

65 69 (1) Number of pages 22
 (2) Date of repair 5/87
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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

FINANCIAL DEPARTMENT

G.O. No.	1821	Press.
B.P. No.		Mis.
Dated	28 - 9 - 1881	197.

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Not to be folded or roughly handled

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1821
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GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

28th September 1881, No. 1821.

Municipal-Loans.

Read the following paper :—

From A. T. ARUNDEL, Esq., President of the Municipal Commission, Madras, to the Chief Secretary to Government, dated Madras, 15th September 1881, G. No. 453 [Current No. 2540].

With reference to G.O., No. 1569, dated 27th August 1881, I have the honor to forward a Resolution of the Commissioners passed at a Special Meeting on the 14th instant accepting the suggestion of Government as to the required loans, and requesting, under Section 208 of the Municipal Act, the formal sanction of Government to the raising by debentures of a loan of three-and-a-half lakhs in 1882.

2. The rate of interest offered is 5 per cent. per annum, and the loan will be repaid in thirty years by a Sinking Fund at 2 per cent.

3. The security for the loan will be the Municipal rates and taxes, full details of which were furnished to Government with my letter, No. 255, dated 20th May, printed in G.O., No. 1199, dated 27th June 1881, and published in the *Fort St. George Gazette*.

4. As already explained in my letter above referred to, the only prior claims on the Municipal rates and taxes are for the interest at 4 per cent. on the Water-works Loan of Rs. 14,30,000, and for the interest at 6 per cent. on the Market Debenture Loan of Rs. 20,000.

5. Of the total amount of the loan, two-and-a-half lakhs are required for Water-supply Extension, and will nearly complete all that is proposed to be done. The remaining one lakh is for the Drainage of Black Town, and will complete the pumping station, out-fall pipe, out-fall sewer, and the connections with the present north main drain and harbour intercepting sewer. This portion of the work will form a section of the whole complete in itself to which other sections of the whole drainage project will be subsequently added.

ENCLOSURE No. 1.

Minutes of the Proceedings of a Special Meeting of the Municipal Commissioners for the City of Madras, held at their Office Premises, No. 22, Errahbauloo Chetty Street, Black Town, on Wednesday the 14th September 1881, at 4 P.M., under the provisions of the City of Madras Municipal Act V of 1878.

PRESENT.

A. T. Arundel, Esq., President.
J. A. Jones, Esq., Vice-President.
M.R.Ry. P. Ramasawmy Chettiar Avergal, Vice-President.
The Hon'ble J. G. Coleman.
" P. Macfadyen.
" Meer Humayoon Jah Bahadur.

Lieutenant J. H. Taylor, R.N.R.
 Major C. C. Sargeant.
 Dr. Mohideen Sheriff Khan Bahadur.
 Cowasjee Edulji, Esq.
 B. Lavery, Esq.
 J. P. Nicholas, Esq.
 J. G. Ferrand, Esq.
 M.R.Ry. C. V. Sundaram Sastriar Avergal.
 " C. Yetherajulu Nayudu Garu.
 " V. Ganesha Rao Garu.
 " V. Kristnama Chariar Avergal.
 " Y. Vencataramiah Garu.
 " P. Vijiarunga Mudaliar Avergal.
 " E. Theroovengada Mudaliar Avergal.
 " W. S. Vencataramanjulu Nayudu Garu.
 " C. Singaravelu Mudaliar Avergal.
 " G. Rajagopaul Nayudu Garu.
 N. Subramaneam, Esq.

G.O., dated 27th August 1881, No. 1569, Financial Department, in which the Government express their inability to grant loans to the Municipality for Drainage and Water-supply, and suggest the exercise of the powers vested by law in the Commissioners for raising the requisite loans.

Proposed by the Hon. P. Macfadyen, seconded by the Hon. J. G. Coleman, and carried by nineteen *pro* to one *con*.

"That the Commissioners request the sanction of Government, under Section 208 of the Municipal Act, to raise by debentures, on the security of the Municipal rates and taxes, and at 5 per cent. interest per annum, a loan of three-and-a-half lakhs of rupees, viz., two-and-a-half lakhs of rupees towards the extension of the Water-supply, and one lakh of rupees towards the Drainage of Black Town. A Sinking Fund, at 2 per cent. per annum, will be formed at the same time, by which the whole loan will be paid off at the end of thirty years."

