[E.]

800—17-12-02.

Educational (1903) Department.

ORDINARY MS.

G.O., No. 433

DATED 12.9-03.

—19—

[Despatch Abstract.]

School of Arts

Approving with remarks the draft deed of agreement submitted by the Govt. Solicitor for the transfer of the business in aluminium carried on at the —— and returning the same to him for further action.

BACK PAPERS.

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

FURTHER PAPERS.

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

Government {1903} of Madras.

EDUCATIONAL.

(MISCELLANEOUS.)

Recd. — *Regd.* — *1903.* — *Enclosures* — *Spare copies*

G.O., No. 433, 12th September 1903.

SEPTEMBER.

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GOVERNMENT OF MADRAS.

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READ—again G.O., No. 417, Educational, dated 7th September 1903.

READ—also the following papers:—

From SUTHERLAND ORR, Esq., Acting Government Solicitor, to the Secretary to Government, Educational Department, dated Madras, 10th September 1903, No. 481.

I have the honour to acknowledge receipt of G.O., No. 417, dated the 7th September 1903, which reached me on the 8th instant.

2. I yesterday sent Mr. Chatterton a draft of the proposed deed of transfer, of which I forward herewith another copy for approval.

3. As the payment of the principal part of the consideration, the execution of the deed, and the handing over of the stock-in-trade are intended to be practically simultaneous, there seems no necessity to provide in the deed for more than the assignment of the business and the outstandings to the company—the indemnity by the company of Government—the further payment by the company to Government, and the covenant by Government not to carry on the aluminium business for five years. I have drawn the deed accordingly.

4. Any arrangement as to Government collecting the outstandings should be dealt with apart from the deed.

5. The deed will have to be stamped, and I shall be glad of your instructions on this point and as to by whom the stamp duty is to be paid. I gather that the lump sum of Rs. 30,000 can be taken as the value of the goodwill and outstandings, and if so, the amount of the net expenditure of Government on the industry which is to be paid by the company would be the consideration for the stock, etc. The duty on the former amount of Rs. 30,000 at one per cent. amounts to Rs. 300, but no duty will be payable as regards the consideration for the stock as the same would pass by delivery and not under the deed. The Rs. 300 duty would be payable by the company in the absence of any arrangement to the contrary, but as Government have instructed me to prepare the deed instead of leaving it to the company's Solicitors to do, I understand that it has been arranged that Government would bear the costs of the transfer. I shall be glad to have instructions on this point.

6. The deed should be submitted to the company for approval, and as soon as the draft is approved by Government, I will forward the same to the company for approval and ascertain whether it is necessary under the company's articles that

the seal of the company should be affixed to the deed or whether the Managing Director has authority to execute same on behalf of the company.

7. I will also arrange as to the form of release to be executed by Messrs. Best & Co. in favour of Government.

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2. I have inserted the two alterations in red ink in the draft deed forwarded to you.

3. Both the agreement of the 4th September and the Government Order containing my instructions are clear as to Rs. 25,000, being the amount left over to be paid by the company by the 15th November 1903, but if it is desired to alter the arrangement in any way this of course can be done with the consent of the company. Probably the alterations suggested by Mr. Chatterton will be more convenient.

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2. I agree that it is undesirable to make any provision in the deed as regards collecting debts after the 15th September 1903.

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2. Under this deed the collection of outstanding debts is left to the Indian Aluminium Company who may nominate any person for making collections and granting receipts and the payment by the company of the balance (Rs. 25,000) of the purchase money on or before the 15th November next is to be in a lump sum. These provisions are not in accordance with the note of agreement of the 4th instant and may be objected to by the company. In case objection is raised the Government Solicitor should so alter the deed as to provide expressly that Mr. Chatterton shall be nominated by the company to collect the outstandings up to the 15th November next and that whatever is thus collected shall be credited to Government and deducted from the balance due by the company to Government on that date, the remainder alone being paid in cash.

3. The payment on the 15th instant should be made to the Accountant-General or to the Bank of Madras to the credit of Government and the company's representative should produce the Accountant-General's or the Bank's receipt in evidence of the payment having been duly made. The blank space in the draft for this entry should be filled up accordingly.

4. The stamp duty of Rs. 300 will be borne by Government.

5. With reference to the Government Solicitor's second letter, it is observed that Mr. Chatterton has misunderstood the terms of the agreement of the 4th instant which are to the effect that the company is to pay on the 15th idem Rs. 1,79,600 *plus* the net expenditure on the aluminium industry for the period from the 3rd to the 15th instant (which has been roughly forecasted to be Rs. 5,000 but which may be either more or less than that sum) and that the balance of Rs. 25,000 is to remain a fixed sum payable by the 15th November next either by collection of outstandings or otherwise.

