report that he does not believe that the Treasury Deputy Collector had for some time past properly verified the treasurer's balance or observed with strictness the rules of the Account Code relating to the custody of money. I therefore incline, like the Collector, to the belief that the defalcation was "chronic" or, at any rate, not committed on the day of inspection. The conduct of the Treasury Deputy Collector in not acquainting either Mr. Rawson or Mr. Andrew with the deficiency the same day was most indefensible.

4. There can be no question that the remittance defalcation was made possible by a wholesale disregard of the ordinary rules emphasized and summarized in Mr. Rawlin's Circular No. XVI, dated 20th June 1891, which was issued on the discovery of a defalcation in a remittance in this district in the time of this Treasury Deputy Collector.

5. As the journey from Perambalur to Trichinopoly took 48 hours, the remittance should have been secured in boxes nailed down and fastened by iron hoops

riveted at the junctions. This was not done but the bags were placed in boxes locked by a country bazaar lock and sealed by a faint seal. Contrary also to rule, the boxes were not weighed before despatch.

6. The Treasury Deputy Collector also did not weigh the boxes on receipt, although the circular above referred to expressly required this to be done. As the defalcation was made entirely in one box and must have amounted to about one-third of the correct contents, it is obvious that the most casual weighing would have brought to light the deficiency.

7. Considering that the boxes were not nailed down, but were locked with country locks, and that the seals were faint, it was, I think, clearly the duty of the Treasury Deputy Collector to have counted the bags in the boxes as there was every possibility of the remittance having been tampered with on the way. By not making any examination, he relieved the escort of all responsibility.

8. In any case, it seems to me that the two defalcations taken together show a great laxity in treasury management for which the Treasury Deputy Collector is primarily responsible.

ENCLOSURES.

From E. A. ELWIN, Esq., Acting Collector of Trichinopoly, to the Accountant-General, Madras, dated Trichinopoly, 7th July 1895, R.C. No. 1140 (e) Rev.

With reference to your letter, No. 1597, dated 21st June 1895, I have the honour to forward herewith the Treasury Deputy Collector's office-note No. B., dated 6th July 1895, replying to the points raised by you.

2. The first point is, I think, sufficiently elucidated by the Treasury Deputy Collector.

3. As to the second point, the Treasury Deputy Collector appears to scout the idea of a "chronic deficiency," but my own impression is that he has been for a long time past placing undue confidence in his subordinates and neglecting various rules of the Civil Account Code and it is in my opinion highly probable that he frequently neglected to make anything more than a very superficial examination of the treasurer's balance.

4. The third point deals with the handling by the treasurer of the unshroffed coin; and, as to this too, I have grave doubts whether the rules have been complied with by the Treasury Deputy Collector.

5. Last point: The records of this office show that the matter of the treasurer's indebtedness was duly reported to the Board of Revenue; that the man was granted long leave so as to enable him to make arrangements to discharge his liabilities; and that he was not allowed to return to duty until he had produced some evidence, which was accepted as satisfactory, that he had retrieved his position.

Office-note from M.R.Ry. A. KRISHNASWAMI AIYAR, Avargal, Treasury Deputy Collector, Trichinopoly, to the Collector of Trichinopoly, dated 6th July 1895, No. B.

[Reference.—Collector's footnote, R.C. No. 1140/95 (d), dated 29th June 1895, to Accountant-General's letter, No. 1597, dated 21st June 1895, directing the Treasury Deputy Collector to report on certain points raised by the Accountant-General.]

I beg to reply as follows:—

2. Answer to 2nd paragraph of the Accountant-General's letter.—The balance in which the deficiency was discovered was not the one examined by Mr. Rawson. The deficiency was discovered in the closing balance of the 3rd April, while the balance examined by Mr. Rawson was the closing one of the previous day.

