M.R.O. 14—10,000—21-6-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 893 — Press / ~~Mis.~~

344-345

Dated 19 — 4 — 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
19th April 1861.

No. 344. Read the following Proceedings of the Board of Revenue, dated 27th March 1861, No. 1,608:—

Read Proceedings of the Madras Government, dated 31st May 1860, No. 896.
(In Cons. 1st June 1860, No. 2,577.)

1. With the above-mentioned Order, the Government referred for full report, a letter dated 7th May 1860, from Messrs. Line and Co., addressed to the Chief Secretary, in which Messrs. Line and Co. submitted for the consideration of His Excellency in Council, a copy of a Petition forwarded in 1846 to the late Court of Directors, by C. Vencataswami Nayadu, Executor to the Estate of the late Mambalum Vencataswami Nayadu, of Madras. The Petition relates to a claim made by Vencataswami Nayadu on the Zamíndár of Vasireddi in Guntoor, which claim Messrs. Line and Co. assert has been set aside, notwithstanding that the late Commissioner of the Northern Circars, the Honorable W. Elliot, recommended Government to pay them (Messrs. Line and Co.) as M. Vencataswami Nayadu's assignees, Rupees 1,03,642. Messrs. Line and Co. also quote a decree of the Court of Sudder Adalát (9 of 1841) as favorable to the claimant. They admit that the trial of the claim by the Courts is now barred by the Statute of Limitations, but state that even were it otherwise, the delay, vexation, and expense of a Suit, with the prospect of an appeal to the Privy Council, would deter them (as these causes have hitherto done) from entering into a contest with Government, to whose equitable consideration they prefer leaving the case.

2. It is evident from the whole tenor of Messrs. Line and Co.'s letter, that they consider M. Vencataswami Nayadu to have been harshly if not unfairly dealt with by the late Court of Directors in respect to the claim he had upon Ramanadha Babu, and (as they consider) upon the Government into whose possession the Zamíndárí in question, to which Ramanadha Babu once set up a claim, has since fallen.

3. The Acting Collector, Mr. Thornhill, has submitted a brief report on the claim, forwarding at the same time the draft of a letter prepared for despatch by his predecessor Mr. W. Knox.

From Collector, 27th September, in Cons. 1st October 1860, No. 4,906.

4. The Guntoor Circars comprised five large Zamíndáris of which the Vasireddi Zamíndári was the largest. The Zamíndárs began in Fasli 1240, A. D. 1830-31, to fall into arrears of Peshkash notwithstanding their Assessment had, as then supposed, been fixed with great moderation, and their embarrassments continued to increase so rapidly that in Fasli 1249, A. D. 1839, their debts to Government for "Peshkash" (subject to the punctual payment of which their Estates were held) had accumulated to the sum of Rupees 48,26,467, their annual Peshkash having been Rupees 1,225,458. Besides the amount thus due to Government, the private debts of the Zamíndárs were then known to be large, and quite beyond their means of payment. The Government proposed that the Estates should, in regular course of the Revenue law, be sold by auction for the arrears, and purchased on account of Government, a suitable maintenance being allotted to the Zamíndárs, as an act of grace and consideration; but the Court of Directors were unwilling to enforce, against the Zamíndárs, the strict provisions of the law on account of a default, which, as the Court imagined, had been occasioned immediately by the drought, famine, and pestilence, which raged through the Northern Circars, in Faslis 1242 to 1244, A. D. 1832 to 1834. The Honorable Court, therefore, with the benevolent intention of saving the Zamíndárs from the discredit of being forcibly dispossessed as Revenue defaulters, allowed them the option of surrendering their proprietary rights into the hands of Government to enable the Government to administer the affairs of the Zamíndárís as effectually as if they had been acquired by purchase. The settlement was to be conducted on improved principles, and the Estates were not to be restored to the management of the Zamíndárs, until all the arrangements ordered to be carried out were completed, and new Sunnuds executed. To these conditions the Zamíndárs all acceded; but in consequence of the great difficulties experienced

Letter from Court of Directors, 21st June 1842, No. 14. Enc. in from Govt. No. 1,218, 1st October, in Cons. 3rd November 1842, No. 2,328.