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Ag. Secretary to Government.

To the Government Solicitor, with draft deeds returned.
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Copy to the Director of Public Instruction.

Exd. C. M. Thumbuswamy.

NOTES CONNECTED WITH G.O., No. 433, EDUCATIONAL, DATED 12th SEPTEMBER 1903.

[Subject—*Transfer of the business in aluminium.*]

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The Government Solicitor observes that as the payment of the principal part of the consideration, the execution of the deed and the handing over of the stock in trade are intended to be simultaneous there is no need to provide in the deed for more than—

(1) the assignment of the business and outstandings to the company,
(2) the indemnity by the company of Government,
(3) the further payment by the company to Government, and
(4) the covenant by Government not to carry on the aluminium business for five years.

It is submitted that these seem to be all that is necessary.

2. The Government Solicitor thinks that any arrangement as to Government collecting the outstandings should be dealt with apart from the deed. Under the deed as drawn up, the duty of collecting outstanding debts is laid on the company who may, however, nominate anybody to make the collections and grant receipts. The deed also provides for the payment by the company of the balance (Rs. 25,000) of the purchase money in full on or before the 15th November 1903. This is not in accordance with the note of agreement of the 4th instant and may be objected to by the company. In case objection is raised the Government Solicitor may be authorized to so alter the deed as to provide expressly that Mr. Chatterton shall be nominated by the company to collect the outstandings, and that whatever is thus collected should be deducted from the Rs. 25,000 and the balance only should be paid in cash. **A**

Under the deed the Government has no security for the balance of Rs. 25,000, but this does not seem to be wanted as the amount is small and the company's assets are considerably larger.

3. The next question for consideration is about the stamp duty—as to who should pay it. There is nothing on this point in the note of agreement of the 4th instant, but from the Government Solicitor's letter it appears that some arrangement was arrived at. The amount is only Rs. 300 and Government may bear it. **B**

4. With reference to the Government Solicitor's second letter it is submitted that Mr. Chatterton seems to have misunderstood the terms of the agreement. These terms are to the effect that the company is to pay on the 15th instant Rs. 1,84,600 *plus* or *minus* the increase or decrease in the actual net expenditure for the period from 3rd to 15th September 1903 as compared with the estimate of Rs. 5,000. The balance of Rs. 25,000 is to remain a fixed sum and is to be payable by the 15th November either in instalments as collections come in or in one lump. The Government Solicitor may be informed accordingly. **C**

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The deed seems to express correctly the terms agreed on and the suggestions **A, B, C** and **D** above appear to be right.

As to **E** the term "premises" only means "what has gone before" and does not in any way necessarily refer to buildings.

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Under the deed the Government has no security for the balance of Rs. 25,000, but this does not seem to be wanted as the amount is small and the company's assets are considerably larger.

3. The next question for consideration is about the stamp duty—as to who should pay it. There is nothing on this point in the note of agreement of the 4th instant, but from the Government Solicitor's letter it appears that some arrangement was arrived at. The amount is only Rs. 300 and Government may bear it.

B

4. With reference to the Government Solicitor's second letter it is submitted that Mr. Chatterton seems to have misunderstood the terms of the agreement. These terms are to the effect that the company is to pay on the 15th instant Rs. 1,84,600 *plus* or *minus* the increase or decrease in the actual net expenditure for the period from 3rd to 15th September 1903 as compared with the estimate of Rs. 5,000. The balance of Rs. 25,000 is to remain a fixed sum and is to be payable by the 15th November either in instalments as collections come in or in one lump. The Government Solicitor may be informed accordingly.

C

5. The draft agreement seems to call for the following remarks :—

D | (1) The payment should be to the Accountant-General or to the Bank of Madras to the credit of Government. The Government Solicitor has left this portion blank and has made a query in pencil on the margin.

E | (2) It is not clear what the words "same premises" on page 4 of the agreement represent. It is presumed that the expression "estate, title, interest, property, claim and demand" does not include the building in which the business is now conducted, but it seems advisable to make this point clear.

P. T. THARYAN—11-9-03.

The deed seems to express correctly the terms agreed on and the suggestions **A, B, C** and **D** above appear to be right.

As to **E** the term "premises" only means "what has gone before" and does not in any way necessarily refer to buildings.