3. The actual transfer of charge to Mr. Rawson by Mr. Andrew was in the afternoon of the 3rd, but the former began to count the treasury in the forenoon of the 3rd with the closing balance of the 2nd, because the quantity of cash and stamps to be examined was very large and likely to occupy from four to five hours. His examination terminated that day at 3 or 3-30 p.m. The transactions of the 3rd were not going on, nor had they commenced when Mr. Rawson arrived at the treasury for examination. After the transactions of the 3rd were over, and when I was waiting for the balance sheet (form No. 38) of that day, the treasurer came and told me that the cash present showed a deficiency. The transactions with the double lock had then been over and the strong room sealed. There was no unshroffed coin on the evening of the 3rd, nor did any unshroffed coin remain in the possession of the treasurer when his balance was examined by

Mr. Rawson. The unshroffed coin (Rs. 20,000) which formed part of the closing balance of the 2nd, and which had been placed in the single lock room for want of space in the double lock room had been brought to the double lock strong room on the 3rd before Mr. Rawson arrived at the treasury.

4. *Answer to 3rd paragraph of the Accountant-General's letter.*—I do not quite see how there could have been a "chronic deficiency" of over Rs. 2,000 as before the date of the defalcation the treasurer's balance used to be verified by me roughly every evening and in detail every last day of the week, and it was generally less than Rs. 2,000 and had been so for several days previous to the 3rd.

5. *Answer to 4th paragraph of the Accountant-General's letter.*—Unshroffed coin is always treated as part of the balance under double lock, and entered as such in form No. 38 and kept in the double lock; but whenever no space was available for it there it used to be lodged in the single lock both my own and the treasurer's seals being affixed to its padlock. This course was also followed on the evening of the 2nd April when a sum of Rs. 20,000 was placed in the single lock room. The police guard seal book will show that they took charge of four * seals on the evening of that day. In my letters to the Accountant-General quoted in the margin,† I have already brought to his notice the overcrowded state of the double lock strong room and sought his

* Two of the double lock room on two different padlocks, and two of the single lock room on one padlock.

† Letters Nos. 222 of 29th January 1894 and 468 of 22nd February 1894.

permission to have it extended. In one of those letters, viz., No. 222, dated 29th January 1894, I also brought to his notice that packed remittance boxes had once to be put into the single lock room for want of space in the double lock room, and that both my own and the treasurer's seals were on that occasion affixed to the padlock of that room in consequence of the contents of that room exceeding Rs. 5,000. Unshroffed coin is never treated as part of the treasurer's balance and it is given out for examination in my presence. The double lock strong room has now been extended and there will be no more occasion to keep unshroffed, &c., coins in the single lock.

6. The treasurer's indebtedness was a fact known to me since 1890 or 1891 when the matter was reported by the Collector to the Board, and he was compelled to remain on leave till he proved that he fairly retrieved his position. He returned to duty after proving that he fairly retrieved his position. The correspondence connected with the subject are in the General branch of the Collector's office.

Order—Mis. No. 2939, Revenue, dated 24th July 1895.

Recorded pending the receipt of the Board's report on the deficiency in the remittance from the sub-treasury at Perambalur.

(True Extract.)

(Signed) E. GIBSON,
Secretary to Government.

To the Accountant-General.

„ Board of Revenue (Land Revenue).

Read—again the following G.O., Mis. No. 3284, Revenue, dated 15th August 1895:—

Read—the following Proceedings of the Board of Revenue (Land Revenue) No. 252/Confdl. No. 75, dated 22nd July 1895.

Read—again Proceedings of the Board of Revenue (Land Revenue) Mis. No. 2279, dated 6th May 1895.

Read—also the following letter from E. A. ELWIN, Esq., Acting Collector of Trichinopoly, to the Secretary to the Commissioners of Land Revenue, dated 7th July 1895, Ref. on C. No. 1429/Rev.:—

In continuation of this office letter, Ref. on C. No. 1429/Rev., dated 2nd May, I have the honour to submit the further report therein promised about the deficiency of Rs. 2,000 that was discovered on 29th April in a remittance received at the huzur treasury from the Perambalur taluk.