in carrying out the proposal of the Honorable Court, the Government was driven to the necessity of putting up the Estates to sale, and of purchasing them, *pro forma*, on account of Government, as the coursebest adapted to make the path clear for introducing a better system of Revenue administration. The assurance was, however, repeated to the Zamíndárs that the Government would in no way depart from the conditions of the surrender. The Zamíndárís were accordingly purchased on account of Government for Rupees 5,000 each. In 1845, Mr. W. Elliot, Member of the Board of Revenue, was deputed as Commissioner to inquire into the state of the Guntoor District, and to devise measures for the effectual settlement and management of the Zamíndárís. Mr. Elliot entered fully in his report (dated 16th April 1846) into the causes of the deterioration of these Estates. The Zamíndárs had, it appeared, wasted by a long continued course of extravagance, litigation, and excesses, not only the legitimate resources of their Estates which were amply sufficient to meet the occasional occurrence of calamitous seasons, but the large additional sums which they were proved to have extorted from their Ryots; and their conduct since their original default was shown to have been such as materially to lessen their claims to consideration. The Court accordingly resolved not to restore the Estates to the Zamíndárís, but consented to continue to them the allowances assigned for their maintenance at the time when they surrendered their Estates.

Mins. Cons. 12th, in Cons. 21st May 1816, No. 540.

Mins. Cons. 17th January 1845, No. 73.
Enc. in from Government 17th, in Cons. 30th January 1845.

Letter from Court of Directors, 31st January 1849, No. 1.
Mins. Cons. No. 310, 29th March, in Cons. 14th May 1849.

5. The case of the private creditors was hopeless, for by the Zamíndári regulations of 1802, the debt to the State for Peshkash must first be satisfied and this debt had grown in April 1846 to the sum of nearly 74 lacs of Rupees. In their first letter, viz., that of 21st June 1842, paragraph 10, in referring to the subject of these debts, the Court expressed their apprehension that the greatest difficulty attending any measure having for its immediate object the personal relief of the Zamíndárs, would be found in arranging with their private creditors for the liquidation of their debts, and they left it to the discretion of the Government to adopt whatever course might appear most advisable under the circumstances. No pledge, direct or implied, was ever given that the Government would settle these debts; and in instructing the Collector to endeavour to ascertain what their amount was, and what sum would probably be accepted in satisfaction of them, they carefully cautioned him to use no language that might commit Government to any engagement for their payment.

XXVII

Enc. in from Government, dated 11th October, in Cons. 3rd November 1842.

Proceedings Board of Revenue, 21st November 1842, No. 2,184.

6. Some inquiries were made by the Collector respecting the claims; and subsequently Mr. Elliot reported fully on the debts of two of the Zamíndárs, viz., those of Vasireddi and Sattanapully. The Board will, however, here confine themselves to the debts of Ramanadha Babu while in possession of the former Estate. It may be premised that the demand of Government against *this* single Estate for arrears of Peshkash amounted on the 1st April 1846, to the very large sum of 32½ lacs of Rupees, none of which was recoverable, the Estate being irretrievably bankrupt.

From Collector, 29th June, in Cons 25th July 1844.
From Mr. Elliot, 9th August 1845.
Enc. in from Government No. 1,069, 13th September, in Cons. 16th October 1845, No. 2,802.

NOTE.—The annual Peshkash of this Estate was 5,40,737 Rupees.

7. Mr. Elliot in his report on the debts, states that the agents of the creditors "possessed "of the best founded claims, based on *bonâfide* transac- "tions, regarding which there could be no doubt, dis- "played not only the greatest alacrity in obeying the "summons (to attend and produce their claims), but also evinced the most perfect readiness to enter into terms." Among this number Vencataswami Nayadu

Dated 9th August 1845. Enc. in from Government, No. 1,069, 13th September, in Cons. 16th October 1845, No. 2,802.

