Revenue (1897) Department.

ROUTINE SERIES.

G.O., No. 1290

DATED 12th July

[Despatch Abstract.]

Returning petition of M. K. Vg. A. Krishnamurthy, late Treasury Deputy Collector Krishnapur for re-submission through the proper Channel with reference to Para X of Petition rules.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O	No.	Department.	Date.
Pp	12	Rev	15-7-96				

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O	No.	Department.	Date
Circ	6169/97	Rev	23-7-97				

1,000 - 10-8-96.

Pension (1897) Department.

CURRENT No.

REGD 28 JUN 97 REV. DEPT.

No.

Ref. to No. 1664683.

Endorsement.

Order 23rd June 1897 No 671

Transferred to the Revenue Department.

A Macnaghten
1897

By Asst Secretary to Govt

28/7/1897

Dated 28. 6. 97

Received 25. 6. 97.

Registered 25. 6. 97.

Enclosures

Spare copies.

Asst Dr 1897.

G.o.R. No 1290 of 12th July 1897

Returned to the petr.

for resubmission thro' the proper channel with reference to para X of the Petition rules quoted below.

12.7.97

To the Petr

Despd 15-7-97

Noted. With reference to the Private Secretary's D.o. flagged A & it is presumed that the papers may be

12.7.97

SUBJECT.

Stating that before orders were passed on appeal petn from A. Kunhi -Swaminayar, H.E. the Governor would be glad to see it.

G.O.	No.	Department.	Date.
"	322	Pension	1.5.96
"	12	Rev. Coll.	3.12.96
"	2758	Rev.	11.7.95

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Pension (1897) Department.

CURRENT No.

SECRETARY 25 JAN 97 REV. DEPT.

From

Order

Dated 31st January 1897.

Received 1st June 97

Registered —do—

Enclosures 3

Spare copies. Nil.

REGISTRY 1 JUN 97 REV. DEPT.

SUBJECT.

Praying for a reconsideration of his case.

G.O.	No.	Department.	Date.
"	322	Revenue	6-1-96
"	12	Rev Confdl	15-1-96
"	2758	Rev.	11-7-95

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CHIEF SECRETARY
-5 JUN 1897
GOVERNMENT OF MADRAS

MEMORANDUM.—A.

The facts of the first case are as follows :—

2. On the 3rd April 1895, Mr. Rawson took charge of the Collectorate from Mr. Andrew, who was then proceeding to England on privilege leave for 3 months.

3. In the fore-noon of that day Mr. Rawson came to the Treasury and examined the balance of cash and of stamps of the previous evening, which he found correct.

4. As soon as he finished the examination of the cash (the Treasurer's balance as well as the balance under double locks), the transactions of the day began in the Treasurer's room but the Treasurer had to remain with Mr. Rawson and Petitioner in the strong room under double locks till about 3½ P. M. without going back to his *own room*, because the stamps and the contents of the currency chests had to be examined by Mr. Rawson which took up a long time as the balances were large.

5. The Treasurer returned to his room after 3½ P. M. and the transactions which were heavy closed later than usual.

6. In the evening the Treasurer brought the money (cash and currency notes amounting to Rs. 26,510—0—0) which had to be placed under double locks, Petitioner duly verified and lodged it in the strong room under double locks.

7. The next thing which the Treasurer had to do was to produce his own balance, but his balance sheet was not ready.

8. The Treasurer came and told the Petitioner that the amount on hand fell short of what it should be as per accounts, by over two thousand Rupees (without specifying any definite amount) and that he was not ready with the balance. He did not say that there was a theft of the amount.

9. As such differences used to occur on days of heavy transactions and used to be reconciled in a short time by a careful scrutiny of accounts, Petitioner thought that the difference which occurred that day would likewise be squared soon. Petitioner asked the Treasurer to finish his checking soon and told him that meanwhile he (Petitioner) would go to Railway Station (which was about 5 minutes drive) to see Mr. Andrew off, and return.

10. Petitioner went to the Railway Station and returned without any delay and asked the Treasurer how matters then stood. He said that the deficiency still existed, that it amounted to Rs. 2,439—14—6, that the accounts were correct and that money was really missing.

11. Petitioner at once examined the balance produced. He further checked the Treasurer's account with the Accountant's book, item by item, and then each item with its corresponding voucher. He also checked the totals and satisfied himself that the accounts were correct.

12. An Attender then produced some currency notes, saying that they were found under a carpet which he was removing. He handed the notes to the Treasurer who said that they amounted to Rs. 40. The Treasurer did not hand the notes

to Petitioner but was making enquiries in Petitioner's presence about the notes. The evidence of those present was not conclusive as to whether the notes were part of the Treasurer's balance or private property; and the evidence of some other officials, who were absent, was necessary to decide the point.

13. It was not known of what coins and currency notes the missing money consisted. No notes entered in the registers of the day were missing. A search made for the missing money proved fruitless. It was then half past 8 P. M. and the Treasurer had been starving from morning all the day. Further enquiry was therefore put off for next day.

14. Neither the Treasurer nor others present could say how the missing money had passed out, whether by theft or by embezzlement or by other means. It was for the Treasurer to enquire and give a clue, but he asked for time till next day to give any information.

15. Petitioner then called on the Treasurer to record, on the balance sheet, the amount of the deficiency and his own remark regarding it. He entered the following remark:

"Balance present is Rs. 1,032—5—2, less Rs. 2,439—14—6. It was all right in the morning. The deficiency occurred somehow. I shall explain or make good to-morrow. I cannot say how it occurred."

16. The balance present as well as the stray notes for Rs. 40 (really Rs. 30) were then secured in the Treasurer's strong room and after its door was locked and sealed, Petitioner went home, taking with him a loose sheet of paper, on which the Treasurer had noted, in his own hand, coinwar particulars for the balance present and with reference to which Petitioner had examined the balance present.

17. Next morning, Petitioner went to Mr. Rawson's house, reported the whole affair in person and invited him for an enquiry. At the same time Petitioner handed to him the loose sheet above referred to, which is called *rough draft A*, in the statement which Mr. Rawson took from Petitioner that day.

18. Mr. Rawson promised to be at the Treasury almost immediately, along with Mr. West, Superintendent of Police and Petitioner went direct to the Treasury without going home for breakfast. Both Messrs. Rawson and West arrived there very soon, but the Treasurer had not come. They and the Petitioner were waiting in front of the Treasurer's strong room for a short time, and then the Treasurer came. Thereupon, Mr. Rawson ordered the Treasurer to open his strong room and produce his balance.

19. After giving this order and before the balance was produced, Mr. Rawson (with Petitioner and Mr. West) moved into the adjoining Petitioner's room which was larger and better suited for making an enquiry in.

20. When the Treasurer came to office that day he brought or must have brought with him *Rs. 2,500 worth of currency notes which he intended to tender openly for replacement in accordance with the remark which he entered in the balance sheet the previous night, but the presence of the Superintendent of Police in the company of the Collector most probably induced a fear in his mind that criminal proceedings were about to be taken against him, and that an immediate arrest was contemplated.

*1 Note for Rs. 1,000	1,000
3 Notes for Rs. 500 each	1,500
	2,500

21. The movement of the Collector the Superintendent of Police and Petitioner into Petitioner's room afforded a convenient opportunity for him (Treasurer) to slip in the notes into his balance in the strong room, and this he actually did, though, in doing so, he was not able to take back the small excess and to square the amount exactly. He therefore produced the balance to Mr. Rawson with the excess, inventing a story that the notes had really remained in his strong room the previous night undetected.

22. When the Treasurer told the false story to Mr. Rawson, Petitioner told Mr. Rawson, that it could not be believed as a good search had been made the previous night in the Treasurer's strong room for the missing money before the fact of the deficiency was recorded by him (Treasurer) in the balance sheet.

23. The big notes for Rs. 2,500 were then transferred to the Superintendent of Police for the purpose of the previous holders being traced, and while this enquiry was in progress, the Treasurer saw Mr. Rawson at his house on a subsequent day and admitted that his story about the big notes having been in the strong room all the night, was false.

24. The Police then pursued their enquiry as to how the money disappeared; but were not able to bring home to the Treasurer or to others the offence of embezzlement or theft.

25. In its Proceedings dated 17th June 1895 No. 3007 Misc. Confidential No. 56, the Board submitted its final report to Government on this defalcation, and summed up the case against Petitioner as follows:—

"The Collector (Mr. Elwin) states:—(1) he (Petitioner) did not promptly "report the defalcation to Mr. Rawson, and (2) that he (Petitioner) failed to render "adequate assistance at the enquiry held by Mr. Rawson on the 4th April. "The Treasury Deputy Collector's explanation was then called for, and the Board "cannot regard the document (now submitted), as at all satisfactory. From the fact "that when a defalcation of over Rs. 2,000 was discovered, he (Petitioner) failed to "report it to the Collector (Mr. Rawson) and to call in the Police on the very evening "of the occurrence, only one conclusion can be drawn, *viz*, that he (Petitioner) "supposed that the matter would look less serious if the money was replaced as "proposed by the Treasurer when the Deputy Collector held the first enquiry. "M. R. Ry. A. Krishnaswami Aiyar Avargal has a pensionable service of over "31 years and the Board recommends that he should be compulsorily retired on "such pension as the Government may see fit to grant him."

Petitioner will now proceed to meet the Board's remarks.

26. First, as regards the delay in reporting, the interval was exceedingly short and such as no one would think of taking exception to. It consisted of a night. Petitioner thought that, in the circumstances of the case, it was quite unnecessary to disturb the Collector in the night time with a report of the occurrence, and that he (Petitioner) would be sufficiently early, if he reported the matter to Collector next morning, as petitioner (a responsible officer) had done all that was really necessary.

27. The Treasurer, who was answerable for the collections of the day, was himself the reporter of the deficiency. He had further been absent from his room for about three of the several hours during which transactions were going on in his room that day. There was no good reason to suspect him.

28. If the case was one of embezzlement, the offence was not cognizable by the Police. If it was one of theft, sufficient details, for the Police to take action on, were not available. First of all, it was not known what the deficient amount consisted of. No currency notes, the numbers of which were known, formed part of the missing amount. It was further not known to whom suspicion attached. Petitioner therefore thought, that it would have been premature to move the Police at that stage, and that it was his bounden duty to take Collector's instructions before moving the Police.

29. Had Petitioner known that by not reporting the occurrence to the Collector *that very night*, he would be incurring serious responsibility, he would have driven to the Collector's house then and there, and made his report, but he was not aware of any rule which rendered such an immediate report imperative.

30. The missing of moneys in the Treasuries in small sums (and sometimes in pretty large sums too) was a very common occurrence and there was nothing particular in the present case excepting that the money missed was unusually large in amount.

31. As to the remark that there was a failure on Petitioner's part to render adequate assistance to Mr. Rawson at the enquiry held by him next morning, Petitioner begs to state that no mention is made by the Board in respect of what matter this failure had occurred or was believed by Mr. Rawson to have occurred.

32. Petitioner was present with Mr. Rawson during the whole time of the enquiry and was causing the production of accounts and the witnesses to be examined, but there was nothing, within Petitioner's knowledge, beyond what Mr. Rawson was eliciting by his enquiry and beyond what Petitioner had already brought to his (Mr. Rawson's) notice.

33. With regard to the Board's conclusion that Petitioner supposed that the matter would look less serious if the money was replaced as proposed by the Treasurer when Petitioner held the first enquiry that night, the Board's meaning is not quite clear to Petitioner.

34. The Board is apparently under the impression that there was an understanding between the Treasurer and Petitioner that the money should be secretly replaced by the Treasurer next day. Petitioner begs to assure Government, that there was no such understanding. On the contrary, Petitioner had taken steps which were calculated to prevent the Treasurer replacing the money not only without Petitioner's knowledge but also without Collector's knowledge.

35. First of all, Petitioner caused the Treasurer that very night to record on the balance sheet itself the amount of the deficiency and his own remarks thereon which he (Treasurer) did as per extract given in para 15 supra.

36. Petitioner then took the precaution of taking possession from the Treasurer of a loose sheet of paper on which he (Treasurer) had noted down, in his own hand, coinwar particulars of the balance present. He handed it to Mr. Rawson next morning (4th April 95) at his (Mr. Rawson's) house.

37. After having handed over to Mr. Rawson the said document, it was beyond Petitioner's power to allow the missing money to be replaced by the Treasurer without Mr. Rawson's knowledge.

38. The fact is, the Treasurer managed to replace the money without Mr. Rawson's or Petitioner's knowledge, a convenient opportunity for doing which had offered itself accidentally, as already explained in paragraph 21 supra.

39. In the remark entered by the Treasurer in the balance sheet and already quoted against para 15 he not only specified the amount of the deficiency, but also entered a promise to make it good in case he was not able to explain how the deficiency occurred. The Board has probably viewed the insertion of the above promise as indicating an understanding between Petitioner and Treasurer to replace the money next day quietly.

40. There was nothing collusive or dishonorable on the part of the Petitioner or unnatural or wrong on the part of the Treasurer in the matter. The Treasurer entered the promise because, under the terms of the security bond executed by him, he was liable to make good such losses in whatever way they may have happened.

41. There were several ways in which the missing money could have disappeared. One way, which more frequently happens than any other, is by making an overdisbursement. Another way might be by omission to note down a payment both in the Treasurer's chittah and in the accountant's day book. Another way might be for one of the shroffs taking advantage of the prolonged absence of the Treasurer with the Collector in the double lock room, and clandestinely passing some bags out of the room on his own account, which there was nothing to prevent.

42. Whether the Treasurer succeeded or not in tracing the loss to any one or more of these ways, he was still the party to make good the loss. If he did not do so, the law makes it incumbent on the Collector to issue a process for the recovery of the amount from the Treasurer under Section 4 (Vide marginal extract) of Act XII of 1850 entitled "an Act passed for avoiding loss by default of public accountants," an Act which Petitioner thinks could have been passed with no other object in view than the immediate recovery of defalcations without proceeding at once against the security. The object was probably to leave the security intact till the summary mode of recovery authorized by the act failed of its object.