2. On 22nd April, during the Tahsildar's absence from the taluk head-quarters in camp, a remittance, supposed to consist of Rs. 56,000 in cash and Rs. 6,000 in currency notes, or Rs. 62,000 in all, was despatched by the head accountant Sundararaja Rau and the shroff Govindu from the sub-treasury to the huzur. The cash and notes were packed in nine small but strong remittance boxes, the lid of each of which was secured by a padlock and a piece of tape connecting it with the body of the box. The tape was sealed at either end, and a bit of cloth was wrapped round the padlock and fastened with a seal. There were thus three seals on each box. The three carts that were employed to carry the boxes left Perambalur shortly after noon and reached the huzur treasury, some 35 miles off, about 48 hours afterwards. They did not travel between sunset and sunrise and were drawn up for the first night in front of the Padalur police station, which is quite close to the road, and for the second night outside the Trichinopoly taluk police station, where some carts bringing a remittance from the Musiri taluk were also halting. The boxes had been entrusted to a police escort comprised of head constable Abd-ul Majid Sahib and six other constables. The head constable had given the taluk officials a receipt to the effect that he had taken charge of nine boxes, each of which bore three seals in good order and into which Rs. 62,000 in all had been put. A taluk peon, named Gopalasami, had been deputed, in accordance with the custom prevailing in the district, to take the keys of the padlocks of the treasure boxes to the huzur and to be present there when the detailed examination of the remittance was proceeded with. This man did not start with the carts and accompany them throughout the journey, as is usually done, but left Perambalur by transit on the morning of 23rd April and overtook them a short distance outside Trichinopoly. On the following day the constables and the peon presented themselves at the huzur treasury. The Treasury Deputy Collector neglected to have the boxes weighed or the bags counted in accordance with the provisions of article 651 of the Civil Account Code, and contented himself with instructing the Treasurer to examine the outer condition of the boxes. The seals being found to be intact, the boxes were placed inside the double lock strong room and a receipt stating that nine boxes said to contain Rs. 62,000 had been delivered in good order was granted to the head constable in charge of the escort guard. The police then left the place, but the peon stayed at Trichinopoly to await the opening of the boxes. As some remittances from other taluks which had arrived about the same time were examined first, this particular remittance was not taken up for examination until 29th April, when the peon attended, handed over the sealed bag containing the keys of the padlocks, and watched the examination of the contents of the boxes. The Treasurer superintended the opening of the boxes in the double lock strong room, the Treasury Deputy Collector being seated just outside the gateway, disposing of some routine business. The first two boxes that were opened contained the correct number of bags as shown in the invoice. The third box, however, contained but four instead of six bags of Rs. 1,000 each. The contents of the remaining boxes were next examined and found correct.

3. The Treasury Deputy Collector came over to my office without any undue delay and told me of the fact of the deficiency. He brought with him the peon who admitted before me that in one of the nine boxes containing the taluk remittance there was a deficiency of Rs. 2,000, though the box was apparently in good order before being opened. I went over to the treasury and made some enquiries which resulted in my coming to the conclusion that the boxes had been duly deposited in the double lock strong room on their receipt and that it was most improbable that the deficiency of Rs. 2,000 discovered in one of them was due to a defalcation in the huzur treasury. I looked at the box in question, its padlock and seals. There was nothing about it to show that it had been tampered with, though, on the other hand, I found that the padlock was a common bazaar article worth but a few annas, such as it is not difficult to fit with a key. That the seals bore but a very faint impression, and that the label on the lid indicating the value of the contents, unlike those on the other boxes, had been gummed over a piece of straw, the ends of which protruded beyond the paper.

4. I was at first inclined to think that the deficiency might be due to the accidental detention of two bags at the sub-treasury and sent an urgent message to

the Tahsildar to report on the point. Information of the deficiency was at the same time given to the General Duty Deputy Collector, Ariyalur, in whose charge the Perambalur taluk is, and to the police. Mr. West, the Superintendent of Police, happened to be camping in the neighbourhood and he promptly visited the taluk office and sealed the door of the treasury pending the return of the Tahsildar from camp and the arrival of the Deputy Collector. On the morning of 1st May the treasury was opened in the presence of the above three officers, when the balance proved on examination to be correct according to the accounts. The Tahsildar thereupon reported to me that there was no surplus, and the deficient Rs. 2,000 were accordingly held to be a defalcation and ordered to be treated, under article 664 of the Civil Account Code, as an "advance recoverable."

