

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 276

Press
Mis.

Dated 27. 4. 1858

B. no. 13-14

Not to be folded or roughly handled

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Fort Saint George, Financial Consultation, 27th April 1858.

No. 13. From G. L. PRENDERGAST, Esq., Accountant General; to the Chief Secretary to Government, dated 9th April 1858, No. 402.

SIR,

1. I have the honor to report, for the information of Government and the Honorable Court of Directors, the following circumstances connected with the Tanjore Sinking Fund, in order that Government may be pleased to lay the same before the Honorable Court for their instructions. I have considered it necessary to enter into details in view to place the subject in as clear a light as possible, so long a time having elapsed since the orders referred to in this report, were issued.

2. In a Despatch from the Honorable Court, dated the 1st February 1843, No. 2, they laid down in para : 5 in the shape of a Statement, (transcript of which is enclosed for ready reference) the principle upon which the appropriation of a portion of the Tanjore Revenues should take place annually commencing from the 31st July 1841. The object of this appropriation was, the

formation of a Sinking Fund for the redemption of the Bonds issued by the Madras Government to the creditors of the late Ameer Sing, formerly Rajah of Tanjore. The necessary entries have been accordingly annually made from the official year 1841-42, and the amount set apart at 5 per Cent on the aggregate amount, viz. Company's Rupees 56,23,788, of adjudications by the late Tanjore Commissioners in favor of parties, reached the sum of Company's Rupees 42,17,840-15-0† in 1855-56.*

Order of Government, dated 28th April 1843, No. 207.
* *By crediting "Sinking Fund" and debiting "Profit and Loss of the Revenue Department."*

† *See folio 24 of the General Territorial and Political Ledger for 1855-56.*

3. Besides the setting apart 5 per Cent per annum on the total Tanjore Debt, the Honorable Court directed in the

* *See Form of Statement enclosed.*

† *Nine months in every Official year.*

Total amount which the Sinking Fund attained in 1855-56 as per progress Statement entered at page 180 of the General Territorial Journal for that year.....Rupees

Deduct Principal as per Ledger for 1855-56, folio 24.....

** Amount of Interest...*

Amount of Principal annually set apart from 31st July 1841 to 31st July 1855 at 5 per cent.....

Add Simple Interest on the annual amount set apart and on the accumulated amount at 4 per cent.....

As per Statement in the General Territorial Journal for 1855-56, page 180.....

Add amount still required to complete the Total Tanjore Debt.....

Aggregate Tanjore Debt...

55,25,371 9 10

42,17,840 15 0

13,07,530 10 10

42,17,840 15 0

13,07,530 10 10

55,25,371 9 10

98,416 6 2

56,23,788 0 0

ble Court directed in the same* Despatch that Simple Interest at 4 per Cent per annum on the sums annually set apart on the 31st July and up† to the 30th April, should be calculated; moreover that the same rate of Interest should be calculated annually on the amount of the balance which may have accumulated from year to year by the setting apart of 5 per cent on the aggregate debt. The amount of Interest thus calculated amounted in 1855-56 to Rupees 13,07,530-10-10, which remains unadjust-

ed, and which added to Rupees 42,17,840-15-0 shewn at the conclusion of the preceding para : aggregates Rupees 55,25,371-9-10, leaving Rupees 98,416-6-2 as then required to make up the total amount of the Tanjore Debt, or adjudications, as marginally indicated.

4. It will be seen from the preceding paras : that the Sinking Fund has been formed partly by setting aside in account, 5 per cent on the Principal amount of the Tanjore Debt, and partly

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by the calculation of Simple Interest on the sums annually set apart, and on the accumulated balance set apart from year to year, but as Rupees 98,416-6-2 are still required to complete the total amount of the debt,

* Which will be Rupees 2,68,713-10-2.

† Rupees 2,81,189-6-4.

‡ Interest at 4 per Cent on the accumulated Sinking Fund, viz., Rupees 42,17,840 15 0

Deduct amount still required to complete the Sinking Fund.....

Surplus.....

Rupees..... 1,68,713 10 2
98,416 6 2
70,297 4 0

the question arises whether this sum is to be made up by taking a portion of the 4 per* Cent Interest due by Government to the Fund for the year 1856-57 on Rupees 42,17,840-15-0, the amount which now stands to the credit of the "Sink-

ing Fund" and alluded to in para: 2, or whether it is to be made up by appropriating a portion of the 5 per Cent Principal† amount annually set apart, by crediting "Sinking Fund" and debiting "Profit and Loss of the Revenue Department." I may here remark that the amount of Interest‡ for one year due by Government to the Fund is more than sufficient to meet the amount still required as above alluded to, and shewn in the margin. I beg that Government will be pleased to obtain the orders of the Honorable Court on the subject, pending whose decision. I have refrained making the usual entry in the General Territorial Books for 1856-57. It can be made in the Books of the year 1857-58. In the event of the Honorable Court determining that the amount still required to make up the stipulated sum should be met from the Interest due for one year, viz. 1856-57, no adjustment will be necessary in the Books, the amount will be simply added to a separate Statement to be exhibited in the General Territorial Journal for 1857-58, shewing the progress of the Sinking Fund, in the same manner as the Interest has been all along added, year by year thereto.