whose claim is now urged by Messrs. Line and Co., may doubtless be included, as there is no reason to question the fact of money having been lent by him. But Mr. Elliot "explained to "the agents distinctly, the nature of his instructions, and cautioned them *against indulging a "belief that Government held out any pledge to liquidate their claims*, and he requested them to "state the terms on which they might feel themselves disposed to compound for the amount "due to them." The terms agreed upon by the creditors generally for admitted claims, were, the relinquishment of all interest, a deduction of 15 per cent. from the principal, and in the case of stamped bonds purporting to be settlements of running accounts *including interest*, a deduction of 50 per cent. The total of the sums then claimed from Ramanadha Babu of the Vasireddy Zamíndárí was 16,38,942 Rupees, and the number of creditors was 23. Of this large amount the Commissioner rejected 2,58,521 Rupees. An aggregate sum of 2,71,883 Rupees was claimed by parties who refused to treat for a composition of their debt. The holder of a bond for 1,50,000 Rupees agreed to cancel it on payment of 30,000 Rupees; and the remainder, 9,58,536 Rupees, belonged to parties who agreed to a compromise on the terms proposed by Mr. Elliot, by which they consented to relinquish Rupees 5,59,601, and to receive 3,98,935 Rupees. Mr. Elliot explained the nature of some of the cases calling for particular observations; but no where in the report do the Board find that he held out any pledge that the debts would be liquidated by Government. In one place he speaks of a creditor "wavering a long time between this "consideration" (of making any concession) and the prospect of a more certain though small "advantage." In another place he "told the creditor that he felt himself precluded from recommending such a claim to the favorable consideration of Government;" in another he speaks of "the amount recommended for adjustment in the event of Government being pleased to settle "the debts," and of "leaving Government to decide whether the claim is deserving of consideration:" and in concluding his report he expressly says "the agreements taken for the adjusted "claims are limited as to time, *and if not settled within six months are to be considered null*:" and "should Government decide on satisfying them on the terms proposed, the settlement of the "remaining debts will be greatly facilitated by the announcement of such a resolution, while the "exclusion of those who have refused to come to terms will make them more cautious in "resisting the offers of Government in future."

8. That the period of six months, noticed above, within which the creditors' claims were to be paid or the agreements to be void, was part of the stipulation, is quite clear, as may be seen by a letter from Messrs. Line and Co., dated 24th June 1845, copy of which has been forwarded by Messrs. Line and Co. to the Board. In this letter the Vakeel states his acquiescence in the proposed terms of settlement of the debt with the proviso that he was not to be bound by his agreement beyond a term of six months from that date, at the expiration of which, unless the money was previously paid, he was to be released from his consent to the proposed arrangements, and he proceeds to tell the Commissioner "that the whole amount, "including the interest due on the Decrees up to the date of payment, will be claimed, if this "agreement be not acted up to within the said period."

Enclosure in from Messrs. Line and Co., 12th, In Cons. 13th October 1860, A after No. 5,192.

9. It is evident from this report that the Commissioner by his inquiry into these debts with a view to ascertain their nature and amount, pledged Government to nothing; and shortly afterwards, when the creditors threatened process against the persons of the Zamíndárs, the Board expressed their inability to interfere; but pointed out to the creditors "the utter inutility of such a procedure, and "the certainty that it would in no wise induce the Govern-"ment to settle their claims." Moreover when in 1847 warrants were issued against Vasireddy Ramanadha Babu and Mulrauze Lutchmiah, the ex-Zamíndárs, the Government would neither interfere, nor charge themselves with the payment of the sums decreed, and even directed the Collector to put forward the prior claim of the State the any personal property that might at any time be proved to belong to the ex-Zamíndárs, and to officially intimate to the Court that the arrears due to the Government amounted to so

See Proceedings Board of Revenue, 5th March 1846, No. 550.

From Collector, dated 26th November 1846, in Cons. 7th January 1847, No. 3,621.
From Board to Government, dated 7th January 1847, No. 63.

enormous a sum as to render the ex-Proprietors utterly bankrupt, and thus to show the Court the futility of executing warrants against their persons as a means of benefiting their creditors.

So far, therefore, it seems clear that, as regards the debts generally, Government held out no pledge of payment.

10. It remains to notice especially the particular claim, now preferred by Messrs. Line and Co., on behalf of M. Vencataswami Nayadu against the Vasireddy Estate. It appears as No. 10 in Mr. Elliot's list.

11. The sum claimed was 2,66,577 Rupees; the principal of the debt amounted to 1,23,358 Rupees and was said to have been incurred on "occasions connected with the disputed succession "to the Estate." The interest claimed was 1,36,409 Rupees, and the balance 6,809 Rupees was costs adjudged by decrees of Court. From this total sum Mr. Elliot, on the principles laid down for the proposed adjustment, deducted Rupees 1,62,934, leaving 1,03,642 Rupees as the net sum for which the claim should be compromised, if settled by Government. It may be as well to extract in full Mr. Elliot's remarks on this claim, to show that the Commissioner did not make any special engagements with this creditor, beyond the general carefully guarded conditions already noticed. It will be seen that no allusion is made in this to the circumstance now adduced in support of the Petitioner's case, viz., that Mr. Elliot proposed that the Agent should apply for the removal of an attachment made by the Court on some of the personal property of the Zamíndár, and that the Memorialist assented to that proposal; though it is quite true that process of attachment had issued, and that property to the amount stated, viz., Rupees 1,981-4-7 had been attached; and it is also true that, at the instance of the Commissioner, the execution of the decree in part satisfaction of which this attachment was made, was postponed as is evident from the Proceedings of the Zillah Court of Guntoor, dated 7th July 1845, No. 365, since which time no application has been made for its enforcement. The property in question was subsequently disposed of for costs, &c., due to the East India Company in appeals before Her Majesty in Council against the decision of the Sudder Adalát in Suits Nos. 4 of 1826, and 11 of 1827, in which Ramanadha Babu was respondent.