5. The next step taken was to ask the Superintendent of Police and the Deputy Collector to hold a full inquiry into the matter. Mr. West worked at the case himself for some days, but, failing to get any clue, he placed an Inspector on special duty for the purpose of collecting information. The Deputy Collector and Tahsildar, both of whom were formerly in the Police department, as well as the police, have been doing their utmost for several weeks past to find out how the defalcation was perpetrated, but I regret to say that all efforts to procure direct evidence have proved fruitless.

6. The money was undoubtedly taken either—

(1) at the huzur treasury, or

(2) from the cart while the remittance was being taken from Perambalur to the huzur, or

(3) at the Perambalur taluk office, either when the remittance was being prepared for despatch, or some time previously.

7. No suspicion appears to rest on the huzur treasury. All the inquiries made show that the remittance boxes were deposited in the double lock strong room as soon as they were delivered, and it would be next to impossible for the fastenings of a box so deposited to be tampered with for Rs. 2,000 in cash to be removed not only from the box, but also from the room, and for the outer aspect of the box to be restored to its former condition in broad daylight.

8. As regards the other two ways in which the money may have been taken, there is a difference of opinion between the Deputy Collector and the Police Inspector. The former considers it probable that some members of the police escort guard were the offenders, while the latter suspects the taluk shroff.

9. The head constable, who was the escort officer, has made a damaging admission to the effect that, in taking charge of the remittance, he looked at and counted each bag and that there were then lying in the boxes 56 bags as shown in the invoice, and not 54 only as found on the opening of the boxes at the huzur treasury. His statement is corroborated by the head accountant and shroff and he adhered to it when I recently examined him at Perambalur. I see no reason why the story should not be accepted, for the procedure he professes to have adopted in taking charge is that contemplated in the Civil Account Code in cases such as the one in question, where the remittance boxes are not taken charge of by weight, and is followed, I have ascertained, in more than one other sub-treasury in this district. The Police Inspector sets up against the head constable's version the statements of two other constables and some cart-men who were in the vicinity of the taluk office at the time. These men appear to have said that the head constable went into the treasury room only a few minutes before the boxes were brought out fastened and sealed, and from this it is argued that there could not possibly have been time for him to have looked at each bag and seen the boxes made ready to be placed on the carts. The witnesses had probably no clear idea of the length of time the head constable was actually in the room, for, when I suddenly came upon one of the constables the other day and asked him how long the head constable was there, he replied that he could not tell, even approximately. As to the possibility of tampering with a box and then restoring it to something like its former condition, it is usually found that there is in the hot weather very little of the impression of the seal remaining on the seals when remittance boxes are delivered after a long journey by road, and I think that a coin or any piece

of metal having a few lines on it would make an impression that might, under the circumstances, easily pass for that of the half worn-out seal that is often used for the purpose of sealing boxes, &c., in a taluk office.

10. The Police Inspector has raked up several things against the shroff, but because there is some reason to suspect that he is not altogether moral and has now and then taken a few rupees out of a village remittance and caused the village munsif to make them good, and because he lends money and has trade in salt and remitted Rs. 200 on account of it to his brother at Trichinopoly by the taluk peon who had charge of the keys of the padlocks, it does not follow by any means that he is the person who made away with the Rs. 2,000, especially as he is, for his position, a well-to-do man. The Deputy Collector, who has been several years in the division, gives him a good character and considers that he has been unjustly suspected. The head accountant, without whose complicity it would be difficult for the embezzlement to have been effected, is well spoken of as an honest and careful subordinate, and against his character the police have nothing to say.