Section 4. The person or persons at the Head of the Office to which any public Accountant belongs may proceed against any such public accountant and his sureties for any loss or defalcation in his accounts as if the amount thereof were an arrear of Land Revenue due to Government.
Note—The Treasurer of a District Treasury is a public Accountant within the meaning of that Act.

43. The defalcations or rather missing amounts might consist of small sums which, if not allowed to be replaced and made good in this way, might delay or complicate matters by diminishing the security while the servant is allowed to continue in office.

44. The replacement of the missing sum in this case could not possibly bar criminal proceedings being taken against the Treasurer in case evidence was afterwards forthcoming to prove a premeditated plot and his complicity in it.

45. It will thus be seen that the conclusion arrived at by the Board against Petitioner in para 6 of Board Proceedings No. 3007 dated 17th June 1895 (*viz.*, that the matter would look less serious if the money was replaced) was unwarranted, and that, for want of a proper representation of facts, acts done by Petitioner in good faith and with the best of intentions were construed by the Board as telling against him.

46. If Petitioner had wished to screen the Treasurer, nothing would have been easier than to have taken no official notice of the deficiency at all that night, and to have allowed the amount to be quietly replaced next morning.

48. But for Petitioner's voluntarily taking the matter up to the Collector next morning, the matter might not have seen the light of the day at all. Petitioner was however too conscientious to condone, in that manner, a possible offence. He therefore went to Mr. Rawson next morning, made a personal report, and invited a personal enquiry by him.

49. The Treasurer was no friend or relation of Petitioner or of any relatives of Petitioner, nor was Petitioner under any kind of obligation to him.

50. There is one matter which appears to have strongly prejudiced the Board against the Petitioner in this case, and this is the *chronic deficiency* theory mooted by Mr. Elwin in para 9 of his letter dated 13th May 1895 No. 1140 C. 195 Rev. Mr. Elwin supposed that the deficiency was one of long standing and that the Treasurer had been deceiving Petitioner and other officers who examined his (Treasurer's) balance from time to time by temporarily transfering to his chest, from the collections of the day, the amounts required to make up the deficiencies.

51. This theory naturally produced an impression in the Board's mind that Petitioner was careless and allowed himself to be imposed upon by the Treasurer, but the theory itself had no foundation whatever. Mr. Andrew proved that it was an ungrounded theory, but unfortunately for Petitioner, Mr. Andrew's report * was made long after Government had passed orders. Therefore the mischief which that theory had worked in the mind of the Board could not be undone. Petitioner now prays that he may be given the benefit of Mr. Andrew's report, which was recorded by Government without remark in its Proceedings dated 13th April 1896 No. 1484 R. D.

* Vide correspondence quoted against para 25 of the petition.

52. Another circumstance reported in Mr. Elwin's letter, No. 1140 dated 13th May 1895, which must have also produced a strong prejudice in the Board's mind, is that, some days *before* the discovery of the defalcation, a process was received by the Collector from the District Court Trichinopoly, attaching the Treasurer's security for a private debt. This was an unfortunate statement, because it was entirely erroneous. Mr. Andrew found that the Court notice was received 2 days *after* and not *a few days before* as had been stated in Mr. Elwin's letter, and reported the error to the Board and *requested them to make the necessary correction in Mr. Elwin's letter. This cuts away the root of the suspicion that the Treasurer might have taken money out of the cash balance to meet a pressing demand on account of the debt referred to in the process.

* Letter dated 13th July 1895 recorded in B. P. dated 20th Idem No. 3610 Miscellaneous (Land Revenue).

53. The discovery of this error as well as Mr. Andrew's dispelling the theory of a chronic deficiency were unfortunately too late to undo or modify the effect of the prejudice they had created in the minds of the Board and Government.

54. It is a matter of deep grievance to the Petitioner that the *full* text of Mr. Elwin's report had not been furnished to him in the first instance, instead of *only para 12 thereof, for, had the full text been furnished, Petitioner would have had an opportunity of presenting all the features of the case in their true light, which would have very much influenced the Government in passing their orders. As it was, the Government simply concurred with the Board and accepted their recommendation to retire Petitioner from the

* Vide para 2 B. P. 23rd May 1895, Reference on General Register No. 289 of 1895 Confidential.

service. There was nothing in the case indicating moral turpitude or culpable neglect on the part of the Petitioner, and in the absence of such strong reasons, the idea of retiring the Petitioner appears to have suggested itself, because Petitioner was eligible for a retiring pension. The air at the time, moreover, was full of defalcations, which, coupled with the prejudiced view taken of this case, and with the accidental occurrence of two defalcations in the same District within one month, must, the Petitioner fears, have gone much against him.

55. From the beginning it has been the misfortune of the Petitioner to have been viewed and treated as an accused or a suspected person, more inclined to screen the Treasurer than to bring him to justice, whilst, as a matter of fact, Petitioner did everything the other way.

Kumbakonam
Dated 5th May 1897.

(Signed) A. Krishnaswami Ayyar

Printed at the "Sri Vidya Press" Kumbakonam.

ENCLOSURE A.
of Petition from
A. Krishnaswami Aiyar Avargal, B. A.,
Retired Deputy Collector,
Dated —*May 1897.*

ENCLOSURE TO MEMORANDUM—B.

CONFIDENTIAL.

CHIEF SECRETARIAT
GOVERNMENT OF MADRAS
JUN 1897

Reply to Reference on Current No. 1429 of 1895.
Revenue.

FROM,

M. R. Ry,

A. KRISHNASWAMI AIYAR AVARGAL

Treasury Deputy Collector,

TRICHINOPOLY.

TO

THE COLLECTOR OF

TRICHINOPOLY.

Dated 31st }
Received } *August 1895.*

R. C. No. 1728 of 1895.
Acct. *Enclosure one.*

Sir,

I have the honor to submit the following reply to your endorsement Ref. Current 1429 of 1895 Revenue dated the 3rd Instant, on B. P. No. 252 Confidential No. 75, dated the 22nd July 1895, in connection with the deficiency of Rs. 2,000 which was discovered in the Perambalur remittance received in April last.

2. I have already submitted an explanation on the subject under date 7th July 1895, Ref. Current No. 1728 of 1895 Acct., which I beg you will kindly peruse.

Collector's Remark.
Already sent to Board with R. C. No. 1429 dated 7th July 1895.

3. The matters now calling for explanation are:—

(*a*) Why the instructions contained in the Civil Account Code as regards packing, despatching, receipt and examination of remittances are not observed as regards remittances from Taluk sub-treasuries?

(*b*) What was the usual procedure as regards packing &c. of those remittances up to the date of discovery of the deficiency in the Perambalur remittance and what the responsibilities attaching to the remitting treasury under that system were?

(*c*) Why the instructions contained in the Accountant General's circular dated 20th June 1891 No. XVI were not observed as regards remmittances from Taluk sub-treasuries after the receipt of B. P. No. 40, dated 27th January 1892, L. R. and B. P. No. 200, dated 2nd May 1892, L. R. from which it will be seen that the said circular was intended to apply to remittances from Taluk sub-treasuries also?

(*d*) Why, as required by para 5 of the Accountant General's circular dated 20th June 1891, No. XVI, the boxes comprising the remittance in question were not opened at once in the Huzur treasury and the number of bags contained therein noted?

(*e*) Under what authority boxes with padlocks and seals continued to be used after the receipt of the Accountant General's circular dated 20th June 1891 No. XVI?

(*f*) Was Accountant General's circular No. II dated 28th January 1892 about the Taluk peon (potdar) travelling with the remittance communicated to Tahsildars?

4. *Answer to point (a)*:-It is difficult to give a complete answer to this question. The1st Edition C. A. Code came into operation in 1878 but the old system has continued as regards Taluk remittances not only in this District but also in others, *e. g.* Salem Vide B. P. No. 303 L. R. dated 19-8-1895. It might be that there was a proposal to Board from this or other Districts after the Account Code came into operation to alter the old system into that prescribed in the Code and that it was not approved for particular reasons, but I have not come across such a paper. The best answer I can at present give to the question with the references in my possession, is the following. The Civil Account Code does not contain an express direction that the instructions contained therein as regards the packing, despatching, receipt and examination of remittances are applicable to remittances from sub-treasuries, while the wording of all the articles (639 to 664) of Civil Account Code bearing on the subject shews that they are intended to apply only to remittances ordered by the Accountant General. Article No. 641 of the Code says that remittances of cash or notes to or from a treasury are made only on orders of the Accountant General, and the classification of remittances continued in article 639 does not specify those from sub-treasuries, while article No. 637 imposes on the District officer the duty of regulating the supply of funds to and from the sub-treasuries within the District, a duty which apparently includes that of regulating the packing, despatch &c. of remittances from the sub-treasuries to the Huzur treasury.

Collector's Remark.
But on this question see Accountant-General's letter No. 1421 dated 1st June 1895, of which copy is enclosed in which he gives his reasons for shewing that the necessity for exercising due precaution in the case of remittances within a District exists as much as in that of remittances from one District to another, I think that the Treasury Deputy Collector has not been able to satisfactorily answer the Accountant General's argument.

5. I have not been in the District since the Account Code came into operation in 1878 but only from the middle of 1889. Ever since I joined the District it has been usual in the case of remittances from Taluks to pass receipts to the Police escort in terms of boxes delivered, a procedure apparently based on Board's standing Order No. 201, Dr. Maclean's Edition, in which it is laid down that the officer receiving a remittance will only be required to pass his receipt for a certain number of packages, contents unknown, and to see that the same are delivered unbroken and unopened, and that escorts are to be dispensed with as soon as the packages have been delivered and before their contents are counted out. No slip or order has been received from the Board cancelling this rule as far as I can make out, and the rule has therefore continued in operation as regards remittances from Taluks. The Police escort which accompanied remittances from Taluks was always satisfied with a receipt for the number of boxes delivered and never claimed a receipt, with reference to article 651 Civil Account Code, for the number of bags packed in the boxes. It also never claimed to have the boxes weighed at the remitting Taluk treasury.

6. *Answer to point (b)*:—Up to the date of discovery of the deficiency in question, the following was the usual procedure for the packing and despatching of remittances from Taluk sub-treasuries, and the opening and examination of those

remittances at the Huzur treasury. At the Taluk treasury, the treasure bags were placed in substantial teak wood boxes having hinged lids and hasps in front for the use of padlocks. The boxes were of slightly varying dimensions capable of holding from 6 to 9 bags of Rs. 1,000 each. The Taluk peon to whom the remittance was entrusted saw the bags put into each box, saw the boxes locked and sealed and then took charge of the keys of the boxes, while the Police escort inspected the seals on the boxes and padlocks. The boxes were then mounted on carts and both the Taluk peon and the Police escort travelled together with the carts. On arrival of the remittance at the Huzur treasury, the Taluk peon and the Police escort dismounted the boxes and produced them before the treasury Deputy Collector for examination of the seals and condition of the boxes. After the examination of the seals and the condition of the boxes, the treasury Deputy Collector passed a receipt to the Police escort for the number of boxes delivered and the Taluk peon then moved the boxes into the strong room for safe custody pending examination. If any chest in the strong room was empty, the boxes would be opened immediately with the keys brought by the Taluk peon and their contents transferred to the chest, each bag being roughly weighed against one containing counted coin. Pending detailed examination of the contents of each bag, the key of the chest remained with the Taluk peon. If no chest were available and the remittance could not at once be examined in consequence of remittances from other Taluks being pending or of the daily remittance from the South Indian Railway being heavy, the boxes were kept in the strong room, as they were, and taken up for examination as soon as the pending remittances had been disposed of; and the Taluk peon stayed behind with the keys of those boxes to open them as soon as their turn arrived and to watch the examination of the contents afterwards.

7. So much of this procedure as concerns the remitting treasury is based on treasury circular No. 16 dated 20th February 1884 issued by Mr. A. M. Jones a former Treasury Deputy Collector of this District, under which the responsibility of the remitting sub-treasury in respect of the due delivery of the remittance at the receiving treasury would seem to continue till the boxes are opened and the contents counted at the receiving treasury (without ceasing on delivery of the boxes by the Police at the receiving treasury), because the Taluk official to whom the remittance is entrusted retains the keys of the remittance boxes till the completion of the examination of the remittance at the Huzur treasury. In the present instance, the Taluk peon who arrived with the remittance had the charge of the keys till the boxes were opened. It was he that brought and lodged the boxes in the strong room of the Huzur treasury. It was he that opened every one of the boxes; it was he that took out the bags one by one from each box, and it was he that found four bags only instead of six in one of the boxes. The remitting treasury has thus short-delivered the remittance by Rs. 2,000, and has to shew cause why it should not make good the loss. The boxes having remained in the strong room in the same condition in which they arrived, their contents would have been the same (*i. e.* deficient by Rs. 2,000) even if they had been opened before an acknowledgment of the boxes was granted to the Police escort.

Collector's Remark.
But the question is whether the defalcation took place after leaving the remitting and before reaching the receiving Treasury.

8. It is a question whether the deficiency that was discovered here was or was not due to the detention (accidental or intentional) of two bags at the remit-

ting treasury. On the 1st May 1895 when the Superintendent of Police and the Aryalur Deputy Collector examined the remitting treasury at the instance of Mr. Elwin after the discovery of the deficiency here, two sealed bags were found there, creating a very strong suspicion that two bags had been detained there and that when the remittance started from Perambalur, the box in which the deficiency was found actually contained four bags instead of six. The presence of sealed bags in the Treasury after the despatch of the remittance was unusual. The following is an extract furnished to me from the report of the Police Inspector Mr. Azizullah Sahib whom the Superintendent of Police specially deputed for enquiry into this case. "When the Superintendent of Police and General Deputy Collector examined the "Treasury they found two sealed bags each containing Rs. 1,000, the shroff and Head "Accountant explained that they were retained for expenses from the sealed bags re- "mitted to the Treasury. When I inspected the Treasury with the Deputy Collector, "I questioned the shroff and Head Accountant as to the number of bags sealed on "21st April 1895 to be remitted the next day. They replied that they packed and "sealed all the money they had in the box on that day, but on the next day they "retained 3 sealed and 2 unsealed bags for expenses in addition to the two already "noticed by the Deputy Collector and Superintendent. It is not known why this was "not brought to the notice of the Superintendent of Police then and there."