	Rs.
Interest	1,36,409
15 per cent. on Capital	16,525
50 per cent. on a Bond in do	10,000
Rupees.	1,62,934

Enc. 3 in from Collector, dated 27th September, in Cons. 1st October 1860, No. 4,906.

See letter from Civil Judge of Guntoor to Acting Collector of Kistna, dated 7th September 1860, No. 120.

12. Mr. Elliot's remarks are as follows:—

Claim 10.—M. Vencataswami Nayadu, Rupees 2,66,577.

"No. 10 is a decree for Rupees 2,46,575 "principal and interest, the result of a long "series of transactions between Ramanadha Babu and the late Tanjore Mambalum Vencataswami
Nos. 30, 31 and 32 of 1838. "Nayadu connected with the disputed succession to the Zamíndári
Nos. 9, 10 and 11 of 1841. "The decrees, three in number, were given in favor of the claimant by "the Northern Provincial Court, and confirmed by the Sudder Adalát "in appeal, at the instance of Ramanadha Babu. The decision rests entirely on the bonds which "were not supported by detailed accounts of the transactions to which they refer. The Executor "of M. Vencataswami Nayadu sent a Vakeel to treat for the adjustment of the claim, who in "answer to my demand for these amounts, stated that they were not now forthcoming, the papers "of the deceased being in great confusion and not yet arranged by the Executor. This claim is said
From Messrs Line and Co., 15th and 28th April 1845. "to have been transferred to the Firm of Messrs. Line and Co., "who transmitted the decrees, and named the same agent as "Executor, but the Power of Attorney (or Mookhtarnamah) is "in the name of the Executor Coorum Vencataswami Nayadu, alone. This agent also presented "another stamped bond for 20,000 Rupees regularly executed by Ramanadha Babu on the "30th August 1838, subsequent to the adjustment of accounts which forms the subject of the "decrees above-mentioned. Ramanadha Babu denies all knowledge of the transaction, but the "purchase of the Stamp on his account is proved by the Stamp Vendor's records, and Golamoody "Venkiah, a credible witness, and a servant of the Zamíndárs, who was long kept out of my way

" (in the same manner as the Jamadar Kishen Sing in the next item), deposes to the execution of " the document which is in his handwriting. I, therefore, admitted it as a valid demand. But as " it bears evidence on the face of it, of being an adjustment of accounts which were not produced " in explanation of the items, the Vakeel consented to make a deduction of 50 per cent. in con- " formity with the fifth general rule."

13. This report was transmitted by Government to the Board of Revenue for their opinion as to the course to be adopted, and the Board in their review of it observed, " that the amount which may be expected to be required for the complete satisfaction of all claims against the Vasireddy Zamíndár would be upwards of six, or, taking credit for the value of the jewels held by the claimant No. 1, to more than five lacs of Rupees ;" and that the settlement after all could not but be considered as incomplete. " The great (paragraph 10) amount of the claims still left unsettled must," the Board thought, " be fatal to any arrange- " ment having in view the liquidation of the debts ; many of the claims rest on decrees of Courts " of Law or on Razeenamahs filed in Court, the execution of which could at any time be " enforced, and process issued against the person of the Zamíndár, if not against his Zamíndári " in despite of its late surrender to Government ; and the Government," they pointed out, " would then be reduced to the alternative, either of acquiescing in the frustration of the " measures already taken at so heavy an expense in behalf of the proprietors, or of satisfying the " demands still unadjusted on such terms as their holders might be disposed to accept." They " expressed (paragraph 11) their conviction that the full and complete extrication of the Guntoor " Zamíndárs from their private embarrassments was not practicable, except at an expenditure " of the public Revenue which the Board did not feel themselves justified in recommending the " Government to incur." The total amount to complete the settlement of all valid claims the Board computed at upwards of six lacs of Rupees, no part of which sum could at any time be recovered, and the whole would at once have to be added to the enormous amount (upwards at 72 lacs) of public debt outstanding against the five Guntoor Estates ; and they " contented them- " selves with pointing out the magnitude of the sums required for the settlement of the debts " now referred to, and the hopelessness of their recovery, and left it for the judgment of " Government to decide whether there were any circumstances connected with the position or " character of the Zamíndárs which should justify their relief from their present embarrass- " ments at so costly a sacrifice to the State ; in the opinion of the Board there were none what- " ever." (Paragraph 11).