11. The Superintendent of Police, while sharing his Inspector's bad opinion of the shroff, merely recommends his transfer to another station as he has dealings of different kinds in Perambalur, and it is not, in fact, contended that there is any real case against him. Mr. West, whom I have consulted about the affair on several occasions, thinks that as the carts conveying the remittance were properly guarded during the two nights that intervened between their setting out from Perambalur and arrival at the huzur, it is unlikely that his men had any hand in removing the money and that even had they taken it, the matter would have soon come to light owing to the factions prevailing amongst the constables of the Perambalur station. He complains that the Deputy Collector and the Tahsildar took a prejudiced view of the case at the beginning and that they did not render proper assistance towards the detection of the defalcation. It seems to me, however, that, considering the admission of the head constable alluded to in paragraph 8, the Revenue Department was fully justified in suspecting the police guard; the burden of proving that the admission was false lay heavily on the police and that burden has not been satisfactorily discharged. Even granting that the remittance was carefully guarded at night, though there is nothing beyond the word of the police to show that such was the case, the bags might have been removed in the daytime when cart drivers and persons travelling by cart are not infrequently in the habit of sleeping in the hot weather. As to the fact that there are factions amongst the constables, I presume that a judicious distribution of the money would prevent the men of one party giving information against those of the other.

12. In the absence of direct evidence it cannot, of course, be said, with any degree of certainty, who abstracted the Rs. 2,000. The personal enquiries made by me at Perambalur towards the end of last month resulted in nothing, and there is now but little hope that the matter will ever be cleared up. I am unable to accept the conclusions of the police, and, concurring with the Deputy Collector, consider it probable that some members or other of the police escort are the culprits. The presence of the piece of straw that I found under the label of the box in which the deficiency was discovered is peculiar, but whether the straw stuck to the lid accidentally or was placed there purposely as a signal agreed upon between the constables and the mashalchi, or some one else, in the taluk office to show that that particular box was less securely fastened than the rest, it is impossible to say.

13. The next thing to be discussed is from whom the deficient amount should be recovered. The Treasury Deputy Collector M.R.Ry. A. Krishnaswami Aiyar Avergal, though he took no pains to follow the rule laid down in the Civil Account Code in regard to the receipt of remittances and merely got the outer condition of the boxes examined, as observed at the end of paragraph 2 of this letter, was rash enough to grant the escort officer a receipt and allow the escort to return to Perambalur just as if the whole amount entered in the invoice had been delivered. I have called upon him to explain his neglect of ordinary precautions and beg to enclose his explanation for the Board's orders. This officer has been in charge of the Trichinopoly treasury for a number of years, and I do not think that he can be allowed to plead in self defence the prevalence of irregular practices that he

himself has fostered. I submit that he should be held primarily responsible for making good the loss. The huzur treasurer, Vaidyanadha Aiyar, might well have insisted on the observance of the prescribed procedure, but I must point out that he had on 24th April, the date of the arrival of the remittance, held the post but three weeks and was no doubt guided entirely by the directions of his superior. I am doubtful whether, having regard to all the circumstances of the case, it would be fair to call upon the taluk head accountant and shroff to bear any part of the loss.

ENCLOSURE No. 1.—Deputy Collector's explanation.

Resolution—dated 22nd July 1895, No. 252/Confidential No. 75.

In its Proceedings dated 17th June 1895, Mis. No. 3007 (Confidential), the Board passed orders on an attempt by the huzur treasurer, Trichinopoly, to temporarily make away with Government money and submitted a report to Government regarding the conduct of the Treasury Deputy Collector, M.R.Ry. A. Krishnaswami Aiyar, in not bringing the loss immediately to the notice of the Collector.

2. The present is a more serious case of defalcation connected with the same district. Out of a remittance of Rs. 62,000 composed of Rs. 56,000 in cash and Rs. 6,000 in currency notes despatched from the taluk treasury, Perambalur, to the huzur on the 22nd April last, two bags containing a thousand rupees each were found to have been abstracted when the treasure was examined at Trichinopoly on the 29th idem. The consignment had reached Trichinopoly on the 24th, but the examination was not made until the 29th because other taluk remittances also were waiting at the huzur treasury.

3. The disappearance of the money was reported as soon as it was discovered, i.e., on the 29th April, to the Acting Collector Mr. Elwin who examined the box concerned and found no sign of its having been tampered with.