A. G. CARDEW—11-9—03.

Agreed.

J. T[HOMSON]—12-9-03.

The draft placed below may issue.

P.T.T.—12-9-03.

Yes. Is it necessary to instruct the Accountant-General or the Bank to receive the sum of money to be paid by the company on the 15th ? It might be safer to do so in order to avoid any risk of a difficulty arising.

A.G.C.—12-9-03.

It is submitted that all treasuries are bound to receive money tendered on behalf of Government, but there is no harm in telegraphing to the Accountant-General as follows :—

Approved.
A.G.C.—12-9-03.

"Indian Aluminium Company will pay you or Madras Bank on 15th instant about Rupees one lakh eighty-four thousand. Please arrange receipt."

Three copies of the order are submitted (placed below) for signature. In the last paragraph the figure 1,84,600 should, under the Secretary's correction of the draft, be 1,79,600. I am sorry I did not notice it before copies were typed. The figure may now be corrected under the Secretary's initials.

P.T.T.—12-9-03.

A.G.C.—12-9-03.

[*G.O., No.* 433, *Educational, dated* 12*th September* 1903.]

[E. 1]

1,000—5-12-02.

Educational (1903) Department.

11

CURRENT No. 1438

3

From

[*Name*] Sutherland ogr Esq:

[*Designation*] Ag. Govt. Solicitor

[*Station*] Madras

No. 481 *Received* 11—9— 1903.

Dated 10—9— 1903.

Enclosures

Registered 11—9— 1903.

SUBJECT.

Re the draft deed of transfer of the aluminium business at the Schools.

BACK PAPERS.

FURTHER PAPERS.

Very Urgent

No. 481.

Madras 10th September 1903.

From,

Sutherland Orr,

Acting Government Solicitor,

M A D R A S.

SECRETARY TO GOVERNMENT
11 SEP 1903
LOCAL & MUNICIPAL DEPARTMENT.

To,

The Secretary

to the Government of Madras

Educational Department

Stonehouse Hill

OOTACAMUND.

Sir,

I have the honor to acknowledge receipt of G.O. No.417 dated the 7th September 1903 which reached me on the 8th instant.

2. I yesterday sent Mr. Chatterton a draft of the proposed deed of transfer of which I forward herewith another copy for approval.

3. As the payment of the principal part of the consideration, the execution of the deed, and the handing over of the stock-in-trade, are intended to be practically simultaneous, there seems no necessity to provide in the deed for more than the assignment of the business and the outstandings to the Company, the indemnity by the Company of Government, the further payment by the Company to Government, and the covenant by Government not to carry on the aluminium business for five years. I have drawn the deed accordingly.

4. Any arrangement as to Government collecting the outstandings should be dealt with apart from the deed.

5. The deed will have to be stamped, and I shall be glad of your instructions on this point and as to by whom the stamp duty is to be paid. I gather that the lump sum of Rs 30000 can be taken as the value of the goodwill and outstandings, and if so the amount of the nett expenditure of Government on the industry which is to be paid by the Company would be the consideration for the stock &c. The -- duty on the former amount of Rs 30000 at one per cent amounts to - Rs 300, but no duty will be payable as regards the consideration for the stock as the same would pass by delivery and not under the deed. The Rs 300 duty would be payable by the Company in the absence of

any arrangement to the contrary, but as Government have instructed me to prepare the deed instead of leaving it to the Company's -- Solicitors to do, I understand that it has been arranged that -- Government would bear the costs of the transfer, I shall be glad - to have instructions on this point.

6. The deed should be submitted to the Company for approval, -- and as soon as the draft is approved by Government I will forward the same to the Company for approval and ascertain whether it is necessary under the Company's Articles that the seal of the Company should be affixed to the deed or whether the Managing Director -- has authority to execute same on behalf of the Company.

7. I will also arrange as to the form of release to be executed by Messrs Best and Company in favor of Government.

I have the honor to be,

Sir,

Your Obedient Servant,

Sutherland Orr

Acting Government Solicitor.

[E. / 1]

1,000--5-12-02.

Educational (1903) Department.

CURRENT No. 1439

From

[*Name*] Sutherland Orr Esq:

[*Designation*] Ag. Govt. Solicitor

[*Station*] Madras

No. 482

Dated 10 - 9 - *1903.*

Enclosures 1 —

Received 11 — 9 — *1903.*

Registered 11 — 9 — *1903.*

SUBJECT.

Re the draft deed of transfer of the aluminium business of the Scholarships

BACK PAPERS.