9. The balance under whole Rupees on the 1st may 1895 the day on which the Superintendent of Police and Aryalur Deputy Collector examined the Treasury was Rs. 9884, and there must have been 9 bags of Rs. 1,000 each present at the time. Of these nine, two alone were under seals. If, as stated by the Taluk Head Accountant and Shroff, all the whole Rupees that were in the Treasury on the 21st April *viz.* Rs. 63,864 had been sealed in bags of Rs. 1,000 each that day, there should have been 63 sealed bags that day, of which seven should have been left behind after the remittance was despatched. The question is why, of these seven, two alone were present on the 1st May. Considering the small extent of transactions between the date of the remittance and the date of examination of the Sub-Treasury by the Deputy Collector, there was hardly any occasion for opening any of the seven sealed bags in the interval (22nd to 30th) for the purposes of those transactions. The transactions on each of the intervening days were as follows:—

	Receipts.	*Expenditure.*
22—4—1895.	1,504—9—11	816—9—9
23—4—1895.	538—9—9	190—7—0
24—4—1895.	592—8—1	433—13—2
25—4—1895.	544—0—6	185—8—4
26—4—1895.	152—4—0	127—7—0
27—4—1895.	429—12—3	307—13—6
	3761—12—6	2061—10—9

Nor does it appear from the daily cash balance reports on record in my office that any notes were cashed during the period which could have necessitated the opening of at least one of the sealed bags. I may add that the following facts tend to confirm the suspicion that two bags were detained at the remitting Treasury. The Taluk peon, who ought to have counted the bags as they were dropped into each of the boxes at the Perambalur Treasury, deposed before me that he did not count them. It is true that, in the Aryalur Deputy Collector's enquiry, the

Police escort officer deposed that he saw the bags put into each box, but his official superiors in the Police Department did not believe this statement. In point of fact, niether the Taluq peon nor the escort officer counted the bags put into each box. Again, the box in which the deficiency was found bore, on its upper surface, what looked like a secret and distinguishing mark *viz* a piece of straw six or seven inches long lying gummed up beneath a label affixed to the upper surface of the box at the remitting Treasury. This mark was probably intended to indicate a certain state of things as regards the box to which it was affixed. There was further an unusually long detention of the remittance at the Trichinopoly Taluk Police station; and the Taluk peon added to the delay by absenting himself on the 27th April 1895, the day on which he was told to attend for the opening of the boxes at the Huzur Treasury. It looks as if two of the bags sealed for the remittance were detained at the remitting Treasury to meet a deficiency there, and the peon who was made aware of the fact wished to delay the opening of the boxes at the Huzur Treasury till arrangements for meeting the deficiency had been completed, so that when the boxes are opened at the Huzur Treasury and a deficiency found there, the Shroff might be in a position to say that two bags had been accidentally detained there and forward them. This design (if my surmise is correct) was thwarted by the Superintendent of Police sealing the strong room of the sub-treasury on the 30th April.

Collector's Remark.
This is the Treasury Deputy Collector's surmise which was not accepted by Mr. Elwin who was aware of the incident of the 2 sealed bags. If the Taluk Officials were the culprits, doubtless the Treasury Deputy Collector's contention might be true.
All the facts were before Mr. Elwin when he made his report to the Board and considered by him.

10. After the date of the discovery of the deficiency in the Perambalur remittance, the Superintendent of Police has been, with reference to article 650 of the Civil Account Code, requested to order that the Police escort officer should hereafter see the bags as they are dropped into each box and grant an acknowledgment to the remitting Treasury for the number of the bags put into each box and to obtain from the receiving Treasury (Huzur Treasury) an acknowledgment for the number of bags delivered. The boxes are now opened at Huzur Treasury as soon as a remittance arrives, and a receipt is granted to the escort officer for the number of sealed bags contained in the boxes and not for the number of boxes delivered. The above modification brings the procedure in conformity with one of the two alternate courses prescribed in Article 650 C. A. Code; and the Account Code has thus already come into operation as regards remittances from Taluq Sub-Treasuries.

11. *Answer to point* (c). From the tenor of para 7 of the B. P. under reply and of B. P. No. 303 L. R. of 18th August 1895, it seems doubtful whether the Board intends that any officials should be made responsible for neglect to give effect to the opinion expressed in para 5 of B. P. No. 40 L. R. 27th January 1892, either on receipt therefor on receipt of the subsequent B. P. No. 200 L. R. dated 2nd May 1892 communicating the G. O. thereon. These orders, as already stated in my explanation dated 7th July 1895, R. C. No. 1728 of 1895 of Acct., were received when I was on other duty, and they were not brought to my notice on my resumption of the charge of the Treasury. I came across them only in the begining of July last, when I went through the Board's monthly volumes before submitting my previous explanation in the

Collector's Remark.
Vide my remark opposite para 4 supra.

present case, and as soon as I read them, I brought them to the notice of Mr. Elwin the then Acting Collector, and on a reference made by him, the Accountant General has replied to the effect that weighing instruments should be indented for on account of such of the Taluk Treasuries as are situated at a distance exceeding a day's journey, that the coin must be packed in stout dovetailed boxes fastened and revetted as prescribed in his circular and that the Police escort officer should see the weighing of these boxes at the remitting Treasury. The Accountant General is apparently of opinion that the escort officer cannot be called on to accept responsibility for weight unless, as required by article No. 650 C. A. C, each box is actually weighed in his presence at the remitting Treasury. As to the action taken on the papers B. P. No. 40 dated 27th January 1892 and No. 200 of 2nd May 1892 L. R. in this office, spare copies thereof appear to have been sent to the Tahsildars through the Divisional officers. It is to be regretted that the Tahsildars who must have received spare copies of both the papers made no attempt to enter approximate weights in their invoices and call on the Police to take note of the weights so entered.

Collector's Remark.
The Treasury Deputy Collector's ignorance of Board's Proceedings No. 40, received when he was absent for some months, is a strong point in his favour in considering the question of his moral culpability, though it may be said that he should, on his return, have looked over the file of Board's Proceedings received during his absence. Still, even without this Board's Proceedings, he should have seen to the observance of Accountant General's Circular No. 16 of 1891.

Collector's Remark.
The Board's Proceedings was sent to all Tahsildars but without any instructions. The Treasury Deputy Collector should have issued instructions under the office rules then in force. However the present Treasury Deputy Collector was not then in charge and cannot be blamed for the omission.

12. *Answer to point* (*d*):—As to the question why, as required by para 5 of the Accountant General's circular No. 16 dated 20th June 1891, I did not open the boxes immediately and note the number of bags received. I beg to state that the remittance arrived at a late hour on the 24th April and that there were other Taluk remittances on hand undergoing examination at the time. Further, no chest was available in the strong room to which the contents of the remittance boxes could, after opening, be transferred. A chest would have been necessary for the storage of the bags in case the boxes had been opened immediately, because the bags could not be kept in the same boxes in which they arrived, as the boxes were not secured by Chubb's padlocks and the peon brought no seal with him to seal the boxes again should the same boxes be again used for the storage of the bags. The other Taluk remittances on hand at the time amounted to Rs. 1,19,000, and the shroffing of the daily remittances from the South Indian Railway varying from Rs. 25,000 to Rs. 50,000 had also to be attended to. The peon was therefore told to attend on the 27th April but he absented himself that day (the next day was a sunday) and attended only on the 29th on which day the boxes were opened. The boxes could not be opened on the 27th without him as he held their keys and was responsible for the contents as representative of the remitting Treasury. It will thus be seen that the 4 days delay, there was in the opening of the remittance boxes was unavoidable. At the time the Perambalur remittance was received, the strong room was over crowded with chests and there was no space in it for the introduction of more chests for the storage of the bags in the Perambalur remittance boxes. The spare chest then available for moving into the strong room was too large for the very limited space available in the room. You are aware that last year I was complaining that the

Collector's Remark.
All this amounts to saying that it is practically impossible to comply always with this part of the Accountant-General's Circular, as the same objections may occur at any time. However, this omission has really no connection with the present fraud as it is accepted that the defalcation occurred before the remittance reached the Huzur Treasury.

space available in the strong room for storage of coin was inadequate to meet the requirements of both the Reserve Treasury and the District Treasury proper and that, on the fact being reported to the Accountant General and to you in the communications quoted in the margin, you were pleased to address the D. P. W, but they carried out the enlargement only at the end of June last.

Collector's Remark.
This is so.

13. *Answer to point* (*e*) As regards the objection raised by the Board in para 5 (*b*) of its Proceedings under reply to the use of padlocks and seals on boxes conveying remittances from Taluq sub-treasuries, I beg respectfully to point out that the Account Code compels the use of nailed down and rivetted boxes as regards remittances sent by rail or boat and allows a discretion as to the use of such boxes for remittances sent by road. Vide article 644 in which the words "if convenient" appear. The Assistant Accountant General has, in his letter No. 1717 dated 30th November 1897 permitted the use of what he calls "permanent boxes" with locks and keys for remittances sent by carts and the use of such boxes with padlocks and seals has, I submit, continued not only in this District but also in others as will be seen from the replies of the Treasury Deputy Collectors of six Districts submitted with my office note R. C. 1728 of 1895 dated 18th June 1895. In the letter of the Assistant Accountant General quoted above, he does not say that the lids of these "permanent" boxes should be nailed down and rivetted as observed by the Board. The Accountant General's circular No. 16 dated 20th June 1891 prescribes nailing and rivetting only in the case of rough boxes which have no hinged lids or hasps in front for the use of padlocks.

Collector's Remark.
This is the case and the account code therefore does not absolutely prohibit the use of padlocks.

Collector's Remark.
This is the case.

Collector's Remark.
The Treasury Deputy Collector is wrong here as the Circular no where says it is applicable to rough boxes only. It prohibits the use of locks and should be taken along with Section 644 of Account Code. However, it is much in favour of the view of the Treasury Deputy Collector that the Treasury Deputy Collectors of all the other Districts consulted (6) have also not understood the orders to mean the prohibition of padlocks—at least, they have continued to use padlocks. But at least, proper locks if at all, should be used.

14. *Answer to point* (*f*):—It does not appear that the Accountant General's Circular No. II dated 28th January 1892, which was also received during my absence on other duty, was communicated to the Tahsildars, but the Treasury circular dated 20th February 1884 No. 16 contains a distinct provision that the Taluk peon who comes in charge of the keys should travel with the remittance.

15. With reference to the last paragraph of your Endorsement under reply I forward herewith the acting Treasurer's explanation. In acting as he did, he simply followed the usual procedure, and I may add that he has been doing his work with diligence and care ever since he was appointed to act in the post.

Collector's Remark.
Enclosed. As I have stated in the margin, I think the Acting Treasurer should not be held responsible.

I have the honor to be,
Sir,
Your most Obedient Servant
(Signed) A. KRISHNASWAMI AIYAR
Deputy Collector.

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ENCLOSURE TO MEMORANDUM--B.

A BRIEF STATEMENT OR BIRD'S-EYE-VIEW OF STANDING ORDERS AND CORRESPONDENCE, WITHIN PETITIONER'S KNOWLEDGE, RELATING TO THE SUBJECT OF PACKING AND DESPATCHING OF SPECIE REMITTANCES FROM 1825 DOWNWARDS REFERRED TO IN PARAGRAPH 15 OF MEMORANDUM B.

A FEW PRELIMINARY REMARKS.

1. From the earliest date, the Collector's remittances seem to have been solely controlled by the Accountant General, while Taluq Treasury remittances continued under sole control of the Revenue Department, *viz*, Board and Collector subject to Government sanction. But the Board of Revenue was the channel of communication in both cases.

2. When the Code came, the Collector's remittances were alone the subject of concern with Accountant General. The unit of his financial transaction being a District Treasury, it was not his province to interfere with any arrangements regarding Taluq remittances.

3. Consequently Taluq remittances continued from beginning to present date under orders and rules prescribed by Board through Collectors while Collector's remittances came more directly under Accountant General's orders with the exception that all instructions of Accountant General to Collector were always furnished to Board and vice versa.

4. The Code in the chapter on "Resources and Remittances" left the regulation of supply of funds from one Taluq to another within the District entirely in the hands of the Collector, the Accountant General concerning himself solely with the matter of the supply of funds to what are styled in the Code as his (Accountant General's) treasuries, vide Article 637, which are defined as "Local Cash or Foreign Cash Remittances" vide article 639.

5. *As to responsibility of the Escort*:—In olden days the Collector's treasuries were guarded by sepoys. Both his remittances to the Accountant General and Taluq remittances to Collector used to be escorted by Regular Military Guards whose rules were promulgated in the Army Regulations.

6. The Government decided so long ago as 1825 that sepoys should not be employed in escorting Taluq remittances. They therefore escorted only Collector's remittance till advent of the new Police, when their functions as Treasure-Escorts were taken up by the New Police and their responsibility from the earliest date is declared to have consisted in delivering treasure boxes in good order with seals intact.