4. The money could have disappeared only in one of three ways, i.e. (1) at the taluk treasury by the omission to put into the boxes the full amount advised by the taluk officials, or (2) during the journey to Trichinopoly whither the treasure was conveyed in three country carts by a head constable and six constables while the taluk peon who should have accompanied them took a transit cart, or (3) at the huzur treasury where the remittance was kept for five days awaiting examination. The last hypothesis is exceedingly improbable and the first is equally so as the head constable in charge of the escort party admitted to the Collector that he had seen the bags counted and put into the remittance chests. The money must have been stolen in transit; this is the conclusion arrived at by the Collector with whom the Board concurs.

5. The following circumstances, each of which requires full explanation, appear to have facilitated the theft:—

(a) The absence of the taluk peon, who, in accordance with the rules of the Civil Account Code* as well as the Accountant-General's standing instructions, should have followed the treasure carts instead of performing his journey by transit. The peon, however, had no choice of route if, as appears to have been the case, he was detained at the taluk office on duty after the escort had left with the treasure.

(b) The exceedingly careless manner in which the treasure was packed at the taluk office. The nine boxes in which it was conveyed were secured by nothing better than common bazaar padlocks and three seals on each, loosely impressed at the taluk office. It is not surprising that the impressions on the seals were very faint as reported by the Collector when the destination was reached. But the Collector has not noticed that the rules on the subject prohibit the use of both padlocks and seals. Locks are required to be placed only on large tumbrils or

Article 644, Civil Account Code, and the Accountant-General's Circular XVI, dated 20th June 1891.

Locks are required to be placed only on large tumbrils or

chests in which treasure is sometimes conveyed—especially by rail—but for several years past all districts have been supplied with small stout chests each holding either four or six bags of one thousand rupees each. These boxes should neither be locked nor sealed, but should be “fastened with nails and secured by two pieces of hoop iron, each of which should pass completely round the box at right angles to

the other, the four ends meeting in the centre and being there riveted through with a copper rivet” so as to make the opening of them a matter not of utter impossibility, but of time and difficulty, requiring blacksmith's tools. As a further precaution each box has to be weighed at the despatching office and the weights have to be recorded by the remitting officer and acknowledged by the police escort as well as by the receiving officer. The last named officer is further required by a circular* of the Accountant-General, though not by the Code, to note the

number of bags received in case he is obliged to put off the detailed examination of the remittance for a day later than the date of receipt. When large tumbrils or chests are used, the procedure is different; in their case the escort officer is required to count the bags as they are placed in and the receiving treasury officer is required to do the same invariably before acknowledging receipt.

6. If the treasure had been properly packed, theft would have been impossible without such complicity on the part of the police guard as would justify their being held responsible jointly and severally; this cannot be done in the present case. The Collector should report the huzur and taluk officers responsible for this breach of rule in view to the whole or a portion of the amount lost being recovered from them in proportion to their pay.

7. The Collector's letter brings to notice various other irregularities, and although these do not seem to have in any way contributed to the loss in the present instance, steps must be taken to prevent their recurrence. For instance, it does not appear to be the practice in the taluk offices of the Trichinopoly district to weigh each remittance box, as required by the rules, before despatching it to the huzur. It is true taluk treasuries are not supplied, as huzur treasuries are, with platform weighing machines; but, as noted in Board's Proceedings, dated 27th January 1892, No. 40, the weight of boxes can always be approximately stated. The Treasury Deputy Collector, Trichinopoly, thinks that the attention of taluk officers was not drawn to that Board's Proceedings at the time when it was received in the Collector's office, but the rules in the Account Code as to weighing remittance boxes are explicit, and if a Tahsildar did not know how to weigh boxes without a railway machine, it was his duty to have asked for instructions. The explanation of the taluk officials should be obtained on this point also.

8. The Treasury Deputy Collector is also reported to have omitted to weigh the boxes on receipt as required by article 651 of the Civil Account Code, Vol. I, and to count the bags as required by the Accountant-General's Circular, No. XVI, dated 20th June 1891, when he foresaw that there would be delay in examining the treasure. The provisions of the Code and the Accountant-General's circular must be strictly acted up to in future.

9. A copy of these Proceedings will be submitted for the information of Government.

(True Copies and Extract.)

(Signed) L. M. WYNCH,
Secretary.

To the Collector of Trichinopoly.

Copy to the Secretary to Government, Revenue Department,
with 1 enclosure in original to be returned.