Ex. Mins. Cons. No. 1,069, 13th September, in Cons. 16th October 1845, No. 2,802.

From Board of Revenue to Govt. 23rd October 1845, No. 650.

Paragraphs 8 and 9.

14. On consideration of this and other letters from the Board of Revenue having reference to these Estates, the Government, as already mentioned, with a view to carry out the intentions of the Honorable Court of Directors for a better administration of these Estates, deemed it necessary to have recourse to their sale in order legally to secure an indefeasible right in them clear of all liens or encumbrances ; and with respect to the private debts, Government observed (paragraph 9) that " the payment of the Zamíndárs' private debts is not necessarily a " part of the arrangement connected with the public sale of the Zamíndáris, unless the Estate " realize more than sufficient to cover the Government demands. Under this arrangement private " creditors can have no claim whatever and can make no legal demand, and it will rest entirely " with the Government to offer them such compensation as may seem to them fit, if it is con- " sidered that any is due." The Government concurred in the view the Board took of the hopelessness " of extricating the Zamíndárs from their difficulties from private debts, and the " inexpediency of Government being further embarrassed by entering into arrangements with " their private creditors ; and it was observed that Government had no security that the moment " one set of private creditors is satisfied, fresh debts will not be incurred." (Paragraph 10).

Ex. Mins. Cons. No. 98, 20th January, in Cons. 9th February 1846, No. 153.

15. The Board have now been in communication with Mr. Agnew, a partner of the Firm of Messrs. Line and Co., and that gentleman has referred the Board to Mr. J. B. Norton's work,* "Topics for Indian Statesmen," and to Mr. Mead's work, "The Sepoy Revolt," and to the "Athenæum" newspaper of the 17th May 1860, and the "Daily Times and Spectator" of the 9th May 1860, as expressing his views of the case and the obligation that Government is under to satisfy the claim. The principal point insisted on in these papers is the injustice committed by Government in ignoring the acts of their Commissioner: another point dwelt on is the alleged fact of the arrears of the Zamíndárí which eventually involved the proprietors in ruin, being the consequence of the mismanagement of the Government officials. That the arrears increased under the administration of the Government Officers is no doubt true, but the official report of the Commissioner, and the decision of the Government and the Court of Directors must be accepted by the Board as their guide in judging of the facts which led to the embarrassment of these Zamíndárs. With regard to the injustice of Government refusing to pay private debts, the Board would observe that the Government claim to Peshkash takes precedence of all others; that Government had a clear legal right to sell and purchase the Estates in liquidation of the public Revenue, and that they have not by the acts of the Commissioner laid themselves under any obligation to satisfy either Messrs. Line and Co. or any of the other creditors. But Messrs. Line and Co. argue that it was on the faith of the compromise for the adjustment of their claims proposed by Mr. Elliot, that they held in abeyance the writs of execution they had obtained under which personal property to the small sum of Rupees 1, 981-4-7 had been attached, which appears to have been the case.

* Pages 164—169, Note.

* Pages 275, 284, and 332.

Letter from Messrs. Line and Co. to Secretary Board of Revenue, dated 11th, in Cons. 11th October 1860, No. 5,145.

16. To whatever causes the ruin of these Estates may be attributed, whether to the extravagance and misrule of the proprietors; to the mismanagement of the Government Officers, or to bad seasons, there is no question but that they are now gradually improving under the present administration, which circumstance is put forward as a reason why the Government should re-consider the claims of the creditors. This is purely a matter for the determination of Government. The Estates have legally passed absolutely into their hands free of all encumbrances. Had the Estates sold for more than the arrears of Peshkash, the surplus would have been available to satisfy private claims; but as it happened, there was not only no surplus but a large balance due to Government, and the debts of private creditors on the lands sold have thus wholly and finally lapsed.