5. The next point on which I have to solicit the instructions of the Honorable Court is, as to whether any adjustment is necessary to be made in the General Territorial and Political Books of this Presidency, and in the Annual Statement of Actual Receipts and Disbursements on account of Simple Interest calculated from the commencement of the operations of the Sinking Fund, and which, as stated in para: 3, amount to Rupees 13,07,530-10-10 up to 1855-56. The

reason why I put the question is, because the amount of Simple Interest has never been adjusted in the Madras Books as already observed in the same para. The amount* of the 5 per Cent on the total Debt

was alone adjusted by crediting "Sinking Fund" and debiting "Profit and Loss of the Revenue Department" as stated in para: 2, while the Simple Interest has

Since the year 1843-44. been merely shewn, year after year, in the Territorial Journals* by a Statement indicating the annual progress of the Sinking Fund towards completion, this was done by adding to the accumulating principal, the interest annually calculated on that principal. This mode of ascertaining the progress of the Fund in question appears to have been intended by the Honorable Court, as will be seen from the conclusion of para: 137 of their Despatch to the Government of India in the Financial Department, dated the 10th May

1837, which runs as follows: "The sufficiency of the Sinking Fund to discharge

"all the Debts finally adjudged will be measured by the accumulated amount of

"the sums thus set apart together with Simple Interest at 4 per Cent calculated

"on the balance, but the 4 per Cent so calculated will form no portion of the Madras Charges." In a subsequent Despatch to the Supreme Government, dated the 28th

October 1840, para: 23, the Honorable Court stated, (in reply to a question* from this Office

as to the manner in which the Interest to be credited† to Sinking Fund was to be debited in the Public Accounts), as follows: "By our orders of the 10th. May 1837, the "Interest was not

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to be calculated ‡ till the accumulated amount of the sums set apart, together "with such Interest should be sufficient to discharge all the Debt finally adjudged."

6. The time has, I think, arrived for the issue of definite instructions as to the course this Office should pursue in regard to the making up of the amount still required, and also the mode of adjusting, if such be intended by the Honorable Court, the accumulated amount of Simple Interest which, as already remarked, has not hitherto been adjusted in the Madras Books. On these two points therefore I request to be favored with orders of the Honorable Court of Directors.

			Remarks.
1841-42.			
5 per cent thereon, to be set apart on the 31st July 1841, will be.....Rupees...	* 2,18,189		The sums marked thus* have been adjusted annually to the credit of Sinking Fund and debit of Profit and Loss of the Revenue Department.
Simple Interest at 4 per cent per annum calculated on this sum from the 31st July 1841 to the 30th April 1842 ($\frac{3}{4}$ of a year.)... ..	† 8,435		
	Rupees	2,89,624	
1842-43.			
Amount as before to be set apart on the 31st July 1842.....Rupees...	* 2,81,189		The sums marked thus† have never been adjusted in the Madras Books.
Simple Interest at 4 per cent per annum on the sum of Rupees 2,81,189 set apart on the 31st July 1841, viz. 1st May 1842 to 30th April 1843.....	† 11,248		
Do. on Rupees 2,81,189 set apart on the 31st July 1842, viz. from that date to 30th April 1843.....	† 8,435	3,00,872	
1843-44.			
Amount as before to be set apart on the 31st July 1843.....Rupees...	* 2,81,189		
Simple Interest at 4 per cent per annum on Rupees 5,62,378 set apart in the two preceding years, viz. from the 1st May 1843 to the 30th April 1844.....	† 22,495		
Do. on Rupees 2,81,189 set apart on the 31st July 1843, viz. from that date to the 30th April 1844.....	† 8,435	3,12,119	
Total Estimated amount of the Sinking Fund on the 30th April 1844.....Rupees		9,02,615	

No. 14. ORDER THEREON, No. 276; dated 27th April 1858.

Ordered that the foregoing letter be forwarded to the Honorable the Court of Directors and their instructions solicited on the two points submitted by the Accountant General connected with the Tanjore Sinking Fund.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. J. A. Wilson.

At

No. 276.

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foregoing letter be forwarded
to the Honble the Court of Di.
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WZ

Fort St George
27 April 1858.

To the Acct General. Recd 28th