Accountant-General.

Order—Mis. No. 3284, Revenue, dated 15th August 1895.

Recorded pending the receipt of further Proceedings with reference to the reports called for in paragraphs 6 and 7 of the Proceedings read above.

(True Extract.)

(Signed) E. GIBSON,
Secretary to Government.

To the Board of Revenue (Land Revenue.)

READ—also the following Proceedings of the Board of Revenue (Land Revenue),
Mis. No. 4669/Confdl. No. 103, dated 17th September 1895:—

Read—letters from the Collector of Trichinopoly, dated 7th September 1895, Ref.
on C. Nos. 1429/Rev. and 1140/Rev.

Resolution—Mis. No. 4669/Confdl. No. 103, dated 17th September 1895.

With his first letter read above, dated 7th September 1895, Ref. on C. No. 1429/Rev., the Collector of Trichinopoly submits the explanations called for in Board's Proceedings, No. 252, dated 22nd July 1895, regarding the disappearance of Rs. 2,000 out of a remittance of Rs. 62,000 despatched from the Perambalur taluk treasury in April last. The Collector finds—

(1) that the taluk head accountant and shroff were jointly responsible for detaining the taluk peon who should have accompanied the remittance;

(2) that the insecure method of packing the treasure chests improperly adopted has been usual not only in Trichinopoly district, but in six other districts which have been consulted;

(3) that the taluk head accountant and shroff were however specially responsible for having used worthless padlocks instead of superior ones of which apparently there was a supply in the taluk cutcherry;

(4) that the Treasury Deputy Collector M.R.Ry. A. Krishnaswami Aiyar is responsible for not carrying out the provisions of Accountant-General's Circular No. XVI of 1891 regarding the packing of remittances, and of Article 644 of the Account Code, but not for failure to communicate to Tahsildars Board's Proceedings, No. 40, dated 27th January 1892, regarding the weighment of remittance boxes. At the same time the Collector points out that the same omissions have occurred in most other districts of the Presidency, if not in all; and

(5) that the loss of Government money should be divided among the Treasury Deputy Collector, the taluk head accountant and the shroff, but the Collector does not state in what proportion it should be recovered from each.

2. In the second paper read above M.R.Ry. A. Krishnaswami Aiyar intimates his readiness to retire, as directed in the Government Order communicated with Board's Proceedings, No. 3586, dated 18th July 1895, but requests that in case he is called upon to refund any portion of the Perambalur loss he may be permitted to remain sufficiently long in the service. As regards the explanation furnished by the Treasury Deputy Collector it is clearly proved, both from this case and from that reported on in Board's Proceedings, Mis. No. 3007/Confdl. No. 56, dated 17th June 1895, that he has been careless and apathetic to such an extent as to lead to serious loss of public money, and the Board is therefore not prepared to recommend his continuance in the service. It considers that M.R.Ry. A. Krishnaswami Aiyar's alternative request to be allowed to retire should be acted on and that his responsibility for the recent defalcations at the Trichinopoly treasury should be enforced by a reduction of his pension to the extent of, say, Rs. 5 per mensem.

3. In the case of the taluk officials (the head accountant and the shroff) who do not appear to have been more to blame than other officials in the same situation elsewhere, except in having used very inferior locks for the remittance boxes, the Board thinks that the ends of discipline will be satisfied by their being fined a month's pay each.

4. In the concluding part of his letter Mr. Andrew brings to notice certain difficulties in connection with the weighment of boxes and considers that the escort officer should be invariably required to be present at the weighing in of the bags of coin. The Board has partly dealt with this subject already in its Proceedings, No. 303, dated 19th August 1895 which the Collector has acknowledged in an earlier portion of his letter; but as the Accountant-General has recently addressed the Board touching the same matter, it proposes to deal more fully with it in separate Proceedings.

(True Copy and Extract.)

(Signed) L. M. WYNCH,
Secretary.

To the Secretary to Government, Revenue Department,
with two original letters and enclosures (eight in number) to be returned.

ORDER—No. 12, Revenue, dated 15th January 1896.