7. In olden days treasure used to be packed in double cotton cloth bags of Rs.500 and then put into a gunny (gunny bag) each gunny containing 5 bags and loaded on pack bullocks (saddle fashion) so that each bullock carried Rs. 5,000. The European officers who usually escorted the Remittance used to see the coin counted over on taking delivery and saw it counted again on making delivery. The gunny bags would be often torn by branches and thorns on the way side. Sometimes a sepoy would make a bayonet hole in the gunny and extract coin; and it was impossible to tell at the end of the journey who did it. Sometimes, a loaded bullock would straggle into the jungle and be lost. The escort officers were detained sometimes two months at a time between Coimbatore and Madras. To remedy these evils, Government ordered the substitution of boxes for the pack-bullock packages and the substitution of Native for European officer for escort duty. As the escort officer, a European, himself counted over the coin both on taking charge and on delivery, there was no occasion for a shroff accompanying the Remittance. But when the system of packing in boxes was introduced, shroff became a necessity and this has continued ever since.

8. The Taluq remittances continued to be packed in gunny bags or mats up to advent of New Police. On their taking up the duty on complaint of Inspector General of Police, boxes with padlocks were substituted under orders of Government, and have remained to this day unchanged in all the districts of the Presidency.

9. The question whether the Code rules of packing applied or not to Taluq remittances was not mooted till after the present defalcation (April 1895). When it was put to the Accountant General, he said that that was *intended* to be applied to all kinds of remittances within and outside the District.

10. There were of course some changes in the mode of packing of Collector's remittances from time to time—changes necessitated by advent of Railway and Steamers.

11. Among these changes was one which required Police escort to see the cash-bags *counted* into tumbrils, or see the boxes weighed.

12. Whereas no change of the kind was ordered regarding escort responsibility in the case of Taluq remittances for which they were responsible only for delivery of boxes and seals in good order.

13. The two sets of orders and rules, one applicable to Collector's remittances, the other to sub-treasury remittances, evidently got mixed up in the minds of the Board who have virtually contradicted themselves by abandoning their own orders which remained in force down to the present day and by falling into the new view taken by the Accountant General in regard to the *general* applicability of the Code rules for packing and despatching.

Consecutive No.	Date.	Particulars.	Substance and notes.
1	Maskell's Edition 1820 to 1848 of B. S. O. 30th June 1825.	Based on a G. O. of 1825. Taluq remittances.	Sepoys not to be employed to escort Taluq remittances, which were to be done by Taluq establishment on their own responsibility.
2	G. O. 9th June 1826 communicated to all Collectors by B. P. 7th August 1826.	Collector's remittances. Introduction of Boxes and consequent relieving the military escort of responsibility for contents.	Escort officers ceased to count the coin, and shroffs were ordered to accompany remittances. Also carts were to be preferred to pack-bullocks wherever obtainable. The use of tumbrils found inconvenient owing to the small size of cattle in the districts and to the badness of the roads.
3	G. O. 11th July 1826.	Collector's remittances. Letter from Military Secretary to Accountant General published as a note to S. O. 9th December 1833 Maskell's edition.	In this, the responsibility of the escort officers is compared to that of a ship captain, the shroff or servants deputed by Collector, who accompany the remittance being responsible for the cash.
4	Dalyell's Edition of 1867 S. O. No. 279 "Responsibility of escort officers"	Based on previous orders 9th December 1833.	In this edition Collector's remittances are clearly distinguished from "District Remittances," that is, remittances within the district from Taluq treasuries, which are separately dealt with in S. O. No. 289.
		and 7th July 1862.	In the order 9th December 1833, allusion is made to the above two orders of 1826 which are again ordered to be strictly enforced. Extract Army Regulations (Section XXII page 335, Rules 66 to 69) quoted and made applicable to Police escort at the instance of Inspector General Mr. Robinson. G. O. 18th June 1862 directs Board will take care that officers are provided with proper boxes and seals.
5	Dalyell's Edition No. 284 Heading "Treasure-Boxes"	Based on previous order 25th October 1852.	Coarse materials to be used for treasure-boxes of Collector's remittances despatched to Bank, where they have to be broken up and disposed of.
6	Dalyell's Edition No. 289 Heading "District Remittances"	Based on previous orders. 8th April 1862 & 11th February 1863.	On the representation of the Inspector General, in a G. O. of 1862, Boxes were introduced for Taluq remittances. Boxes to be returned to Taluqs.
			A system of treasure escort to be organized, escort being joined by

Consecutive No.	Date.	Substance and notes.
10	Accountant General's circular, 12th February 1880 No. 54 standing.	Subject—Weighment of boxes. Prescribing *each* box to be weighed separately, not all boxes collectively.
11	Trichy Collector to Board, 7th April 1880 No. 97.	Applying on receipt of the above for weighing machine for District Treasury only.
12	B. P. 23rd April 1880 No. 4463.	Sanctioning weighing machine. *Note*—Board on this occasion made no enquiry whether weighing machines were not required for Taluq remittances.
13	B. P. 2nd June 1883 No. 1559.	After consulting all Collectors, substituting Peons for Shroffs (Potdar of Code) to go in charge of Taluq remittances.
14	Treasury Deputy Collector's circular to Tahsildars 15th January 1884.	To cease sending shroffs and depute Taluq peons instead.
15	Treasury Deputy Collector's circular to Tahsildars 20th February 1884.	Such peon to see treasure-bags tied up and packed *in his view & travel with remittance*. Trustworthy men to be selected for this duty.
16	Accountant General's circular 20th June 1891.	Prescribing procedure to be observed in *packing* remittances and *weighing* remittance-boxes at starting and at delivery. This is in continuation of circular 12th February 1880 supra.
17	Treasury Deputy Collector to Superintendent of Police, date unknown.	Communicating the above for his information and guidance. *Note*.—Superintendent of Police had no doubt that it was applicable to Collector's remittances only for he did not instruct Taluk escort on the subject.
18	Board's Proceeding 8th September 1891	Ganjam Collector indents for a platform scale or weighing machine to weigh treasure-boxes despatched to Accountant General. Two other Collectors also made similar application. Board therefore called on all Collectors to submit an indent for weighing machines. Replying to the effect "none required." *Note*.—At that time, District treasury alone had a machine.
19	Collector of Trichy to Board. 15th Sep. 36!–4	
20	B. P. 27th January 1892 No. 40.	On replies received from all Collectors, submit an indent for 15 weighing machines for District treasuries, and think that no weighing machines are needed for Taluq sub-treasuries where weight of remittance boxes can be *approximately* stated. From the statement appended to B. P. five Collectors only seem to have applied for weighing machines for sub-treasuries. Others did not. Among District treasuries, only four had been previously supplied.
21	Accountant General's circular 28th	Directing "Potdars" should travel with remittances and carry the

Consecutive No.	Date.	Substance and notes.
28	Collector to Board 7th July 1895.	Mr. Elwin submits his final report on the Perambalur Taluq remittance loss case:—
29	B. P. 22nd July 1895. No. 252.	Want further information on several points why peon did not accompany, &c., remark on the careless manner of packing, point out that Art: 644 Account Code and Accountant General's order of 1891 had been neglected and call for Treasury Deputy Collector's explanation.
30	Collector (Mr. Andrew) to Board 7th September 1895.	Replies to the several points, submits Treasury Deputy Collector's explanation with marginal remarks, concludes as against Treasury Deputy Collector (Petitioner) "lack of general supervision", and makes general remarks as to insecurity of the Code system against frauds.
31	31st August 1895	Meanwhile Petitioner, as directed in G. O. 11th July 1895 on the B. P. on District Treasury defalcation sent up his application for pension with certain conditions as to time of retirement.
32	Collector to Board 7th September 1895.	Supporting the alternatives proposed by Petitioner in the above regarding his date of retirement.
33	B. P. 17th September 1895.	*Reviewing together* both the Collector's references, viz, final report on Perambalur loss and that submitting pension application. The most important passage is "It is proved that both from this case and that in B. P. 17th June 1895 that Treasury Deputy Collector has been careless to such an extent as to lead to serious loss of public money".
34	G. O. thereon 15th January 1896.	Conclusions arrived at. 1. Money was stolen in transit. 2. Theft facilitated and detection rendered difficult by wholesale disregard of rules relating to packing and despatch of specie remittances prescribed in Chapter 31 Code as modified and supplemented by Accountant General's circulars 20th June 1891 No. 16 and 28th January 1892 No. 2. 3. The explanations submitted by Petitioner are unsatisfactory. 4. Treasure-boxes were locked and sealed instead of being fastened and bound by iron hoops. 5. Worthless padlocks * were used. 6. Boxes not weighed at despatching treasury in the presence of escort officer. 7. Nor did peon accompany the remittance. 8. Nor were the boxes re-weighed at the receiving treasury prior to the issue of the acquittance certificate to the escort. The boxes opened and bags weighed [illegible]

* forbidden to be used in Treasuries, G.O. 1st July 1862 Financial.

	July 1826.	Collector's remittances. Letter from Military Secretary to Accountant General published as a note to S. O. 9th December 1833 Maskell's edition.	In this, the responsibility of the escort officers is compared to that of a ship captain, the shroff or servants deputed by Collector, who accompany the remittance being responsible for the cash.			
4	Dalyell's Edition of 1867 S. O. No. 279 "Responsibility of escort officers"	Based on previous orders 9th December 1833. and 7th July 1862.	In this edition Collector's remittances are clearly distinguished from "District Remittances," that is, remittances within the district from Taluq treasuries, which are separately dealt with in S. O. No. 289. In the order 9th December 1833, allusion is made to the above two orders of 1826 which are again ordered to be strictly enforced. Extract Army Regulations (Section XXII page 335, Rules 66 to 69) quoted and made applicable to Police escort at the instance of Inspector General Mr. Robinson. G. O. 18th June 1862 directs Board will take care that officers are provided with proper boxes and seals.			
5	Dalyell's Edition No. 284 Heading "Treasure-Boxes"	Based on previous order 25th October 1852.	Coarse materials to be used for treasure-boxes of Collector's remittances despatched to Bank, where they have to be broken up and disposed of.			
6	Dalyell's Edition No. 289 Heading "District Remittances."	Based on previous orders. 8th April 1862 & 11th February 1863.	On the representation of the Inspector General, in a G. O. of 1862, Boxes were introduced for Taluq remittances. Boxes to be returned to Taluqs. A system of treasure escort to be organized, sa escort being joined by several Taluq remittanc me within the district. *Note.* It is clear from this that when Boxes w ved to be used in 1826 for Collector's remitta were order[illegible] Taluq r nces before till 1862. It d emittances which remained as [illegible] were [illegible]d not follow that because Boxes (small chests) [illegible] ordered for Collector's remittances, Taluq remittances were to follow suit. An interval of 36 years elapsed before the use of Boxes was ordered for Taluq remittances though the boxes were of a much larger and different kind.			
7	Maclean's Edition 1878 S. O. No. 201 Heading "Carriage of treasure."	Board's orders 9th December 1833 and 7th July 1862 are repeated. 7th August 1848 (shipment of treasure) and 25th October 1852 (treasure-boxes to Bank) are added. Heading "District remittances" (Article 289 Dalyell) is omitted. Under a new heading "Carriage of treasure," article 279 Dalyell headed "Responsibility of escort officers" is reproduced.	*Note.* There is no explanation why this omission was made. In the preface of this edition it is said that orders printed in the book are not exhaustive. S. O. No. 289 had not been cancelled when this edition of Board's standing orders was issued.			
8	Chentsal Rau's edition, Chapter XVII brought out after 5th edition of Account Code 1892.	In this Chapter Under heading "carriage of treasure," S. O. No. 235. Board's orders:— 9th December 1833 7th August 1848 25th October 1852 7th July 1862 are repeated.	Extract Army Regulations quoted for Police escort's responsibility. As to packing treasure, Chapter 31 Account Code is referred to. In this edition also "packing of Taluq remittances" (instructions embodied in No. 289 Dalyell) is omitted. Articles 224 and 226 of this edition relate to Taluq treasury *accounts* and their periodical examinations.			
9	Account Code.	First edition introduced by Accountant General's circular 2nd November 1878. Code passed through 5 editions since. The serial numbers quoted in next column belong to fifth edition.	This circular proclaimed the introduction of the Code, and was addressed to Government, Board, Collectors and other heads of offices. Under Articles 300 and 301, the responsibility of the Collector in all matters connected with the administration of the treasury remained undiminished. No instructions given about packing &c. of sub-treasury remittances. The various points, wherein the transactions were connected with sub-treasuries, have been distinctly laid down in the respective chapters. It cannot therefore be said that the omission of sub-treasuries in the chapter relating to "Resource and Remittance" was caused by oversight.			

				14	Treasury Deputy Collector's circular to Tahsildars 15th January 1884.	To cease sending shroffs and depute Taluq peons instead.
				15	Treasury Deputy Collector's circular to Tahsildars 20th February 1884.	Such peon to see treasure-bags tied up and packed *in his view* & *travel with remittance*. Trustworthy men to be selected for this duty.
				16	Accountant General's circular 20th June 1891.	Prescribing procedure to be observed in *packing* remittances and *weighing* remittance-boxes at starting and at delivery. This is in continuation of circular 12th February 1880 supra.
				17	Treasury Deputy Collector to Superintendent of Police, date unknown.	Communicating the above for his information and guidance. *Note.*—Superintendent of Police had no doubt that it was applicable to Collector's remittances only for he did not instruct Taluk escort on the subject.
				18	Board's Proceedings 8th September 1891	Ganjam Collector indents for a platform scale or weighing machine to weigh treasure-boxes despatched to Accountant General. Two other Collectors also made similar application. Board therefore called on all Collectors to submit an indent for weighing machines. Replying to the effect "none required." *Note.*—At that time, District treasury alone had a machine.
				19	Collector of Trichy to Board. 15th	On replies received from all Collectors, submit an indent for 15 weighing machines for District treasuries, and think that no weighing machines are needed for Taluq sub-treasuries where weight of remittance boxes can be *approximately* stated. From the statement appended to B. P. five Collectors only seem to have applied for weighing machines for sub-treasuries. Others did not. Among District treasuries, only four had been previously supplied.
				20	B. P. Sep. 36[illegible]-4 1892	27th January No. 40.
				21	Accountant General's circular 28th January 1892 No. 2	Directing "Potdars" should travel with remittances and carry the keys of the tumbrils or wagons. *Note.*—This order was simply recorded in the Treasury Deputy Collector's office since it was taken to apply only to Collector's remittances.
				22	G. O. 7th March 1892 No. 230 (communicated with B. P. 2nd May 1892 No. 200).	This G. O. disposed of B. P. 27th January 1892 No. 40 preceding. Indent for weighing machines approved and sent to Secretary of State. No notice is taken by Government of Board's remark that approximate weight will do in the case of Taluq remittances. *Query*—This G. O. was communicated to Accountant General by Government itself with copy of indent. Then Accountant General should have stepped in and pointed out Board's error about using *approximate* weight as opposed to para 4 of his circular of 1891. Also when the latest edition of Board's Standing Orders published 1891 to 1892 was communicated by Board to Accountant General, no objection was taken by the latter to the retention therein of the rule requiring escorts to take only receipts for number of packages delivered, contents unknown. This must have been objected to if the Accountant General had understood the Code rules to apply to both kinds of remittances.