17. Under the care of the Officers of Government the property is now improving, for though the gross collections of the current Revenue (excluding charges) average annually only Rupees 12,57,476 (which is slightly above the annual Peshkash of 12,25,458) the later years, and especially the returns of the two last years are higher, being about 15,20,000 Rupees and 16,50,000 Rupees respectively. The Estate of Vasireddy has not on the average of 14 years, yielded so much as its former Peshkash (5,40,737 Rupees); but it has yielded in the two last years 6,30,000 and 6,83,000 Rupees. With regard specially to the case of Messrs. Line and Co., the Board finally notice that it is a claim for money lent to Ramanadha Babu to enable him to defend the appeal made to the Privy Council against the decree of the Sudder Court of Madras in his favor, and that his right to the Zamíndári was finally set aside by the decree of the Privy Council, declaring the appellant (his adopted brother's adopted son) Lutchemeputty Nayadu, the rightful heir. Thus the Government have not succeeded in fact to Ramanadha Babu's Estate on which Messrs. Line and Co. claim to have a lien, but to a property in which he has been declared by the Privy Council to have no legal right or title, which fact alone, the Board apprehend, is fatal to the claim advocated by Messrs. Line and Co. on behalf of Vencataswami Nayadu as far as it regards an alleged lien upon the Estate itself.

The flaws in memorialist's claim may be thus summarized:—

I. The lender must have known well, when he lent the money, that the claim of the State for arrears of Peshkash took precedence of all private claims, the law to this effect being of old standing (1802) and of universal application.

II. The sale of the Estate for arrears and its purchase by Government for very much less than those arrears necessarily voided this and other similar encumbrances.

III. No promise or pledge of payment was made by Government or the Commissioner.

IV. Even if such a promise had been held out its non-fulfilment within the six months expressly stipulated by the lender's attorney voided the whole negotiation; and placed matters as they were before the Commissioner's advent.

V. The failure of the claimants to bring their claim to legal issue for upwards of 12 years.

VI. The fact that Ramanadha Babu, to whom alone the money was lent, was declared by the final decree of the Privy Council *not* to be the rightful Zamíndár, consequently the debt was personal to him and void against the Estate.

VII. The fact that the Government are still very far from having realized the arrears of Peshkash due to them when the Estate was sold.

VIII. The fact that memorialist's claim does not seem entitled to more favorable consideration than that of many of the other claimants, and, consequently, that if Government pay one they cannot well refuse to pay all who may be similarly circumstanced. In favor of the claim, the Board see only one circumstance, viz., the withdrawal, at the Commissioner's instance, of the attachment on property valued at Rupees 1,981-4-7. Even this seems overthrown by the stipulation of claimants' attorney that the offer to compromise should hold good only for six months and by their subsequent inaction when the compromise remained unaccepted by Government.

(A true Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 345. ORDER THEREON, 19th April 1861, No. 893.

1. The foregoing papers relate to a claim on the Government, preferred by Messrs. Line & Co., for the payment to them, as the assignees of M. Venkataswámi Náyudu, of a certain sum of money stated to have been due to that individual by the late Ramanádha Bábu, formerly holder of the Vasireddi Estate in the Kistna (late Guntoor) District.

2. The Honorable the Governor in Council has fully considered this claim, and is unable to admit it. This decision will be communicated to Messrs. Line & Co.

(Signed) J. D. BOURDILLON,
Secretary to Government.

In Con. 12th October 1860, A after No. 5,192.

From Messrs. LINE and CO.,

dated Madras, 12th October 1860.

We have the honor to enclose a copy of a document, which we think bears upon the question you put to us in your letter of the 9th instant, in reference to the arrangement offered by Mr. W. Elliot, in the matter of our claim against the property of the Vasareddy Zemindar.

2. This document escaped us in searching through the documents when we replied to your letter, as it is written in the original language.

3. The fact that a compromise was offered by the Commissioner and accepted by us, we trust will no longer be doubtful.

—

Enc. 1.

To W. ELLIOT, Esq., Commissioner of Northern Circars, GUNTOOR,

The humble Petition of Peram Garudachellum Naidoo, Vakeel of C. Vencatasami Naidoo, Executor of the late Maumbalum Vencatasami Naidoo, the Respondent of the Nos. 9, 10 and 11 of 1841 of S. U.

Honored Sir,

With regard to the *proposal made by you*, about the deductions to be made in the amounts of interest, &c., due on the terms lent to His Highness the late Rajah Vasareddy Ramanada Baboo Bahadur Manna Sultan, on submitting the three decrees passed (against him) in your office, as directed by your Official Memorandum of the 21st March 1841, I beg to propose, that I am willing to make a deduction of 15 per cent. in case you bring to the notice of the Government and get the sums paid, within six months from this date.

2. I also beg to observe that you should, in your report to the Government on the subject, intimate that the whole amount, including the interest due on the Decrees, up to the date of payment, will be claimed if this agreement be not acted up to within the said period.