The Meeting then terminated.

(Signed) A. T. ARUNDEL,
President.

ORDER THEREON, 28th September 1881, No. 1821.

The President requests the sanction of Government to the raising by debentures, at 5 per cent. interest, under Section 208, Act V of 1878, of a loan of three-and-a-half lakhs of rupees. The objects for which the loan is required are the extension and approximate completion of the Municipal Water-supply and the carrying out of the Drainage of Black Town in accordance with the scheme already approved by Government. The President in his letter asks that the loan may be raised in 1882, but the Resolution of the Commissioners contains nothing on this point. The Government do not suppose that the whole amount would be required in one year, and are of opinion that debentures should be issued only as funds are needed for expenditure. The rate of interest offered seems unnecessarily high, and, if it is expected that the debentures will be issued at a premium, this is an additional reason for not issuing the whole at once.

2. The Government do not doubt that there are members on the Commission fully competent to finance the matter favorably for the Commissioners; but, since the formal sanction of Government is required by law, they desire first to be satisfied that the Commissioners are not incurring more expense than is actually necessary. Fuller and more exact information ought, in their opinion, to be supplied, especially as to the terms as regards redemption, &c., on which the loan is to be raised. It is stated that the loan is to be paid off in thirty years. Five per cent. interest for thirty years would certainly appear to be a needlessly high expenditure. But there is, apparently, to be an annual appropriation of 2 per cent. more for a Sinking Fund which would presumably be applied in periodical redemption, and the terms would thus be modified to a certain extent by the short certainty of the interest.

3. It is observed that 4 per cent. on the State Water-works Loan of Rs. 14,30,000 is entered among the existing Municipal liabilities. It does not clearly appear whether this includes the Sinking Fund of 2 per cent. which goes to reduce gradually, and has in fact already to some extent reduced, the original amount of the debt, or whether this Sinking Fund forms an additional liability.

4. The President is requested to furnish information, on the points indicated above.

(True Ex)

R. DAVIDSON,
Chief Secretary.

To the President of the Municipal Commission, Madras.

Exd. T. O'Connor.

Gobt. of (1881) Madras
FINANCIAL

To
THE PRESIDENT OF THE
MUNICIPAL COMMISSION,
Madras.

Dated September, 28th.

Issued

Recd.

Encl.

G.O., 28th September 1881, No. 1821.

SEPTEMBER.

Municipal—Loans.—Certain information called for from the President, Municipal Commission, Madras, with reference to his letter requesting sanction for raising by debentures a loan of 34 lakhs of rupees for the extension of the Municipal Water-supply and the carrying out of the Drainage of Black Town.

G. No. 453

Municipal Office,

Madras, 15th September 1881.

From

A. V. Prasad Esq.,
President, Municipal Commission,
Madras.

To

Mr. R. S. Davidson Esq.,
Chief Secretary to Government,
Colaba, Madras.

Sir,

With reference to G.O. No. 1567
dated 27th August 1881, I have the honor to
forward a resolution of the Commission
passed at a Special Meeting on the 14th
Instant accepting the suggestion of Govern-
ment as to the required loans and requesting
under Section 268 of the Municipal Act,
the formal sanction of Government to the
raising by debentures of a loan of the
amount of Rs. 34 lakhs in 1882.

2. The rate of interest offered is 5 per
cent per annum and the loan will be repaid
in thirty years by a sinking fund at 2 per
cent.

3. The security for the loan will be the
Municipal Rates and Taxes and details of
which were furnished to Government with
my

my letter N^o 253 dated 26th Aug 1881
of N^o 1177, dated 27th June 1881 and
published in the South M^o George Gazette

N^o 1177. As already explained in my
letter above referred to, the only prior claim
on the Municipal rates and taxes are for
the interest at 4 per cent on the Water Works
loan of Rs 14,36,000, and for the interest at
6 per cent on the Market Rehabilitation loan
of Rs 20,000.