Now come on the Scene.

					April 1895.	The *defalcation* of Rs. 2400 and odd in the District Treasury at Trichinopoly, and the *short delivery* of Rs. 2000 in a remittance from Perambalur Taluq, the former on 3rd April, the latter 29th April.
				23	Treasury Deputy Collector's report to Collector 29th April 1895.	Reporting the occurrence of the latter.
				24	Collector to Board 2nd May 1895.	Do.
				25	Collector's Proceedings to Division Deputy Collector 7th May 1895.	To enquire and report on the loss.
				26	From Treasury Deputy Collector. (Date unknown)	Petitioner submits to Collector draft of a letter to Police Superintendent to order Police escorts also to see the bags put in, and a circular to Tahsildars to allow Police escort to see the bags put in when remittances were packed. *Collector Elwin thereon made reference to Accountant General to decide whether circular 20th June 1891 was applicable to sub-treasury remittances.*
				27	Accountant General to Collector 1st June 1895.	Saying that Accountant General's circular of 1891 was *intended* to apply to remittances of all kinds whether from one district to another or within the same district. *N. B.* This is the *first explicit* expression of opinion on the point. The circular of 1891 was issued by Mr. Rawlins. Mr. Harrison the present Accountant General says it was *intended to apply.* *Query.* Was it ever so *ordered?* When Board's Proceeding 27th January 1892 No. 40 was communicated to Accountant General, why did Mr. Rawlins not point out to Board that their opinion that approximate weight would do was opposed to para 4 of circular prescribing that every box should be separately weighed in the presence of the escort officer as directed in Code section 13 (4th Edition Code) and propose supply of weighing machines to sub-treasuries?
				31	31st August 1895	*Meanwhile Petitioner, as directed in G. O. 11th July 1895 on the B. P. on District Treasury defalcation sent up his application for pension with certain conditions as to time of retirement.*
				32	Collector to Board 7th September 1895.	*Supporting the alternatives proposed by Petitioner in the above regarding his date of retirement.*
				33	B. P. 17th September 1895.	*Reviewing together both the Collector's references, viz, final report on Perambalur loss and that submitting pension application. The most important passage is "It is proved that both from this case and that in B. P. 17th June 1895 that Treasury Deputy Collector has been careless to such an extent as to lead to serious loss of public money".*
				34	G. O. thereon 15th January 1896.	Conclusions arrived at. 1. Money was stolen in transit. 2. Theft facilitated and detection rendered difficult by wholesale disregard of rules relating to packing and despatch of specie remittances prescribed in Chapter 31 Code as modified and supplemented by Accountant General's circulars 20th June 1891 No. 16 and 28th January 1892 No. 2. 3. The explanations submitted by Petitioner are unsatisfactory. 4. Treasure-boxes were locked and sealed instead of being fastened and bound by iron hoops. 5. Worthless padlocks * were used. 6. Boxes not weighed at despatching treasury in the presence of escort officer. 7. Nor did peon accompany the remittance. 8. Nor were the boxes re-weighed at the receiving treasury prior to the issue of the acquittance certificate to the escort. 9. Nor were the boxes opened and bags weighed individually when there was no time for detailed examination on day of receipt, &c. &c. &c. 10. Lax supervision was cause of the irregularities. 11. Failure to reform the practice in the district, and bringing it in conformity with Accountant General's circular of 1891 in the face of a defalcation which occurred in a former Trichy District treasury remittance altogether inexcusable. 12. Loss in present case is wholly due to a disregard of rules &c. 13. It appears from Mr. Andrew's letter that the disregard or misconception of the rules is not confined to Trichy. 14. Board directed to draw all Collectors' attention who should see that the rules are properly understood and observed. 15. The separate proceedings referred to in concluding portion of B. P. should be sent up for information of Government.

Chubb's locks forbidden to be used except at treasuries, G.O. 31st July 1862 Financial.

* [illegible]

Further correspondence about proper rules for sub-treasury remittances.

				35	B. P. 19th August 1895.	Salem Collector enquired if the rules of the Code regarding packing of remittances should be strictly followed in the case of sub-treasury remittances, and if so requested that weighing machines may be supplied for sub-treasuries. Board replied that it was unnecessary for reasons given in B. P. 27th January 1892 No. 40 copy of this (B. P. 19th August 1895) was sent to Accountant General.
				36	Accountant General to Board 14th September 1895.	Replied that approximate weight did not answer the purpose of the Code which requires actual weighing in presence of escort at remitting treasury and again weighing at receiving Treasury in their presence, early release of the escort being the object.
				37	B. P. 2nd November 1895.	Referred the above for opinion of the Inspector General of Police with some suggestions for better security of the treasure entrusted to Police escort, and enquired whether it would be taking away too much of escort officer's time to require him to be present when the bags of coin forming a remittance are weighed before being packed and despatched, and also when they are weighed on unpacking.
				38	Inspector General of Police to Board 20th November 1895.	Replied that escort duty is already heavy and Board's suggestion does not commend itself, and giving his opinion that it would be sufficient if the Code rules, as they now are, are followed strictly as regards sub-treasury remittances. Query. In this he assumes that Code rules applied to sub. treasury Remittances and forgets or ignores the Board's S.O. extant on the subject which have been the guide for Taluq Remittances.
				39	B. P. 15th January 1896 No. 20 L. R.	Called on all Collectors for report as to the relative security of the two modes *viz.* Boxes nailed and hooped and hooping rivetted VERSUS Boxes and padlocks and seals. *Note—The discussions and opinions elicited by this enquiry, Petitioner hears, have resulted in 1897, on reference made by Board to Government and by Government to India Government, in the old system of sealed boxes and sealed padlocks being reverted to, or in other words, the old system based on simple common sense which has stood the trial of 35 years, and under which no loss of money in transit ever occurred, has been admitted to be the safest. It is for having strictly observed such a system that petitioner has been sacrificed.* (Sd). A. K.

ENCLOSURE TO MEMORANDUM—B.

MEMORANDUM—B.

1. The facts of the second case are as follows.—On the 24th of April 1895, a specie remittance of Rs. 62,000 arrived at the Huzur treasury from the Perambalur taluq treasury. At that time two other remittances were pending examination and the above remittance could not therefore be taken up for examination immediately. The taluq peon who came in charge of the remittance was told to attend on the 27th *idem* for its examination, and the remittance packages were pending examination secured in the strong room. The peon did not attend on the 27th, but only on the 29th. With the keys in his possession, he opened the boxes that day and placed out the contents. In one of the boxes there was a deficiency of two bags of Rs. 1,000 each, or Rs. 2,000, which he (taluq peon) was not able to account for. Both before the packages were secured in the strong room and before he opened them, he inspected the seals and the condition of the boxes and found them all right. There was no suspicion that the boxes were tampered with in the Huzur treasury. The Police were unable to detect the offender or find out the missing bags. The result of the investigation was reported by Collector to Board and by Board to Government. The final order of Government was, that Rs. 1,500 or $\frac{3}{4}$ of the loss must be made good by Petitioner and the remainder by two taluq officials.

2. For convenience of reference, this order of Government is reproduced below.

Proceedings of the Madras Government dated 15th January 1896, No. 12, Revenue Confidential.

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 taluq 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. XVI 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 taluq 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 enquiry 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 Proceeindgs referred to in the concluding portion of para 4 of the Board's Proceedings last read above should be submitted for the information of Government.

(True extract).

(Signed). E. GIBSON.
Secretary to Government.

To

The Board of Revenue. (L. R.)
" Accountant General.
" Judicial Department.
" Pension Department.

3. *In limine*—it may be stated that Petitioner was no party to the fraud. The fraud occurred before the *remittance arrived at the Huzur Treasury*. The missing money had *never been delivered to Petitioner*, and Petitioner had never incurred any obligation of trust *in respect of the amount*. Responsibility for trust-money begins after delivery and not before delivery, and yet it has been Petitioner's lot to be doomed to make good a part of the loss in this case. The grounds on which Petitioner was called on to pay are that he failed to enforce the remittance rules of the Account Code and the instructions contained in the Accountant General's Circulars Nos. 16 of 20th June 1891 and 2 of 28th January 1892 in the case of remittances from sub-treasuries, and that the loss in the present case was due to the non-observance of those rules. It must clearly be established before making Petitioner pecuniarily liable that the *non-observance of the rules* amounting to a culpable neglect was *the sole and whole cause of the loss* of money and that in no *other way the defalcation could have occurred than* by tampering with the *remittance while in transit*.

4. Petitioner's first contention is that neither the remittance rules of the Code nor the instructions in Accountant General's Circular of 1891, were applicable to remittances from sub-treasuries. Even if they had been followed as regards those remittances, frauds would still have occurred (though in a different way) and further, the difficulty in ascertaining where and by whom the money was taken would still have remained the same. In this view the petitioner is supported by Mr. Andrew, Vide para 6 of his letter to Board dated 7th September 1895 No. 1429 Confidential.

5. As regards Accountant General's Circular No. 2 of 28th January 1892 which directs that the potdar (shroff) in charge of a remittance should travel with the remittance, a circular containing instructions to the same effect had been issued to all Tahsildars by a former Treasury Deputy Collector under date 20th February 1884 No. 16. This rule formed a part of the old system and the responsibility for its non-observance in the *present case rested with the remitting treasury and not with Petitioner*.

6. Petitioner will now proceed to give his detailed explanation on the following points which concern him in the present case.

(1). Whether it was his duty as declared by G. O. to have enforced the Code rules as regards sub-treasury remittances (Para 3 of G. O.).

(2). Whether it was his duty to have enforced the rules contained in Accountant General's circular of 1891 as regards those remittances (Para 3 of G. O).

(3). Whether the loss in the present case was due to a disregard of the above rules (Para 5 of G. O).

7. As to whether it was Petitioner's duty to have enforced the Code rules as regards sub-treasury remittances, Petitioner submits that he had no authority to do so. The Code itself makes its remittance rules applicable to remittances other than remittances within the District, that is to remittances going from one District treasury to another under the orders of the Accountant General and known by the technical names of "Local cash remittances" and "Foreign cash remittances" Vide Code article 639. When the remitting and receiving treasuries are in the same province the remittance is known by the former name, and when they are in different provinces the remittance is known by the latter name.

8. The rules themselves are so framed as to be workable only as regards the above two kinds of remittances, and not as regards remittances within the District.

9. The Code came into operation in 1878 and since then it has passed through 5 editions. In the 4th Edition 1866 for the first time the sub-treasuries were brought under the "General Procedure" chapter of the Code. Though several subjects connected with sub-treasuries are dealt with specifically under the other chapters of the Code, the subject of sub-treasury remittances was never brought under its appropriate chapter-*viz*-"Resources and remittances" as it should have been if it had been intended that they should be so brought. Such omission would seem to argue that the Rules for packing and despatching of treasure therein given applied only to the "Local and Foreign" remittances and not to sub-treasury remittances, the control of which in such matters vested in the Revenue Department. Even in the latest edition, the 5th, corrected to 19th April 1892, no change if it was ever intended appears.

10. The Code was introduced in the Madras Presidency by Circular No. 1 of 2nd November 1878, which was addressed to Government, Board and all Collectors with copies of the Code. This circular contained no direction that the remittance rules of the Code should be enforced as regards sub-treasury remittances.

11. In not enforcing the Code rules as regards sub-treasury remittances Petitioner disobeyed no orders expressed in positive and unmistakable language.

12. It is only after the present defalcation occurred, the Accountant General, the Board and the Collector say that petitioner ought to have enforced the rules in the case of sub-treasury remittances also. But when the Code came into operation in 1878, those authorities took no steps whatever to carry out the Code rules in the case of sub-treasury remittances. *Nothing was done by them to cause tumbrils or large chests or boxes of the kind mentioned in Article 644 to be supplied to sub-treasuries, nor did they cause weighing instruments to be supplied to them, nor was order issued making those rules so applicable and communicated by Board to all Collectors and by Collectors to all sub-treasury officers.*

13. *On the contrary, District Treasuries alone were provided with weighing machines and rough boxes capable of containing from Rs. 4,000 to Rs. 6,000 were brought into use in District Treasuries alone.*

14. *The truth of the matter is neither the Board, nor the Accountant General nor the Collector were then of opinion that the Code rules prescribing the mode of packing remittances applied to any other kinds of remittances than local cash remittances and foreign cash remittances as defined in the Code. Consequently sub-treasury remittances continued to follow the old procedure.*

15. In this place and before proceeding to comment on the merits of the question whether Petitioner was rightly or wrongly found fault with, it seems to Petitioner highly desirable to place before Government a brief statement showing what the actual practice was before the Code, what it has been since the Code, what orders of the Board or Accountant General were actually extant and in force both as regards remittances from District treasuries and "District remittances" or sub-treasury to District treasury remittances. A perusal of it will clear up the mist which has been created on the subject and which has prejudiced the Petitioner so seriously. Such a statement is separately appended and Petitioner most earnestly begs the favor of its being perused fully and attentively.

