

[L. & M.
1,000-2-1-79.]

Local & Munl. (189) Department.

MISCELLANEOUS.

G.O., No. 1240 M

DATED 30-8 99

INDEXED. DESPATCHED

[Despatch Abstract.]

Loan. Declining, with Remarks, to
approve the proposal of the Trichinopoly
Munl Council to repay the — — —
raised for the extension of the water supply
to certain places in the town in two instalments

Papers to be read in proceedings:—

Current No. 1684^m of 1899, dated 17th June 99

Issue has been
New part of the paper
asking for the
24 June 99

ORDER. No 1248 mms

3078728

There must be some thing behind
their refusal of the Irish Council as
they have honored already on the usual
refusals a known to form perfect
work. I also understand that the
Baird or Mulvey Orphanage in Ireland
wishes to send their care to money
requiring that they come for no
Answer.

19 June 98

Yes. The military 7. Orphan Asylum
has already been in correspondence
I have agreed to take up a loan.
Vol. Co. no 54 of 11 July '99.

note: The formal aspect of the
Vide para. 2 of § 57(b) 1 332 m
25-3-89

Governor of the Asylum is now
being asked.

Put up the ^{MA} 23.8.99. according to the

The proposal of the Municipal Council to repay the loan in two instalments at the end of the 25th and 50th years, cannot be approved. Nor does the Government consider that the system of annual repayments^{as} proposed in the loan application printed in G.O. No. 54 M, dated 11th January 1899, would be feasible. The loan should be repaid at the end of the 50th year and a sinking fund should be formed for the purpose, the annual payments on this account being invested in Govt Securities through the Accountant General.

2. The approval of Government is not required for the notification inviting tenders for the loan, and

The Chairman has got
muddled in para 4 and

5. viii 29

1,00,000 at 5%
 35,000 at 4½%
 20,000 at 4¼%
 10,000 at 4%
 &c. &c.

This is so far as I know unusual and in the case of any future loan will damage the credit of the Municipality ^{owing} to its obscuring the liability resting on the Municipality in respect of the loan (which is ~~none~~ of the rates shewn but one approximating to 5% and which it requires calculation to ascertain).

3. But I would recommend that the rate fixed be not so high as 5%. It is very probable that the credit of the Municipality is nearer 4 than 5% and it is probable therefore that a rate, say 4½, would be more economical than 5. The most economical and successful rate is that rate which will bring in ⁱⁿ tenders the amount of money that is required and as little more as possible, since in these circumstances it is certain that tenderers have given their money at the lowest rate they are prepared to take.

4. Another point is this. It is proposed to pay off the loan in two instalments one half in 25 years and the rest in 50. The papers do not shew the object of this but it seems to render necessary ^{at} the present higher taxation than is necessary.

Let us suppose the loan is issued at 4½% 79,000 Rs is to be paid off in 25 years and 79,000 in 50. The cost for interest

could have had no such idea as the C.S. supposes. I don't think it would serve any good purpose to

on the rate of interest which the Municipality pays on the debt.

send the C.S.'s note as it stands to the Chairman. The defects of the notice should be pointed out and a copy of an approved notice - e.g. of one of the Madras loans be sent him.

It is no good I fear to attempt to float a loan at less than 5 p.c. That I believe is the lowest ^{found or 5 p.c.} rate on which a loan has been raised.

See No. 576 M. 15 May 89 (Flag P). If a loan is

advertised & not taken, it stands a poor chance of ^{being} floated ~~it~~ afterwards at a higher rate than before, as investors get shy. ~~the business~~

~~is not a business~~
~~as the rate of interest~~
 The Calcutta Mun. Debt. which of course appeal to investors all over India yield at current prices over 4 percent to the investor.

Let me see the draft &c. & some specimens of approved notices. The sinking fund must of course be provided for in the usual way.

At 7.8.99.

on 79,000 is ⁵⁵⁵ Rs per annum, on 1,53,000 = ¹⁶⁵⁰ Rs. The sum which is necessary to set aside annually as Sinking fund for 79,000 Rs for 25 years is ²¹⁶⁷ Rs. If the money is invested in 3½ Govt. paper and for 50 years is ⁷⁰⁰ Rs. There-fore the whole sum which must annually be paid as interest and Sinking Fund on this arrangement is $\frac{7110}{25} + 2,167 + \frac{700}{50} = 997$ while the charge if the whole loan of 1,53,000 were issued for 50 years would be $\frac{7110}{50} + \frac{1461}{50} + \frac{8511}{50} = 356$, or more than 1,436 Rs per annum.