3. The annexed is the statement showing the amounts due and the deductions proposed to be made.

Numbers of the Decrees.	Amount of Principal.	Interest due on each.	Total of amount of expenses.	Amount of deductions proposed at 15 per cent.	The difference due.	Total.
9 of 1841	7,358 0 0	10,113 5 0	1,420 4 3			
10 do...	48,000 0 0	63,156 7 5	3,212 9 11			
11 do...	48,000 0 0	63,139 12 9	2,176 8 8			
	1,03,358 0 0	1,36,409 9 2	6,809 6 10	1,52,934 11 0	93,642 5 0	93,642 5 0

N. B.—The whole interest has been deducted, as well as 15 per cent. on the principal and the expenses incurred.

21st June 1845.

(Signed) P. GARUDACHELLUM NAIDOO,

Witnesses.

(Signed) KYPURAPU LAKSHMAYA.

„ MUZUNDAR NAVARAMAH.

(True copy of the original Translation.)

(Signed) LINE and CO.

Exd. J. Tulloch.

Encl. etc. 4 in the Proc.ds
of the Bd. of Revl. to the
Secy to Govt. dated 27th
March 1861 No. 1008.

R 788/61

Letter from Messrs
Love & Co. dated 12 Oct.
1860 regg. Vazareddy
Estates in Guntoor.

Pro. 19 April for 1893

No. 4,625.

From J. D. SIM, Esq., Secretary to the Board of Revenue,

To Messrs. LINE and CO., Madras.

Gentlemen,

I am directed by the Board of Revenue to request you will furnish them with any of the documents alluded to in the 7th paragraph of your letter to Government, under date the 7th May last, which will elucidate the statement made in the 10th paragraph of the Memorial of C. Vencataswami Nayudu, to the effect "that the Commissioner proposed to Memorialist's Agent to "apply for the removal of the attachments on the personal property of the Zemindar, telling him, if he "did so, he would recommend his case to the favorable notice of the Government; in accordance with "which proposal, the Memoralist's Agent at once applied for a removal of the attachment and gave up "the property in his possession." Your letter has been referred to the Board of Revenue for full report, but the Board do not discover in the Commissioner, Mr. Elliot's report, on the debts of the Zemindars, any allusion to the attachment and release of the property spoken of by Vencataswami Nayudu. It will not be necessary at present to send any documents but those which bear on that point.

I have the honor to be,

Gentlemen,

Your most obedient servant,

(Signed) J. D. SIM,

Secretary.

Revenue Board Office,
Fort St. George,
9th October 1860.

Exd. J. Wright.

№ 2.

Enclosure in the Proceedings
of the Bd of Revn to the
Secretary of Govt R D dated
27th March 1861 № 1085

R 788/61

To Messrs Linie
& Co dated 9th Octr 1860.
№ 4625. Regd Vasa-
reddy Estate.

Pro: 31 May 1860 Nos 166-167

R 11th October /42 Nos 52.
R 17 Decr /44 — 83-84
R 21 January /45 — 7-8.
R 16 September — 14 & 17
R 20 January /46 — 25 to 31
L. England No 10 7th March /46.
R 12 May 1846 — 47-48.
R 2d March /47 — 45-46
R 6 Decr /47 — 39 & 41.

Copy in a Letter to England
of 6th July 1861 No 85

Revenue 1861 Dep.t
Pro: of Govt for April.

No 788

Proceedings of the
Board of Revenue

Dated 27
Desp.d 28 } March 1861.
Recd 30.

Encls 4 — Returned 10-7 transferred

No 1648.

Replying with reference
to the Proceedings of Govt of 31st May
1860 No 896 on the subject of the
claim, submitted by Messrs
Line & Co on behalf of Venkata-
swami Nayudu, to the Vadaredy
estate in Guntoor -

No 344.

Memo: on Rev: 8th 88.

The Board of Revenue have so gone so fully into this case that little remains to be said on its merits. I will however give a brief outline of it.

2. The Guntoor District contained five large Zamindaries; of which the Vo: -sireddy Estate was one. All five gradually fell into heavy arrears of Peshkash to Govt; because according to the mode of treatment then usual, the Government demand was not enforced, but indulgence was shewn. Eventually, in 1784, when the aggregate arrears amounted to 66 lacks, the Estates were taken charge of on account of Govt. The intention was to restore them to the Zamindar after bringing their resources into good order; but they were put to sale & bought by Govt. in order to bar the claims of private creditors; and as it was found on enquiry that the incumbrances were much more the result of extravagance and indolence on the part of the Proprietors than of bad seasons, the intention of restoring the Zamindaries was abandoned.