FURTHER PAPERS.

No. 482

Madras 10th September 1903.

From,

Sutherland Orr,

Acting Government Solicitor,

M a d r a s.

To,

The Secretary,

to the Government of Madras

Educational Department

Stonehouse Hill

OOTACAMUND.

SECRETARY TO GOVERNMENT
11 SEP 1903
LOCAL & MUNICIPAL DEPARTMENT

Sir,

In continuantion of my letter of todays date I have the honor to enclose a copy of a letter just received by me from Mr. Chatterton.

2. I have inserted the two alterations in red ink in the draft deed forwarded to you.

3. Both the agreement of the 4th September and the G.O. containing my instructions are clear as to Rs 25000 being the amount left over to be paid by the Company by the 15th November 1903, but if it is desired to alter the arrangement in any way this of course can be done with the consent of the Company. Probably the alterations suggested by Mr. Chatterton will be more convenient.

I have the honor to be,

Sir,

Your Obedient Servant,

Sutherland Orr

Acting Government Solicitor.

Educational Department.

School of Arts,
Madras, 10th September 1903.

No.Al/2676.

From,

Alfred Chatterton, Esq.,
Officer in Charge, of the
Aluminium Department,
School of Arts,
M a d r a s.

To,

Sutherland Orr Esq.,
Ag. Government Solicitor,
M a d r a s.

Sir,

In reference to your letter No.475 of the 9th September 1903 -- I have the honour to return the draft in which I have made but one or two slight alterations. The only item of any importance is that the sum of Rs.25,000/- entered in the agreement as being payable by the - Company on the 15th day of November should be omitted and the actual figure which will be the outstandings due to the School of Arts on - the 15th September should be entered at the time of signing the - - - agreement when the exact figure will have been calculated.

2. I agree that it is undesirable to make any provision in the - - deed as regards collecting debts after the 15th September 1903.

I have the honour to be,
Sir,
Your Most Obedient Servant,
Sd/- Alfred Chatterton
Officer in Charge.

True copy.

Acting Government Solicitor.

5-7

[E. 2]
1,000—5-12-02.

EDUCATIONAL DEPARTMENT.

C. No. 1438 From the Govt. Solicitor No. 481 dated 10-9-1903.
" " 1439 " " " " " 482 " 10-9-1903.

SUBJECT.

Transfer of the business in aluminium.

A

The Govt. Solicitor observes that as the payment of the principal part of the consideration, the execution of the deed and the handing over of the stock in trade are intended to be simultaneous there is no need to provide in the deed for more than

(1) the assignment of the business outstandings to the Company,

(2) the indemnity by the Company of Govt.,

(3) the further payment by the Company to Govt.,

(4) the Covenant by Govt. not to carry on the aluminium business for five years.

It is submitted that these seems to call that is necessary.

2. The Govt. Solicitor thinks that any arrangement as to Govt. collecting the outstandings should be dealt with apart from the deed. Under the deed as drawn up, the duty of collecting outstanding debts is laid on the Company who may however, nominate anybody to make the Collns. + grant receipts. The deed also provides for the payment by the Company of the balance (Rs 25,000) of the purchase money in full on or before the 15th November 1903. This is not in accordance with the note of agreement of the 4th

instant & may be objected to by the Company. In case objection is raised the Govt. Solicitor may be authorized to so alter the deed as to provide expressly that Mr. Chatterton shall be nominated by the Company to collect the outstandings and that whatever is thus collected should be deducted from the Rs 25,000 and the balance only should be paid in cash. A

Under the deed the Govt. has no security for the balance of Rs 25000 but this does not seem to be wanted as the amount is small, ~~can in case of non payment be easily recovered from the Company's property.~~ and the Company's assets are considerably larger.

3. The next question for consideration is about the stamp duty - as to who should pay it. There is nothing on this point in the note of agreement of the 4th instant, but from the Govt. Solicitor's letter it appears that some arrangement was arrived at. The amount is only Rs 300 & Govt. may bear it. B

4. With reference to the Govt. Solicitor's second letter it is submitted that Mr. Chatterton seems to have misunderstood the terms of the agreement. These terms are to the effect that the Company is to pay on the 15th instant Rs 184600 ~~increased or decreased by the actual~~ plus or minus the increase or decrease in the actual

net expenditure for the period from 3rd to 15th September 1903 as compared with the Estimate of Rs 5000. The balance of Rs 25000 is to remain a fixed sum and is to be payable by the 15th November either in instalments as collections come in or in one lump. The Govt. Solicitor may be informed accordingly. C

5. The draft agreement seems to call for the following remarks:-

(1) The payments should be to the Accountant General or to the Bank of Madras to the credit of Govt. The Govt. Solicitor has left this portion blank & has made a query in pencil on the margin. D

(2) It is not clear what the words "same premises" on page 4 of the agreement represent. It is presumed that the expression "estate, title, interest, property, claim & demand" does not include the building in which the business is now conducted but it seems advisable to make this point clear. E

PH
7/9/03

A.M.:

The deed seems to express correctly the terms agreed on & the suggestions A, B, C & D above appear to be right.