Of the total amount of the loan
2 1/2 lacs are required for water supply
extension and will nearly complete all that
is proposed to be done. The remaining 1 1/2
lacs for the Rehabilitation of Black Town
will complete the pumping station, out-
fall pipe and fall sewer, and the connections
with the present North Main Drain and the
intercepting sewer. This portion of the work
will form a section of the whole complete project
to which other sections of the whole complete
project will be subsequently added.

I am, Sir, your most obedient servant,
A. J. Arundel Esq.

W. C. C.

Minutes of the Proceedings of a Special
Meeting of the Municipal Commissioners
for the City of Madras, held at their Office
Premises, No. 2, Erak Baobos Chetty
Street, Black Town, on Wednesday, the
14th September 1881, at 4 P.M. under the
provisions of the City of Madras Municipal
Act V of 187.

Present:

A. J. Arundel Esq. President.
J. A. Jones Esq. Vice President.
M. R. Ky. P. Ramaswamy Chettiar Aiyar
Vice President.

The Honble J. P. Coleman.

" P. Macfadyen.

" Mee Munayon Sah Bahadur.

Lieutenant J. G. Taylor R. N. R.

Major C. C. Sargraunt.

D^o Mohideen Shariff Khan Bahadur.

Gowdajee Odiji Esq.

B. Lavery Esq.

J. P. Nicholas Esq.

J. G. Ferrand Esq.

M. R. Ky. C. V. Sundaram Sastrian Aiyar.

" C. V. Ketharajulu Nayudu Garu.

" V. Ganesha Rao Garu.

" V. Kishnappa Chariar Aiyar.

" G. Venkataraniyah Garu.

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1565-22-2-21 off
 1188-22-6-21 off
 1262-26-6-79
 Act-81 of 1879 Madras Municipality
 25/4/75

File (1881) Sept
 Madras Municipality.

FROM
 (Loans)
 R. D. THE PRESIDENT,
 3 SEP 81 Municipal Commissioner,
 MADRAS.

To
 The Chief Secretary
 to Government
 Retreanment

G. No. 1153

Dated. 15th
 Despd. 16th
 Recd. 17th
 September 1881.
 CURRENT NO. 2540
 Enc. 1

Subject

Requesting the formal
 sanction of Government
 to the raising by debentures
 of a loan of 3 1/2 lacs of
 Rupees.

E

File DEPARTMENT.

No.

From

The President, Municipal Commission
 Madras. D. 15th of 81. G. No. 45-3. Re-
 questing the sanction of Govt. to
 the raising by debentures (Sec 208.
 Act V of 1878) of a loan of 3 1/2
 lacs of Rupees. 1 2 1/2 lacs for
 extension and approximate completion
 of Water Supply. 1 lac for Black
 Town Drainage.

FOR ORDERS.

The rate of interest is 5 p.c.
 The loan will be repaid
 in 30 years by a 2 p.c. sinking
 fund.

The security will be
 the Municipal rates &
 taxes, in which the
 only prior claims are
 1/4 at 4 p.c. for water
 works loan of Rs 14,30,000 -
 1/2 at 6 p.c. for Market &
 Bazaar Loan of Rs 20,000.

In his letter embodied
 in G.O. of 26-6-79. No 1202
 F.D., the Act. Secy. ex-
 pressed his inability to
 offer an opinion on the
 value of the security of

The Secy in his letter
 acts that the loan may
 be sanctioned. The
 Secy says nothing
 on this point. I don't
 suppose that the Govt
 can be required
 in one year. The
 debentures should
 be issued as
 funds are needed

performed by the Municipality
and recommended that
the Mayor be asked to draw
up a statement affording
necessary information on
the subject, as described
in his letter.

Submitted. And as the
loan is to be obtained
~~not~~ from the State but
in the open market
no such statement of
Municipal income &
expenditure is needed,
and that the formal
sanction of the Govt. in
Council may be ac-
corded to the proposals
of the Commissioner.

Wm. A. Ellis

Income & Expenditure
etc. It is said that the
loan is to be paid off
in 30 years.

5% for 30 years

for expenditure

I do have the 8th
5% loan in success
high rate of interest
& offer. If the
Comm. estimate &
issue the Debentures
at a premium, this
is an adv. reason
for not issuing the
Debt at once

I think best having
more fact & information
as to the exact terms
and it is proposed
to raise the loan.