16. Petitioner was not in charge of any Treasury when the Code came into operation. He took charge of the Trichy treasury in 1889 or 11 years after the Code came into operation, and when he took charge he found the Code rules in operation only as regards remittances going out of the District under the orders of the Accountant General. As regards sub-treasury remittances, the old procedure continued; and it continued *in its entirety*, that is, the escort took charge of sub-treasury remittances without seeing the treasure packed or without seeing the boxes weighed. The Huzur treasury granted its acquittance to the escort for the number of packages delivered, and not in the manner required by article 651 of the Code, that is for so many bags or for so many boxes of such and such weight.

17. Petitioner continued the old system as he found it, as regards sub-treasury remittances, as all his predecessors had done and as there was no order of the Collector or higher authority on record directing a change in it on the introduction of the Code. It also appeared that the control over sub-treasury remittances did not pass to the Accountant General but continued in the hands of the Board, and in evidence of this fact Petitioner begs to quote B. P. 1559 of 2nd June 1883 in which a question pertaining to sub-treasury remittances was disposed of by the Board and not referred to the Accountant General. The question was the continuance or otherwise of the practice of sending shroffs with sub-treasury remittances to the Huzur treasury, and the Board after consulting all Collectors *decided that shroffs need not be sent with such remittances as treasury work suffered thereby and that the interests of the Government and the shroffs of the remitting treasury would be sufficiently protected by sending taluq peons in charge of taluq remittances.*

18. The old system continued up to the date of the present defalcation not only in this District but also in several others as will be seen from Mr. Andrew's letter dated 7th September 1895 to which allusion is made in the concluding para of G. O. 15th January 1896 No. 12.

19. It was in accordance with this system that petitioner granted his receipt to the escort in the present case for the number of packages delivered. This receipt was no acquittance for the contents as supposed* by the acting Collector Mr. Elwin when he made his report to Board dated 7th July 1895 No. 1429, for the taluq peon who *came in charge of the remittance was waiting with the keys to open and deliver the contents.*

* Para 13. "The Treasury Dy. "Collector M-R-Ry. A- Krishnaswami "Aiyar Avargal though he took no "pains to follow the rules laid down "in the Civil Account Code in regard "to the receipt of remittances, and "merely got the outer condition of "the boxes to be examined * * * "was rash enough to grant the escort "officer a receipt and allow him to "return to Perambalur just as if the "whole amount entered in the in-"voice had been delivered".

20. In continuing the old system for sub-treasury remittances, Petitioner was simply continuing a long established and authorized practice. He had no idea that that practice or system had any element of fraud or risk in it, and within Petitioner's experience he had heard of no defalcation in taluq remittances in *transit*. The circumstance of two sealed bags having been found at the Taluq treasury when it was examined after the defalcation creates a suspicion that the fraud did not occur in *transit*, but that the remittance itself had been packed without the two missing bags, vide para 8 of Petitioner's explanation of 31st August 1895 printed and attached to this memo.

21. The fraud which occurred in the Malabar District in March last in a remittance from Ponnani to British Cochin, and which was perpetrated by the escort officer (Inspector Mr. Mac Namara) extracting Rs. 10,000 from one of the boxes and substituting stones or other valueless material to make up the weight,

shows that the Code system is not safe for remittances sent otherwise than by rail. In that case the Judge (The Honorable Mr. Justice Davies) remarked in his address to the jury that the escort officer (1st accused) had ample opportunity during the night to go through the manipulation of substituting stones for coin, vide Madras Mail of 27th April 1896. This is a remark worthy of note as the case is an illustration of the fact that there is ample opportunity for such manipulation in the case of sub-treasury remittances which make long halts at out-of-the-way stations and pass through wild tracts and by unfrequented roads.

22. Petitioner in future paragraphs will designate the system of packing treasure in boxes, capable of containing Rs 4,000 to Rs. 6,000 nailed and rivetted and handing them to the Police escort by weight, as "Code system."

23. One great drawback of the Code system is that the remitting treasury does not pack the treasure in the presence of the escort but only hands the boxes to the escort in a packed condition, and in case a manipulation of the above kind, that is, substitution of stones of equal weight for coin occurs, it would be very difficult to fix the responsibility for the loss on the remitting Treasury or on the escort as a doubt will arise as to where the fraud occurred. Supposing a remittance is tampered with in the way by the escort by the substitution of stones for coin, and the boxes are so repacked by them as to excite no suspicion, and supposing, on the opening of a remittance in the presence of the escort, the receiving treasury officer finds stones in the place of coin, it would be difficult to hold the escort responsible for the fraud, because the escort officer could well plead that he received the boxes from the remitting treasury, as they were, with stones inside. The remitting treasury would likewise say that nothing but coin was packed in the boxes and that the escort should be held answerable. Unless there is detection of the offence and recovery of the property, as in the Ponnani remittance case, it would be impossible to fix the responsibility on the remitting office or on the escort. The Code system is thus one which would fix the responsibility neither on the remitting treasury nor on the escort. It is a dangerous one for sub-treasury remittances, and *had Petitioner introduced it for sub-treasury remittances, and a defalcation occurred by substitution of stones for coin, he would have been found fault with by Government for having introduced the system whereas he is now found fault with for not having introduced it.*

24. The Code system is only safe for remittances sent by rail, as such remittances travel in locked wagons and the shroff who accompanies the remittance carries the keys affording the escort no opportunity to tamper with the contents of the boxes during any part of the journey. Further, the servants of the remitting treasury are present with the escort up to the time of loading, and those of the receiving treasury are present with it from the time of unloading up to the time of the delivery of the boxes at the receiving treasury. When however a remittance is less than a wagon load, the Police escort keeps the boxes in the carriage in which it travels but it cannot tamper with the contents of the boxes during the journey because the shroff travels also in the same carriage and watches the boxes all the way.

25. Petitioner has already shown that under the Code system responsibility for the contents is frittered away between the remitting treasury and the escort, and that unless there was a detection of the fraud it would be impossible to fix the responsibility for the missing amount on any body. Such however is not the case with the old system which has continued as regards sub-treasury remittances, of which Petitioner gives a sketch below. Under that system the responsibility of

the remitting treasury continues up to the moment of the delivery of the coin at the receiving treasury, and the police escort is treated as a *common carrier* of goods and kept in ignorance of the contents of any of the boxes. Just as post office servants take charge of the banghy parcels the escort takes charge of the sealed packages and delivers them safe without any responsibility for contents.

26. To enable the remitting treasury to fulfil the responsibility for the contents it is required to depute shroff or other trustworthy servant as its agent, who travels with the remittance carts jointly with the Police escort and is required to examine the seals on the packages morning and evening and to satisfy himself that all is right with the packages in the way. At the remitting treasury this agent watches the making up and the stowing of the money bags into the remittance boxes sees each box locked and sealed and then receives the keys of the locks from the treasury officer. It is then that the Police escort takes charge of the packages.

27. On arrival of the packages at their destination, the Police escort and the agent of the remitting treasury produce the packages to the officer in charge of the receiving treasury, who, if satisfied with the condition of the packages, passes his receipt to the escort for the number of packages delivered, *contents unknown*. With this receipt (which is simply a certificate of safe delivery of packages and is no acquittance at all for the contents) the escort returns to its station, while the agent of the remitting treasury stays behind with the keys for the purpose of opening of the packages and delivering their contents on behalf of the remitting treasury. After completion of the delivery of the contents by the agent, who is present throughout their examination the receiving treasury officer passes his receipt to the remitting treasury for the amount delivered. If the amount delivered is in any case less than the amount invoiced by the remitting treasury, the agent signs a statement admitting the deficiency, and on the authority of it, the receiving treasury calls on the remitting treasury to make the deficiency good.

28. It is usual for remittances to be examined in the order of receipt, and if when a remittance arrives from a sub-treasury, remittances from other treasuries are pending examination, the agent of the remittance which arrived last waits till the examination of the pending remittances is over, and meanwhile the boxes are secured in the strong room of the treasury, the agent retaining the keys of the boxes.

29. To prevent the Police escort tampering with the contents of the boxes in the way, several seals of the remitting treasury are affixed to each box, of which one seal lies on the padlock which is wrapped over with cloth so as to render the key hole inaccessible.

30. The agent of the remitting treasury examines the seals and the condition of the boxes before the receiving treasury officer grants his receipt to the escort. Whenever there is delay in opening a remittance and the boxes are kept in the strong room, the agent re-examines the condition of the boxes before opening them. He himself opens the boxes and places the contents out, bag after bag.

31. It will thus be seen that under the old system the responsibility for the contents of the boxes is not frittered away between the remitting treasury and the Police escort but continues unbroken with the remitting treasury up to the moment of the delivery of the coin at the receiving treasury.

32. Evidently at the time the Code was introduced, the Board, whether intentionally or from oversight, allowed the then existing system regarding Taluq

Remittances to go on, and there was nothing in the communication of the Accountant General intimating the introduction of the Account Code which made it imperative on the Board to change that system for that prescribed by the Code.

33. Petitioner begs to add in this place that if he is correctly informed, the Code system has been, since the date of defalcation, the subject of much discussion between the Collectors and Board and the Inspector General of Police, and with the result that the old system of packing in padlock boxes has been reverted to under sanction of Government of India, and is on its trial. If this is true, it is altogether in favor of Petitioner's contention.

34. The next point is, whether it was Petitioner's duty to have enforced the instructions of the Accountant General's circular dated 20th June 1891 No. 16 as regards sub-treasury remittances.

35. Petitioner submits that it was not his duty. The circular professed to give instructions which were supplementary to those in the Code, and the Code rules were not then in operation as regards sub-treasury remittances. The Accountant General had no control over sub-treasury remittances but only over remittances going from one District treasury to another, and weighing machines had been supplied to District treasuries alone. There were no weighing machines at sub-treasuries, and if the Accountant General who was aware of that fact had intended that the instructions in the circular should be followed as regards sub-treasury remittances also, he would have expressed such intention in clear terms; for, under para 4 of the circular, each box had to be weighed in the presence of the escort officer.

36. The circular in fact reiterates the instructions given in a previous circular No. 54 of 1880 (with some additional rules), and when the said standing circular was received the Collector took no steps to cause the sub-treasuries to be supplied with weighing machines and to introduce the Code rules as regards sub-treasury remittances. The said circular was brought into effect only as regards remittances sent from District treasury to other districts. Under such circumstances Petitioner had every reason to conclude that the instructions in the circular were not applicable to sub-treasury remittances.

37. Petitioner was not singular in taking the above view of the circular. The Collectors and Treasury officers of other districts put the same construction on it as will be seen from the Collector's letter 7th September 1895 quoted in the concluding para of Government Order 15th January 1896 disposing of the present case. The Superintendent of Police, to whom Petitioner communicated a copy of the circular, held the same view and issued no orders to his men not to take charge of remittances from sub-treasuries if they had not been packed as required by the circular and weighed in the presence of the escort officer.

38. The present Accountant General however in a letter dated 6th June 1895 says that the circular of 1891 *was intended* to be followed as regards sub-treasury remittances also, but Government will see that for the reasons already given the circular will not bear such construction. The then Accountant General would have expressed such intention in clear terms, if he really had such intention. Treasury officers could not have inferred such an intention, much less acted on such inference, in the absence of an explicit direction. The Accountant General might as well say that the Code rules were intended to apply to inter sub-treasury remittances or even to village remittances, for, they are all remittances within the District.

39. The next point is whether the loss in the case was due to a disregard of the rules prescribed in the Account Code and in Accountant General's circular of 1891. Petitioner submits that the loss was due neither to the non-observance of the Code rules nor to any defect in the old system, which as already pointed out was a good one and a safe one for sub-treasury remittances, but to the remitting treasury having failed to observe two important requirements of the old system, *viz* (1) that the bags should be tied up and put into each box in the presence of the taluq official who was to go in charge of the remittance, (2) that the taluq official in charge of the remittance should travel with it. The remitting treasury had overlooked the District circular No. 16 of 20th February 1884.

40. In para 2 of the G. O. reproduced in para 2, it is remarked that the papers leave little room for doubt that the money was stolen in transit while in charge of the Police escort. On this point, Petitioner had in his explanation dated 31st August 1895 suggested a different theory regarding the disappearance of the money. Vide para 8 thereof. But Petitioner regrets to find that that theory has not received due consideration. He therein brought forward certain circumstantial evidence which went to show that the remittance might have started without the two missing bags, which seem to have been intentionally left behind to be used as evidence in certain eventualities. It is an open secret that the shroffs of Taluq treasuries act as Bankers to Tahsildars and other high officials, and to meet those needs they help themselves temporarily with money taken from unshroffed village remittances or other deposits which they can do with comparative impunity till the last kist months treasury accounts are closed; and it is not improbable in this case that such malpractices had taken place and that it became necessary to detain part of a remittance the whole amount of which had been charged off in the accounts.

41. The accomplishment of the plot seems to have failed in this case by the Superintendent of Police putting a seal on the Taluq treasury and so preventing the introduction of moneys to replace those made use of by the shroff. If events had taken their natural course, the funds would have been replaced by the time the deficiency was discovered at the Huzur treasury and a call for the missing amount could have reached the Taluq treasury; and when such a call was received it could be pleaded that the two sealed bags in question had been left behind through inadvertance. The desire of the Taluq peon to gain as much time as possible was evidently to enable the shroff to adjust matters at the Taluq treasury.

42. For further details in support of this view, Petitioner begs to refer Government to his letter dated 31st August 1895 attached to this memo. Petitioner prays that the further report about the complicity of the escort called for in para 5 of the G. O. be also considered in this connection.

