M.R.O. 1—77,006—8-6-37.

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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 2237		Press Mis.-
136-137.		136-137
Dated 20 11-		1875.

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Municipal—Loans.

No. 136. Read the following letter from L. R. BURROWS, Esq., Acting President of the Municipal Commission, Madras, to the Honorable D. F. CARMICHAEL, Officiating Chief Secretary to Government, Fort Saint George, dated Madras, 13th October 1875, G. No. 455 :—

Adverting to the Order of Government noted in the margin, copy of which I have received from the Accountant-General with a memorandum showing amount of compound interest claimed from the Municipality in consequence of their failure to pay up in full the instalment of interest on the Water-Works Loan which fell due on the 30th June last, I have the honor respectfully to request the kind attention of the Government to the circumstances under which this claim of compound interest is made.

G.O., 22nd Sept. 1875, No. 1872, Finl. Dept.

2. In the beginning of this year a correspondence took place between the Government and Mr. Loch regarding the non-payment of the instalment of interest on the Water-Works Loan which fell due on the 31st December 1874. When it became evident to the Government "that the President could not with any degree of certainty guarantee payment of the interest within the first quarter of 1875," the Accountant-General was authorized to charge compound interest to the date of realization of the interest due. Accordingly a sum of Rupees 28,000, being the unpaid portion of the instalment of interest above mentioned, stood for some time against the Municipality at compound interest, and was eventually allowed to be adjusted in the accounts as an advance on account of the Chepauk Water Works.

G.O., 8th March, No. 525, Finl. Dept.

3. Previous to the commencement of this correspondence the payment of the half-yearly instalments of the interest had occasionally been made long after they fell due, for instance, the instalment of Rupees 25,710 due on the 31st December 1871 was paid on the 28th February 1872, and that for Rupees 35,505-13-3, due on the 31st December 1872, was not paid until the 16th October 1873. On these occasions the Government did not charge the Municipality with compound interest, and from the wording of the Government Order of the 8th March it may fairly be inferred that if the President had been able to guarantee full payment within the first quarter of the year, no order would have been given for the charging of compound interest.

4. The operation of the Order of Government, dated the 20th April 1875, No. 884, under which payments on account of Hospitals and Dispensaries, Vaccination and the Contagious Diseases Act were to be deducted from the grants assigned by Government for roads, zoological collection and assessment on buildings was unfavorable to the Municipality, and accounts to some extent for their inability to meet the instalment of interest due on the Water-Works Loan. Under the above order a payment of Rupees 51,326, which ordinarily is made in four quarterly instalments, was completed on the 23rd June 1875.

5. I trust that, under these circumstances, the Government will be pleased to order the Accountant-General to withdraw the claim for compound interest, and that in future they will treat the Municipality with the same indulgent consideration which they have always shown, being assured that no pains on my part shall

be spared to meet the demands of Government with greater promptitude in the future.

No. 137. ORDER THEREON, 20th November 1875, No. 2237.

Under the circumstances represented the Governor in Council is pleased to remit the demand for compound interest.

(True Extract.)

Officiating Chief Secretary.

To the President of the Madras Municipal Commission.
,, Accountant-General.

Exd. J. Wright.

Financial Department.

No. 2404.

From The President & Municipal Comrs, Madras.

Dated 13th Octr 1875.

FOR ORDERS.

Govt. of {1875} Madras.

FINANCIAL.

To

THE PRESIDENT OF THE MADRAS
MUNICIPAL COMMISSION,
&c., &c., &c.

Dated November, 20th.

Issued

Recd. *Encl.*

G.O., 20th November 1875, No. 2237.

NOVEMBER.
Nos. 136—137.

Municipal Loans.—The demand for compound interest from the Madras Municipality in consequence of its failure to pay up in full the instalment of interest on the Water-Works Loan which fell due on the 30th June last, remitted.

Madras Municipality

Compound interest on Water Works Loans.

FOR ORDERS.

G.O. 20 Nov/75
No 2257

C.A/11/11

-95

Municipal Commissioner's Office,

G. No. 4655. Madras, 13th October 1875

From

L. R. BURROWS Esq.,

Acting President Municipal Commission.

To The Honble D. F. Carmichael
Acting Chief Secretary to Government
Ootacamund

SIR,

175 I. According to the Order of Government noted in the margin copy of which I have received from the Accountant General with a Memorandum showing the amount of Compound Interest claimed from the Municipality in consequence of their failure to pay within the time allowed the instalment of Interest on the Water Works Loan which fell due on the 30th June last, I have the honor respectfully to request the favor of Government to state the circumstances under which the claim to Compound Interest is made.

2. In the beginning of this year a correspondence took place between the Government and Mr Lock regarding the non-payment of the instalment of Interest on the Water Works Loan which fell due on the 31st December 1874. When it became evident to the Government that the President Court Fee Act would not be repealed in time to enable the Municipality to pay the instalment by the 31st March 1875, the Accountant General was advised to charge Compound Interest to the date of realization of the interest due. Accordingly a sum of Rupees 28000 being the unpaid portion of the instalment of interest was entered as a Suspense for some time against the Municipality at Compound interest, and was eventually allowed to be adjusted in the accounts

accounts as an advance on account of the Chepauk Water Works.

Previous to the Commencement of this Correspondence the payment of the half yearly instalments of the interest had occasionally been made long after they fell due, for instance the instalment of Rupees 25710 due on the 31st December 1871 was paid on the 28th January 1872 and that for Rupees 235305-13-2 due on the 31st December 1872 was not paid until the 16th October 1873 On this occasions the Government did not charge the Municipality with Compound interest, but relied on the wording of the Government Order of the 8th March it may fairly be inferred that if the President had been able to guarantee that payment within the first quarter of the year, no order would have been given for the charging of Compound interest.

The observations of the Order of Government dated 20th April 1872 [illegible] extend to the accounts of Hospitals and Dispensaries, Vaccination and the Contagious diseases Act would be deducted from the grants assigned by Government for Roads, Conservancy Collection and Assessment on buildings was unfavourable to the Municipality, and accounts to some extent, or their inability to meet the instalment of Interest due on the Water Works Loan. Under the above order a payment of Rupees 57326 which ordinarily is made in four quarterly instalments was Completed on the 23rd January 1875

I trust that under these circumstances Government will be pleased to order the Accountant General to withdraw the claim for Compound interest and that in future they will treat the Municipality with the same indulgent Consideration which they have always shown being assured that no pains on my

part

I have the honor to be
Sir
Your most Obedient Servant
L. R. Reeves.
Acting Chairman of the Municipal Commissioners

20th November 1875 No. 2237.

Under the circumstances represented the Govt. in Council is pleased to remit the demand for Compound interest.

To the President of the Madras Municipality

Govt. Order No. 2237 dated 19/11/75.

Secretary to Govt.

Dated 29/11

Govt. 1875 dated
From
L. S. C. Burrows Esqre.
Officiating Secretary to Govt.
Madras.

To
The Hon'ble. O. Carmichael
Officiating Secretary to Government
Of Madras.

Dated 13th October 1875
Received 16 " "

No. 455

Requests that for reasons stated the Government may be instructed to withdraw the claim for compound interest on the instalment overdue from the Municipality on account of the Water Works Loan.

13

Go[illegible] of {1875} Madras.

Financial

No. [illegible] of 1875. No. 2223

135 — 7

Nos. ~~143-144~~

Municipal Loans. The Loan and fee Compound in favour from the Madras Municipality in case of ~~their~~ its failure to pay up in full the instalment of interest on the Water Works Loan which fell due on the 30th June last remitted.