I have heard that

certainly I think
is a reasonable
expenditure.

But there is then
apparently an
annual approp.
of 2% for
sinking fund
Dr. Spenser
will be applied
in periodical
redemption. &
the shortening
of interest modifies
the terms.

which
it

1821
There are some here on
the Comm. fully competent
& finance the matter
favorably for the Com.
but still as no
sanction is readily
law I think we
must be satisfied
that the Comm. are
not incurring more
expense than seems
necessary.

I observe that 4%
is included on the
State water works loan
is entered among
the existing liabilities.
Is there not an adv.
2% for sinking fund
is not this properly

an add'l liability - or
~~is it~~ in fact included
 in the 400 on the whole
 loan debt? the linking
 of Govt & Municipal gradually
 showing in fact a liability
 reduced [K. I. or [unclear]
 [unclear]

23/9/87

HL
 [unclear]

Madras Municipality raising
 a loan

FOR ORDERS.

So (Fund) 1871/81

M 22/9

UP
 Finl Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

1887/8

Read the following letter from

the President, Municipal Commission illadris.
 of 15th September 1887. G. No. 463. —
 Order 28th Sept. 1887, No 1821.

The President requests the
 sanction of Government to
 the raising by debentures
 at 5% interest under
 S. 208. Act II of 1878 of
 a loan of 3½ lakhs of
 rupees. The objects for
 which the loan is required
 are the extension and
 approximate completion of
 the Municipal Water Supply
 and the carrying out of the
 drainage of Black Town
 in accordance with the
 scheme already approved
 by Government. The Presi-
 dent in his letter asks
 that the loan may
 be raised in 1882, that
 the Resolution of the Com-
 missioners contains no-
 thing on this point. The
 Government do not sup-
 pose that the whole amount
 would be required in one

year and are of opinion
that debentures should
be issued only as funds
are needed for expendi-
ture. ~~It is expected~~

The rate of interest of-
fered seems unreason-
ably high and, if it is
expected that the de-
bentures will be issued
at a premium, this
is an additional reason
for not issuing the whole
at once.

The Government do
not doubt that these
are members on the
Commission fully com-
petent to finance the
matter favourably for
the Commissioners but
since the formal sanc-
tion of Government is
required by law, they
desire first to be satis-
fied that the Com-
missioners are not
incurring more expense
than is actually neces-
sary. Fuller and more
exact information ought
in their opinion to be
supplied, especially as
to the terms as regards

1821
9

redemption & on
which the loan is
to be raised - ~~Five per~~
~~cent for 30 years~~ It is
stated that the loan
is to be paid off in
30 years. Five per
cent ^{interest} for thirty years
~~and~~ would certainly
appear to be a need-
less high expenditure. But
there is, apparently, to
be an annual ap-
propriation of 2 per
cent more for a sinking
fund which would
presumably be applied
in periodical redem-
tion, and the terms
might thus be modi-
fied to a certain ex-
tent by the short cer-
tainty of the interest.

It is observed that
4% on the State Water
Works loan of £14,30,000
is entered among the
existing Municipal li-
abilities. It does not
clearly appear whether
this ~~includes~~ in-
cludes the sinking fund
of 2% which goes to

reduce gradually and
has in fact already
to some extent reduced
the original amount
of the debt, or whether
this sinking fund forms
an additional
liability in
addition to those in-
terests.

The President is
requested to furnish
~~the~~ information
~~desired~~ at the points
indicated above.

Yrs. very
(Very Obedt)
A. S. J.

Gobt. of 188 } Madras.

Dated

Recd.

188 , No.

Nos.

2

1821
11

1821
10

The President U.C. Madras
Sept 7/10

7810-35

of 1881 Madras.

Real Property

DISPOSED OF

28 SEP 81

BY S.O. NO. 1821.



Certain in
the Loans ~~Order~~
formation called for
from the
not known from Madras,
the right to his letter
requesting sanction for
raising by debentures a
loan of 3½ lakhs of
rupees for the extension of the
municipal water supply and the
carrying out of the drainage
of Black Town.