43. With reference to the incidental remark of Government in para 3 about a former defalcation in a remittance to the Accountant General made by the Petitioner himself, which is quoted by the Accountant General in his letter dated 1st June 1895 No. 1421 to the prejudice of Petitioner, Petitioner considers that it is due to himself to say a word about it in this place. The enquiry on that occasion showed that the boxes containing that remittance had been opened at the Accountant General's office in the absence of the potdar (shroff) and the bags stowed away in a room where other remittance bags had been piled up, and that there were some grounds for suspicion that some of the bags had been tampered with while there. If they so wish, Government may satisfy themselves about this by sending for the correspondence.

44. Petitioner in conclusion trusts that the facts and arguments adduced in the foregoing paragraphs and especially in the statement or precis of orders and correspondence already alluded to in para 15 supra and appended to this enclosure establish beyond reasonable doubt the following conclusions.

(1). The Account Code dealt exclusively with Collector's remittances, that its provisions were workable only on that assumption.

(2). That all the Collectors and treasury officers almost without exception never for a moment thought these rules therein prescribed for packing and despatching of remittances were applicable to remittances from sub-treasuries to District treasuries.

(3). That the standing orders of the Board of Revenue all along down to date of the present defalcation laid down the rules for the packing and despatch of taluq (sub-treasury) remittances.

(4). That the Accountant General himself allowed more than one occasion to slip by to correct the Board's error, if it was an error at all.

(5). That the Code rules were intended to apply to sub-treasury remittances is simply an *opinion* or "*ipse dixit*" of the present Accountant General.

(6). That it was only when such an opinion was formally announced *for the first time after the present defalcation*, that the Board of Revenue, in spite of their own standing orders which remain uncancelled to this day, and in accordance with which sub-treasury remittances are regulated to the present day, fell in with the recent view of the Accountant General, and then only Collectors began to take action asking for weighing machines and so forth.

(7). That the result of the discussion and correspondence which arose thereon was the almost unanimous opinion of Board and Collectors that the Code system had elements of risk in it, which the old system was free from, and reverting to the system of boxes and padlocks with seals was considered highly desirable.

(8). That if Petitioner is found fault with for not having brought into force the Code rules for the sub-treasury remittances, the fault is one which every Collector and treasury officer who have held office since 1878 to 1891 are answerable for. It may be irreverent in this place to allude to the inaction of the successive Boards of Revenue in the matter during the whole of the period, but Petitioner would here point out that it is the new interpretation of the rules (for which interpretation Petitioner has shown there is no ground whatever) which has put the Board in on awkward position—a position which cannot but reflect on their vigilance and their correct understanding of orders.

(9). That the heads of the Police Department during the whole of the period have equally forgot their duty in the matter and allowed sub-treasury remittances all over the Presidency being taken charge of by Police escorts while they were packed contrary to the Code rules. The fact is, the duty of the Police escort in the matter of sub-treasury remittances was laid down unmistakably by the first Inspector General of Police so long ago as 1861, and those orders have been in force up to the present day, while their punctual observance of Code rules and Accountant General's orders in respect of Collector's remittances only is a positive proof that that department did not consider them applicable to sub-treasury remittances. The Police Code still retains (Article 360) the rule forbidding the Police from taking charge of

any money for other departments unless securely placed in a well-locked box and sealed in such a manner as to prevent the contents being tampered with.

45. In para 7 of their order, Government virtually admits that the disregard or misconception of the rules is not confined to Trichinopoly, and call upon the Board of Revenue to draw the attention of all Collectors to the necessity of satisfying themselves that the rules are properly understood and observed. Petitioner cannot understand how he alone has been singled out as a scape-goat for a system of wholesale neglect on the part of almost all Collectors. Petitioner would humbly put it to Government whether they would have held Petitioner responsible for this defalcation, if after the date of the Accountant General's order of 1891, Petitioner had been transferred to some other District; and whether his successors in the treasury who equally neglected other orders received in their time would also be held responsible.

Dated 31st May 1897. (Signed). A. KRISHNASWAMAIYAR.

Printed at the "Sri Vinya Press" Kumbakonam.

ENCLOSURE B.
of Petition from
A. Krishnaswami Aiyar Avargal, B. A.
Retired Deputy Collector.
Dated 31st May 1897.

CHIEF SECRETARY
-5 JUN. 1897
GOVERNMENT OF MADRAS

MEMORANDUM—C.

Testimonials showing that CAREFULNESS was one of Petitioner's characteristics throughout his service. vide paras 32 and 34 of the petition.

(While Petitioner was employed as Deputy Manager Inam Commissioner's Office—Salary Rs. 100 per mensem).

1. A Krishnaswami Aiyar B. A., has received an excellent English education and has obtained the B. A. degree in the Madras University. He was entertained as Examiner in this office on 50 Rupees in 1862 and was since promoted as Translator, latterly as Deputy Manager. He is a most promising young man, and the promotion he has had sufficiently testifies to the value of his services.

Coimbatore.
20th April, 1864. } (Signed) **G. N. Taylor.**
Inam Commissioner.

(While Petitioner was employed as Sheristadar Madras Collector's Office Salary Rs. 200 per mensem).

2. Krishnaswami Aiyar is most *diligent*, *accurate*, and *careful*, in his mode of doing his work. During the short time he has been under me I have had every reason to be satisfied with his conduct.

Madras.
19th January, 1871. } (Signed) **J. Hunter Blair.**
Collector of Madras.

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3. I quite *concur* in the above, and I trust that Krishnaswami Aiyar will speedily get promotion to a Deputy Collectorship which he well deserves.

Madras.
24th March, 1873. } (Signed) **D. Arbuthnott.**
Acting Collector of Madras.

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4. I have had every reason to be satisfied with Krishnaswami Aiyar; he is *particularly careful* in his work.

Madras.
12th June, 1874 } (Signed) **B. Horsburgh.**
Acting Collector of Madras.

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5. A very good Sheristadar, one of the *most accurate* men I have met with. He has however to do all the reference work himself as there is no clerk in the office who can help him, and is consequently much overworked. He has been very unwell during the time I have had charge of the office and his anxiety to return to duty has, I am afraid, prevented his complete recovery, for he is still far from well.

24th April, 1874. } (Signed) **A. Mc. C. Webster.**
Acting Collector of Madras.

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6. Krishnaswami Aiyar has served under me for about 8 months since January 1871. I hold the same opinion as formerly regarding his abilities and *accurate system* of carrying on business, and I also believe him to be a thoroughly honest and trustworthy official whose ambition it is to succeed in obtaining the same high character as my friend, his uncle and Mentor, A. Seshiah Sastri, Dewan of Travancore.

Madras.
8th October, 1874.

(Signed) **J. Hunter Blair.**
Collector of Madras.

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1. Remark recorded by Mr. Brito, Assistant Inspector of Local Funds on results of his examination of the special Fund accounts for the period extending from November 1892 to October 1893.

"On the whole there was marked improvement in the audit work. The Treasury Deputy Collector having spared no pains to have the defects pointed out in the previous reports remedied by circulars and to call in by repeated reminders all the very many vouchers outstanding as shown therein from time to time —his inability to secure some of them was owing to the distance of time that has elapsed and to the dilatoriness of the Taluk authorities in complying with his requisitions".

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2. Copy of a subsequent demi official letter received from Mr. Brito under date 30th March 1894 in connection with the same inspection.

Fort Saint George
Accountant General's Office.
30th March 1894.

Dear Sir,

Yours of the 28th to hand yesterday and the printed copy of the special fund notes and replies to hand to day. I am quite pleased and satisfied with your explanations, which are concise and to the point, and evidence a deep interest to meet our requirements and the rules as I informed the Inspector this morning.

Yours faithfully
(Signed) **Charles Brito.**

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3. Remark recorded by Mr. Venkatapati Naidu, another Assistant Inspector of Local Funds on the results of his examination of the special Fund accounts for the period extending from November 1893 to 1894.

"There was no doubt a decided improvement in the maintenance of several records and in the audit of the accounts rendered to the Huzur office. This was certainly the out-come of the *vigilant* watch and control exercised by the Treasury Deputy Collector who appears to have spared no pains to give the necessary instructions from time to time for effecting speedy adjustments and for securing *strict adherence* to the rules in force".

Note:—Petitioner has earned similar remarks on the results of the Inspection Local Fund Accounts, but he has kept no note of them.

Particulars of Petitioner's Service.

Petitioner was born October 1841.

Petitioner entered Government Service 24th March 1862.

Petitioner retired ... ... 12th March 1896.

Total Service nearly ... ... 34 years.

Total counting Service over ... 32 years.

Served as a Deputy Collector.

In charge of Treasury about 8 years.

In General charge about 6 years.

Total 14 years.

Petitioner served as Deputy Collector in eight Districts in the following order:—

1. Chingleput.
2. South Arcot.
3. Tanjore.
4. Madura.
5. Malabar (British Cochin).
6. Coimbatore.
7. North Arcot.
8. Trichinopoly.

While employed in Malabar, he was not only a Deputy Collector but also a Subordinate Judge and a Judge of the Court of Small Causes.

Up to the date of his retirement he was a Magistrate with first class powers.

At the date of his retirement, he was drawing a salary of Rs. 400 *per mensem.*

(Signed). A. Krishnaswami Aiyar.

Dated 31st *May 1897.*

Printed at the "Sri Vidya Press" *Kumbakonam.*

ENCLOSURE No.

of Petition from

A. Krishnaswami Aiyar Avargal, B. A.

Retired Deputy Collector,

Dated 31st May 1897.

PETITION
REVENUE DEPT.

4 JUN 97

REVENUE SECRETARIAT
5 JUN. 1897
GOVERNMENT OF MADRAS

No

His Excellency The Governor In Council of Fort St. George

IN THE REVENUE DEPARTMENT—MADRAS.

Humble Petition of M. R. Ry. A. Krishnaswami Aiyar Avargal B. A. late Treasury Deputy Collector, Trichinopoly, Fourth Grade, now residing at Kumbakonam.

MOST RESPECTFULLY SHOWETH:—

THAT your Petitioner was retired from service on the 12th March 1896, under Government Orders dated 11th July 1895 and 15th January 1896, No. 2758 and 12 R. D. Confidential respectively, and was granted a *retiring* pension of Rs. 175 *per mensem* in G. O. 1st May 1896 No. 322, Pension Department.

2 Petitioner, who was one of the most conscientious and hard working servants of more than 32 years standing, finds himself undeservedly and excessively punished for trivial matters which have been magnified into laxity of supervision, carelessness, and apathy in the discharge of his duties.

3. Before stating his grievances, Petitioner considers it necessary to explain briefly how his retirement was brought about.

4. In the month of April 1895, there were two defalcations in the District, with which Petitioner was in no way concerned, to which he in no way contributed, and for which he was in no manner responsible. On the 3rd of that month, the Treasurer (cash-keeper) reported that a sum of Rs. 2480 was found deficient in the day's balance. On examination by Petitioner the deficiency was found to be true. Again on the 29th idem, Petitioner opened a specie remittance received from the Perambalur Taluq Treasury and found in it a deficiency of Rs. 2000.

5. In both these cases, Petitioner himself reported the loss to the Collector and was the earliest to make the report. His reports were also immediate in both cases, but in the first case he allowed a night to pass and made his report next morning thinking that the circumstances of the case did not call for a report at a late hour in the night.

6. The Acting Collector Mr. Elwin, who made his final report to the Board in the first case in his letter dated 13th May 1895 No. 1140(c) R., however, called the attention of the Board to the said delay and to two other matters, *viz*, failure to render adequate assistance to the acting Collector Mr. Rawson at his enquiry, and

failure to call in the Police the very evening. But he did not recommend any serious notice of the Petitioner's conduct.

7. The Board however took a serious view of the matter and in its Proceedings dated 17th June 1895 No. 3007 Misc. (Confl. No. 56) remarked that, from the fact that when a defalcation of over Rs. 2000 was discovered, Petitioner failed to report it to the Collector and to call in the Police on the very evening of the occurrence, only one conclusion can be drawn, *viz*, that he supposed that the matter would look less serious if the money was replaced as proposed by the Treasurer when Petitioner held the first enquiry. The Board recommended to Government that Petitioner be compulsorily retired on such pension as Government might see fit to grant him.

8. Government concurred with the Board, but as Petitioner had not then completed 55 years of age, but only 53, it was not possible for Government to retire him compulsorily under the 55 years' rule. Petitioner was however eligible for a "retiring" pension as he had completed 30 years of qualifying superior service, but a retiring pension could not be at once sanctioned, because under article 509 Civil Service Regulations the presentation of a *voluntary* application by the retiring servant was a necessary condition to the grant of such pension. Government therefore in its order, dated 11th July 1895 No. 2758 Misc., called on the Petitioner to submit at once his application for a retiring pension.

9. The order took Petitioner by surprise as, in the circumstances of the case, he expected no punishment at all.

10. The statements alleged against Petitioner, in the Board Proceedings dated 17th June 1895 No. 3007, *viz*, that he did not make immediate report, that he did not call in the Police and that he did not assist Mr. Rawson at his enquiry, coupled with the construction put on the wording of the Treasurer's remark on the balance sheet of the night (viz, that next day he would either account for the deficit or make it good) and coupled with the theory of a chronic deficiency— all these were enough to, and do seem to, have created in the Board's mind a very strong prejudice against Petitioner, a prejudice which must have prejudiced Government also in their view of the matter. Otherwise Petitioner cannot understand how Government came to pass such a severe order which took not only Petitioner but every body else by surprise.

11. Neither the Board's proceedings dated 17th June 1895 No. 3007, nor the full text of the G. O. 11th July 1895 No. 2758 were communicated to the Petitioner. Only para 1 of the G. O. which contained the bare order without any statement of the grounds on which it was considered necessary to retire Petitioner was communicated to him. The order ran as follows:—

1. "Government agrees with the opinion expressed by the Board at "para 6 of its proceedings in regard to the conduct of the Treasury Deputy Collector "in the matter of this defalcation and accepts the recommendation that M. R. Ry "A. Krishnaswami Aiyar avargal should be required to submit at once his application "for a retiring pension."