In the last of the Proceedings read above the Board of Revenue submits its final report regarding the disappearance of Rs. 2,000 from a remittance of Rs. 62,000 sent from the taluk treasury at Perambalur to the Trichinopoly treasury in April last, together with the explanations of the taluk and huzur officials responsible for the defalcation.

2. The papers leave little room for doubt that the money was stolen in transit while in charge of the police escort; and the theft was facilitated, and the detection of the thief rendered difficult, by a wholesale disregard of the rules relating to the packing and despatch of specie remittances prescribed in Chapter XXXI of the Civil Account Code as modified and supplemented by the Accountant-General's Circulars No. 16, dated 20th June 1891, and No. II, dated 28th January 1892. The treasure boxes were locked and sealed instead of being fastened by nails and bound by iron hoops, and they were secured by worthless padlocks although locks of a superior kind were available in the taluk office. The boxes were not weighed at the despatching treasury in the presence of the officer in charge of the escort nor were they accompanied by a taluk peon as required by the rules. At the receiving treasury the boxes were not weighed prior to the issue of the acquittance certificate to the escort, nor were they opened and the bags contained weighed individually when it was found that the detailed examination of the remittance could not be undertaken on the day of receipt. It appears from the papers that the rules referred to above have not been observed in the district as regards remittances from sub-treasuries.

3. The Government agrees with the Collector and the Board in considering that of the six persons from whom explanations have been taken the Huzur Treasurer and the Tahsildar should be acquitted of blame, as also the taluk peon, who could not have known anything of the rules and was not instructed to accompany the remittance. The taluk head accountant and the shroff are responsible for having detained the peon and for having used worthless padlocks; but the officer chiefly to blame in the matter is the Treasury Deputy Collector M.R.Ry. A. Krishnaswami Aiyar whose duty it was to have enforced the instructions of the Accountant-General and the rules of the Account Code, and whose lax supervision was the cause of the irregularities noticed above. The explanations submitted by this officer are unsatisfactory, and his failure to reform the practice in the district as regards specie remittances, and to bring it into conformity with the

instructions in the Accountant-General's Circular of 1891, which was issued with reference to a defalcation which occurred in the Deputy Collector's own time in a remittance from the Trichinopoly treasury is altogether inexcusable.

4. The Government therefore agrees with the Board in considering that M.R.Ry. A. Krishnaswami Aiyar should not be allowed to continue in service any longer; his application for a retiring pension is accepted and will be forwarded to the Accountant-General for report.

5. The other recommendations made by the Board for enforcing the responsibility of the officers at fault, viz., that the taluk head accountant and the shroff should each be fined a month's pay, and that the pension of the Treasury Deputy Collector should be reduced by Rs. 5 are however, in the opinion of Government, altogether inadequate. His Excellency the Governor in Council has carefully considered the matter and is of opinion that as the loss in the present case was wholly due to a disregard of the rules prescribed, it should be made good by the officers responsible in the following proportions:—Rs. 1,500 by the Treasury Deputy Collector by monthly deductions of Rs. 75 from his pension (the amount of which will be determined in the Pension department) and Rs. 500 by the taluk head accountant and the shroff in proportion to their pay in suitable monthly instalments.

6. As already remarked there seems to be little doubt that money was abstracted from the remittance while in transit, but no information is afforded as to the probable complicity of the police escort in the defalcation. The head constable in charge of the escort is said to have lately cashed notes to a large amount, and the Government is of opinion that further inquiry in this direction is necessary. The Collector will report further on this point.

7. It appears from Mr. Andrew's letter that the disregard or misconception of the rules which has led to the present defalcation is not confined to Trichinopoly; the Board is requested to draw the attention of all Collectors to the necessity of satisfying themselves that the rules are properly understood and observed. Board's Standing Order No. 235 should also be amended as suggested by Mr. Andrew. The separate Proceedings referred to in the concluding portion of paragraph 4 of the Board's Proceedings last read above should be submitted for the information of Government.

(True Extract.)

L. H. B. S.

Secretary to Government.

To the Board of Revenue (Land Revenue),
with ten enclosures.
„ Accountant-General (with application).
„ Judicial Department.
„ Pension Department.

with 1 spare copy.