As to E the term premises only means "what has gone before" & does not in any way necessarily refer to buildings.

RJ 11.9.03

agreed
12/9/03

The draft placed below may issue.

Pj 12/9/03

Yes. Is it necessary to instruct the A.G. or the Bank to receive the sum of money to be paid by the Company on the 15th? It might be safer to do so in order to avoid any risk of a difficulty arising.

RJ/12-9-03

It is submitted

~~that~~ All treasuries are bound to receive money tendered on behalf of Govt. but there is no ~~need~~ harm in telegraphing to the A.G. as follows:-

"Indian Aluminium Company will pay you on Madras Bank on 15th instant ~~super~~ about rupees one lakh Eighty four thousand. Please arrange receipt."

approved. RJ/12.9.03. Despd 12/9/3

Pj 12/9/3

Three copies of the order are* submitted for signature. In the last paragraph the figure 184,000 should, under the Secretary's correction of the draft, be 179,000. I am sorry I did not notice it before the ~~draft was~~ copies were typed. The figure may now be corrected under the Secretary's initials.

Pj

RJ/12-9-03

* Placed below.

[E. 3]

1,000—5-13-02.

EDUCATIONAL DEPARTMENT.

READ AGAIN G.O., No. 417, dated 7-9-1903.

" " " " , " 190 .

READ ALSO:—

C. No. 1438, From the Govt. Solicitor, No. 481, dated 10-9-1903.

" " 1439, " " " " , " 482, " 10-9-1903.

" " " " , " " 190 .

ORDER

Pj

No. 433, dated 12-9-1903.

[Issue notice tray]
12-9-03. RJ
without fail

The draft deed of agreement submitted by the Govt. Solicitor with the first of his letters read above is approved and returned herewith for further action with reference to para: 2 of his No 417 dd 7th instant.

2. Under this deed the collection of outstanding debts is left to the Indian Aluminium Company who may nominate any person for making collections and granting receipts and the payment by the company of the balance (Rs 25,000) of the purchase money on or before the 15th November next is to be in a lump sum. These provisions are not in accordance with the note of agreement of the

the 4th instant and may be objected to by the Company. In case objection is raised the Govt. Solicitor should so alter the deed as to provide expressly that Mr. Chatterton shall be nominated by the Company to collect the outstandings up to the 15th November next and that whatever is thus collected shall be credited to Govt. and deducted from the balance due by the Company to Govt. on that date, the remainder alone being paid in Cash.

2. The payment on the 15th instant should be made to the ~~Accountant~~ General or to the Bank of Madras to the credit of Govt. + the Company's representative should produce the Acct Genl's or the Bank's receipt in evidence of the payment having been duly made.

1. The blank space in the draft for this entry should be filled up accordingly.

3. The stamp duty of Rs 300 will be borne by Govt.

4. With reference to the Govt. Solicitor's second letter it is observed that Mr. Chatterton has misunderstood the terms of the agreement of the 4th instant, which are to the effect that the Company is to pay on the 15th idem Rs ~~191800~~ 179800 ~~plus or minus the increase or decrease, as the case may be, in the net expenditure on the Aluminium industry for the period from the 4th to the 15th instant~~ = the net expenditure on the Aluminium industry for the period from the 3rd to the 15th instant (which has been roughly forecasted to be Rs. 5000 but which may be either more or less than that sum) and that the balance of Rs 25000 is to remain a fixed sum payable by the 15th November next either ~~in instalments~~ by collection of outstandings

19

or ~~in a lump sum~~ otherwise.

Pty 12/9/3

Sgl 12.9.03

Despatched 12/9/3 { Govt Solr. in the draft returned
Mr. Chatterton
Copy to D.P.I.

When given for copying ——
When copied ——
When examined —— } 190 .
When signed ——

READ AGAIN G.O., No. , DATED
190 .

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.