* * * * * *

(Signed) E. GIBSON

Secretary to Government.

12. The Collector communicated the above extract to Petitioner with a request to prepare his pension application.

13. Petitioner's circumstances did not then admit of his retiring at once and he was also able to serve Government much longer, but seeing that the order left him no option in the matter of presenting the application, he presented it, but he made two alternative proposals in it as regards the date of his retirement, as the second case was then pending and in case it should also end against him (that is, in case he should have to pay any portion of the loss in that case) it was his wish to serve and discharge the debt and then retire, so that he might not have to suffer from two punishments simultaneously, *viz*, premature retirement and payment of a portion of loss in the second case.

14. The loss which was to accrue to Petitioner from his retirement before his time was tremendously heavy, no less than Rs. 20,000 as per following calculations:—

Salary	Rs.	400	*per mensem*
Pension then expected	Rs.	200	do.
Difference	Rs.	200	do.
	or Rs.	2,400	*per annum.*
Amount for six years supposing the Petitioner was able to serve till 60 years of age.	Rs.	14,400	do.
Add amount for six years at Rs. 100 *per mensem.* supposing Petitioner had got his promotion to the next higher grade for which his turn had then arrived.	Rs.	7,200	do.
Total	Rs.	21,600	leaving out

of calculation the extra pension to which his promotion would have entitled him.

15. The alternative proposals made by the petitioner were to the effect (a) that should Government decide that he should pay the whole or portion of the loss in the second case, he would retire as soon as the amount was recouped by deductions from his salary or (b) that should Government decide that he need not pay; Petitioner would be prepared to be relieved as soon as he received the order.

16. The Collector Mr. Andrew considered the alternative proposals to be fair and submitted the application to Board for favourable consideration stating what he thought of Petitioner's character, conduct, and the quality of the work turned out by him. Vide Collector's foot note dated 7th September 1895 to the application.

17. Simultaneously with Petitioner's application the Collector submitted his final report to the Board on the second case. The Board disposed of both papers by one Proceedings dated 17th September 1895, Mis. No. 4669 Confl. No. 103 recommending Government to accept the alternative (b) and retire Petitioner without calling on him to make good any portion of the loss in the second case.

18. The Government, however, chose to accept neither of the alternatives and passed its own orders in G. O. 15th January 1896 No. 12 R. D. Confidential, directing Petitioner to retire as well as make good Rs. 1500 or $\frac{3}{4}$ of the loss in the second case, the amount being recovered from him by monthly deductions of Rs. 75 *from his pension*, the very thing which Petitioner wished to avoid by inserting alternative proposals in his application. Soon after this order was passed, Government gazetted petitioner's successor who came and relieved him.

19. After Petitioner's retirement, the Collector submitted his application in due form through the Accountant General recommending grant, to Petitioner, of the full pension of Rs. 200, admissible under the rules, but Government reduced the amount by Rs. 25 and sanctioned only Rs. 175 in G. O. dated 1st May 1896, No. 322, Pension Department, with the remark that full pension has not been sanctioned as Petitioner's conduct was not thoroughly satisfactory.

20. From this reduced pension of Rs. 175 an instalment Rs. 75 *per mensem* is deducted and the remainder only, viz, Rs. 100 *per mensem*, is paid to Petitioner from the Treasury, a state of things which will continue till about November next 1897.

21. Petitioner begs to submit two Memoranda A and B, meeting all the remarks made against him in the orders disposing of the first and the second cases respectively. It will be seen therefrom that his conduct in neither of those cases was in reality unsatisfactory.

A.

22. Petitioner's first grievance is that he was retired without sufficient cause at an age earlier than 55 years when he was fit to serve some more years. His retirement was not only not advantageous to the State but ruinous to Petitioner.

23. If however in consequence of his having put in an application under Article 509 Civil Serice Regulations it is considered that Petitioner is estopped from complaining against his retirement, he submits he has a grievance in connection with the disposal of his application for pension, as neither of the alternative requests made therein have been complied with. Government having, in Petitioner's case, made use of the rules for voluntary retirement, for the purpose of effecting his compulsory retirement before he was 55 years of age, it is but just that they should give him the full benefit of the voluntary retirement rules and do nothing towards his retirement which was opposed to his wish and interests. When they decided that Petitioner should make good a portion of the loss, Petitioner should have been continued in office till the amount was made good by deductions from his salary.

24. It would have been advantageous both to Government and Petitioner if Government had done so, but they did not do so, apparently because the Board in its Proceedings dated 17th September 1895, 4669 Mis. (Confl. No. 103) stated that it had been "proved" from the records of both cases, that "*he was careless and apathetic to such an extent as to lead to serious loss of public money.*"

25. The above conclusion was far from being correct. From Memoranda A and B it will be seen that the defalcations were not due to any carelessness or apathy on Petitioner's part. The impression that Petitioner was careless and apathetic was evidently caused by the *chronic deficiency* theory which was mooted by Mr. Elwin in his letter dated 13th May 1895 No. 1140(c), reporting on the first case, but Government will see from the subsequent correspondance noted in the margin that that theory had been exploded, that the deficiency occurred only on the day that it was discovered, and that Petitioner had done nothing which would have caused the deficiency or omitted to have done anything in his power which would have prevented it.

From Board to Collector 15th January 1896, Reference on General Register No. 9476 of 1895.

From Collector to Board 7th March 1896 No. 350 Rev. of 1896.

From Board to Government 17th March 1896 No. 1295 Mis.

G. O. 13th April 1896 No. 1484 R. D.

26. Had Collector Mr. Andrew been of opinion that Petitioner was careless and apathetic in doing his work, he would not, in submitting Petitioner's application for pension, have supported Petitioner's request to be retained sufficiently long in the service in case Government decided Petitioner should pay a portion of the loss in the second case.

27. It is true that in para 5 of his letter to Board dated 7th September 1895 No. 1429 read in Board's Proceedings dated 17th September 1895 Mis. No. 4669 (Confl. No. 103) Mr. Andrew said that Petitioner was "to blame for lack of general supervision in respect of remittances," but such a remark was most unfortunate to Petitioner, because there are no grounds stated on which to base a blame in such sweeping terms. What Mr. Andrew probably meant or could have meant was that Petitioner was not noticing such matters as the use of proper padlocks and seals by the Tahsildars in despatching their remittances. That such was Mr. Andrew's meaning will be evident from the context of his letter.

28. The responsibility of using inferior or superior padlock and of using distinct or indistinct seals rests solely with the remitting Treasury.

29. On the arrival of a remittance at the Huzur the seals and the intact condition of the packages are alone inspected by Petitioner. There is no occasion for the Deputy Collector to see the locks at all, as they are encased in cloth till the boxes are opened and then they are taken possession of by the Taluq peon who comes in charge of the remittance, as soon as he opens them and breaks the seal in the Petitioner's presence.

30. The use of a seal with a somewhat worn-out impression was of really no importance so long as there was no indication of its having been tampered with and so long as the keys of the locks remained with the Taluq peon charged with the remittance, and so long as he was satisfied with the intactness of the seals and of the boxes.

31. The use of *ordinary* locks is general throughout the Presidency and it is a matter of little moment in itself so long as it is covered with cloth and sealed up and so long as the box is further protected by additional seals on the lid and the body connected by tape.

32. The testimonials printed in the Enclosure C will show that carefulness was one of Petitioner's characteristics throughout his Service.

33. It is moreover impossible for any Officer in charge of such a Treasury as the Trichy one, to be otherwise than careful in the discharge of his duties. The S. I. R. collections alone amount to a Crore of Rupees in a year, and these as well as the District collections amounting to nearly 25 lacs flow into that Treasury, and any carelessness on Petitioner's part in receiving and storing the money in the strong room or issuing it for expenditure or remittance purposes, would have resulted in serious loss of public money, if he had been careless to the slightest extent. The absence of a single instance of error or mistake in such extensive transactions during a long course of years must be taken to be positive proof of scrupulous care and attention on petitioner's part.

34. It may also be added in this place that the Officers, who came and inspected the Local Fund and Special Fund Accounts, have left on record high testimony to Petitioner's carefulness and diligence in all matters of detail to which they

attached importance, vide Enclosure C. Petitioner's inspection of the District Forest Office, Trichy, for a certain period was considered *thorough* by the Examiner of Forest Accounts. The records in the Board's Office of 1890 would testify to this.

35. In the face of so much and varied testimony to the careful discharge of his duties by Petitioner, it is impossible to conceive how a sweeping charge of carelessness and apathy could lie against Petitioner.

36. It will be seen from Memo B that the loss in the second case occurred from no neglect on Petitioner's part and that there were very good reasons for not enforcing the Code rules in respect of Taluq remittances.

37. It will further be established by the circumstances stated in the said Memorandum *that the rules said to have been neglected by Petitioner had reference only to remittances ordered by the Accountant General and not to remittances within the District (that is remittances from Sub. Treasury to District Treasury).* These latter were always under the control of the Collectors and regulated by the orders of the Board, Standing or special.

38. It will also be found from the Board's Proceedings quoted, that most of the Collectors and Treasury Officers in the Presidency, ever since those rules (*Code Rules*) were promulgated, did not evidently understand them to apply to Sub. Treasury remittances, and that it was only after the question of their applicability to Sub. Treasury remittances was raised *very recently* in connection with the *present defalcation case* of 1895 by *the Collector* of Trichinopoly, that the Accountant General explicitly stated that those rules were intended to apply to Sub. Treasury remittances also. Petitioner also hears that the misapprehensions and divergence of practice of the District authorities *on the subject* formed the subject of *very recent* correspondence between Collectors, Board and Government and that some alteration of the Code Rules in the matter of packing remittances, the neglect of which rules formed the gravamen of the charge against Petitioner, was now permitted by the Government of India. Petitioner prays that these several circumstances may be taken into fair and impartial consideration and his liability for any share of the loss in the second case be removed and the amount levied from him be ordered to be refunded.

39. Petitioner's next grievance is that his pension was reduced by Rs. 25. When Government called on him to submit his application for a retiring pension, Petitioner fully expected that the grant of his full pension would follow as a matter of course, because a promise to give a retiring pension implied a promise to give the full amount admissible under the Rules.

40. Petitioner was an officer who had served Government with unremitting zeal and devotion, working night and day and on holidays without minding his health and comforts. The call of duty was the first he always obeyed. He had won the good opinion and confidence of successive Collectors down to Mr. Andrew the last officer under whom he served prior to retirement. Petitioner had a high character for integrity and honesty which were never called in question and which procured him the esteem and regard of all the Collectors under whom he served. *He was never in the whole period of his protracted service fined, suspended, reprimanded, or degraded for any fault.*

41. Petitioner had also earned some distinction. His name was once before Her Majesty The Queen Empress, in connection with the good work he had

done in the Inam Commissioner's office. Vide despatch from The Right Honorable The Secretary of State for India dated 10th August 1871 No. 22 printed in G. O. dated 18th September 1871 No. 1022 R. D. which runs as follows:—

"It has likewise gratified Her Majesty's Government very much to read "the terms in which Mr. Blair speaks of the valuable assistance given by "the Special Assistants and most of the Deputy Collectors in the conduct of operations "and those in which the services of Chentsal Row and A. Krishnaswami Aiyar are mentioned by Mr. Robinson."

42. Government will please give their best consideration to the fact that the grant of a full retiring pension was recommended by Mr. Andrew in the strongest possible terms based upon Petitioner's long and meritorious service and based on his intimate acquaintance with Petitioner's general conduct and efficient management of a heavy Treasury.

43. In thus seeking for a reconsideration of his case, Petitioner hopes and trusts that such a reconsideration in view of the facts which Petitioner has only *now* (that is to say, subsequent to his retirement and after he had access to the correspondence which was all conducted out of his knowledge in the confidential department,) the opportunity of placing before Goverment in a clear form, would result in changeing the view they have taken of the case, and in satisfying them that Petitioner has been dealt with with a harshness and severity altogether out of proportion to the faults imputed to him, which faults, moreover, Petitioner has endeavoured to show to be without any foundation whatever.

44. For the above reasons Petitioner prays that Government will be pleased to sanction the grant of his full pension in addition to the relief prayed for, in para 38 above, in regard to the sum of Rs. 1,500 ordered to be deducted out of his pension.

For which act of justice and benevolence Petitioner shall as in duty bound ever pray.

KUMBAKONAM.
3/1st May 1897.

(Signed) A. Krishnaswami Aiyar

P. S. Explanation of delay. The correspondence between the Collector, Board and Government which related to the grievances complained of in this petition was all Confidential, and the greater part thereof had not been communicated to Petitioner while in service. Of the contents of several papers, Petitioner was wholly ignorant and of the contents of the rest he was partially so. After retirement, Petitioner applied for copies of all of them and Government has sanctioned their grant in various orders ending with G. O. dated 18th November 1896 No. 2183 R. D., though, to his great regret, copies of two most important ones going in favor of Petitioner have been refused without any reason being assigned.

(Sd.) A. Krishnaswami Aiyar

Printed at the "SRI VIDYA PRESS" *Kumbakonam.*

TO,

HIS EXCELLENCY THE GOVERNOR,

IN COUNCIL, OF FT. ST. GEORGE,

MADRAS.

The Humble Petition of M. R. RY. A. KRISHNASWAMI AIYAR AVARGAL, B. A. *Late Treasury Deputy Collector, Trichinopoly, Fourth Grade, now residing at Kumbakonam.*

Dated...3/...May 1897.

Subject:—Praying for a reconsideration of his case.

ENCLOSURES 3. (A. B. C.)

When given for copying ____
When copied ____
When examined ____
When signed ____ } 189

READ AGAIN G.O., No. 189 , DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT	A	A	A	A	A	A	A	
LETTER OF GOVERNMENT.								
STATEMENT WITH DITTO.								
PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.								

N.B.—
A = Copy in full.
B = Not to be copied.
P = Copy abstract only.
Q = Copy heading only