A

3. A Commissioner was sent up in 1845 to report on the condition and resources of the Estates, and he was instructed also to ascertain the amount and nature of the private debts of the Zamindars. But the Govt. expressly added "the creditors must "be distinctly informed that the Govt. "does not pledge itself in any way or to "any extent to a liquidation of their claims." [x] Their claims. [x] Order Jan.y 17/45 Para 7.

The Commissioner Mr. Walter Elliot did accordingly make enquiries as to the amount of the debts, and with those of the creditors who consented to a compromise, he arranged the terms to which they would agree. ~~He~~ expressly stipulated, however, that these engagements were to be void if not acted on in six months; a proof that they were not considered binding on either party. Mr. Elliot seems to have thought that the Govt. would perhaps discharge these claims; but they adhered to their original determination not to meddle with the private debts. 20 Jany/46 to 1878

4. Among the claims which the holders were willing to compromise was that now brought forward; and it will be seen from the foregoing detail that it is wholly unfounded as against the Govt.—

Indeed

Indeed it is far less so than appears above; for the debt was incurred for the purpose of prosecuting the claims of Rámanadha Bábu to the Vasireddy Estate, and his claim was ultimately rejected by the Privy Council as untenable. Clearly therefore such a debt cannot have any claim to payment out of the Estate.

B^d^ Bo: Para 15

Men who ~~lend~~ money to paupers to prosecute claims to Estates, know quite well the risks they incur.

5. Mention is made of some reasons why ~~this~~ claim was not put into Court before the lapse of time prevented it: but the best reason is omitted, viz that the claimants knew quite well that they would not have a leg to stand on in any Court.

6. Messrs. Line & Co. say in their Petition (Para 7) that the papers (i.e. the claim) became theirs by assignment before the property was attached by Govt.; it is not clear therefore why Venkatasawmy Nayudu petitioned the Court of Directors on the subject afterwards.

Para 8 of the Petition is very disrespectful and impertinent.

2f

7. If the present claim should be admitted other claims, to the amount of many lacks would be immediately forthcoming.

8. If the Government resolve to reject the claim, it seems to me that it will not be necessary to give the applicant a copy of the Board's Report, which might probably lead to further correspondence. It will be sufficient I think to give a short order to the effect that having fully considered the claim the Govt. reject it as untenable, with a very brief mention of the reasons for that judgment.

I concur in the above.

I think that the applicants should be simply told that the Govt having considered the case put forward by him cannot admit it.

Jas Thos Wilkerson

Wd Duncan

Wm

Lord Derby

Sir

Memo

On the Vapareddy Estate
in Guntoor

Revenue Dept.

No 893

Proceedings of the Madras Government
Under date the 19th April 1861.

Read again letter
from Mssrs Linie & Co. dated
7th and recorded in Proceedings
of Government dated 31st
May 1860 No 896.

Read also the following
Proceedings of the Board of
Revenue.

Replying with reference to the
Proceedings of Govt. of 31st May 1860
No 896 on the subject of the claim
submitted by Mssrs Linie & Co.
on behalf of Venkataswamie
Naiquelu, to the Vavareddy estate
in Guntoor.

(Here enter 27th March 1861 No 1608)

1. The foregoing papers
on ~~on the Govt.~~
relate to a claim preferred by
Mssrs Linie & Co ~~upon the~~
~~Government~~ for the
payment

payment to them, as the
assignees of M. Venkatesa-
-swámi Nayudu, of a
certain ~~due~~ sum of money stated to be due
~~Rs~~ to that individ- by the books
-dual by the late Ramanádha
Bábu formerly holder of
the Vasireddi estate in the
Kistna (late Guntoor) dis-
-trict.

2 The Honorable
the Governor in Council
has fully considered this
claim, and is unable
to admit it. This decision
will be communicated to
Messrs. Sime and Co.

B. Copies to the
Board of Revenue Dec 1st 19
Messrs. Sime & Co 20

Copy in a Letter to Govt
dated 6th July 1861 No 85

Claim of Messrs Line & Co in the Vaseireddy estate

Revenue 1861 Department.
Proc: of Govt for April

No 893.

Proc: of the Madras Govt.
Dated 19th April 1861.

Declining to admit the Claim submitted by Messrs Line & Co on behalf of M. Venkataswamy Nayudu to the Vaseireddi estate in Guntoor.

No 344 & 345.