5. Yearly repayments at the option ^{from the investor's point of view} of the tenderer are quite impossible. What it is meant to convey by this ^{gradual repayments} phrase I am not sure, but possibly it means that 4 Rs on every 100 in the 79,000 Rs which ^{forming} the 25 year part of the loan is to be repaid and 2 Rs. on the rest i.e. the annual repayments in the 1st year are to be 4½ interest plus 6% of the loan = a payment of $\frac{2,530}{25} + \frac{1650}{25} = 165$ per annum against a possible ⁸⁵¹¹ 1536. (I would guess) of course this payment will gradually lessen in each succeeding year but the average payment must exceed what it would be under the Sinking Fund arrangement. This condition will simply kill the loan. No investor such as seeks these loans will give his money for short periods or will stand having his money returned to him in ^{driblets} dribbles. If any such condition is put in, the price given will be cut down so as to bring the whole transaction

transaction to about the same level as if the money were put into the Sinking Fund. The idea that the Municipality is getting 4⁷⁰ for its money by buying its own stock means a discount on the price of the stock at issue till its price is reduced to the level of Govt. paper and the discount by the Municipality of the benefit of those ^{improvements} ~~improvements~~ which it could effect by the capitalisation of that portion of its annual income which it may invest in the speculation.

Handwritten signature/initials

L & M. u-o.

Handwritten signature/initials

L. & M.
100-25-3-98.

NOTE FOR THE

To the Fin. Dept. w.d
in favor of remarks
as to the proposal of the
Tracy Municipality. to
repay loan in 2 instalments
after 25 & 50 years.

b86

17.7.99



Finl. u-o no 272 18.7.99.

Handwritten signature/initials

AR

Consulted Mr. Officer &
not up with

Please see
annexed note
which contain
also of the
Suggestion
22/7
21/7/99

P. D. District Municipality

CL. Gen. Reg. No. 1419 of 1899
Rev

Local & Munl. (1899) Department.

CURRENT No. 1684

Recd: in no. 1419 / 99
26/6/99
Forwards



25/6/99
ag. Collector

Order
The Secretary to Government
Local & Municipal Dep't
Madras.

From

The Vice-Chairman
Municipal Council
Trichinopoly

No. 22.

Use

Order.

The proposal of the Municipal Council to repay the loan in two instalments at the end of the 25th and 50th years, instead of in fifty annual instalments, ^{cannot be} approved. The Govt. however

Dated 17 6 99

Received 27 JUN 1899

Registered

Enclosures 2

Spare copies. 411

Consider that it may be left to the option of the person taking up the loan

SUBJECT.

2. The approval of Government is not required for the notification inviting tenders for the loan, and the Chairman should make his own arrangements with the Superintendent Govt Press for the publication of the notification in the Fort St. George Gazette.

to have yearly repayments or in the manner submitted by the Council. a notification for the loan of Rs 158,000 for approval and publication.

3. A sinking fund should be formed for the repayment of the loan, ^{purpose}

End on cur 526/111
Rev

20-6-99
Dr. Collector

the annual profits on this account
and it should be invested in Government
Securities through the Accountant-General

1/2
29/6/99

100 para 2080. 576m P 332m P
13.5.89 253.89
BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

To
The Chairman, &c Trichinopoly
thru the Collector

Trichinopoly Municipality Important Notice.

Loan of Rupees 158,000

The Council of the Trichinopoly Municipality
has under the authority of the Government of Madras
conveyed in G. O. No. 399 M Dated 20th March 1899, resolved
to borrow one Lakh and fifty-eight thousand Rupees for
the extension of water supply to various, then and
puthoo, the important suburbs of the Trichinopoly
Municipality.

Tenders for the whole or any part of the said
amount will be received by the Chairman of the Trichinopoly
Municipality up to 16th August 1899. Tenders
must be for sums of Rs 500 or multiples of Rs 500 -

Each tender must be addressed in the
form annexed to this notification, to the Chairman of the
Trichinopoly Municipality and enclosed in a closed cover
superscribed "Tender for the Loan of Rs 158,000-0-0."

The rate at which each tender is made
must be specified in Rupees or Rupees and annas. Fractions
of an anna is not to be inserted. The maximum rate of
interest at which tenders will be accepted is 5 per cent.
Tenders at rates below this maximum will be accepted in
the order of the rates tendered.

Promissory Notes will be issued on duly
stamped papers.

Interest on Promissory Notes will be paid
half yearly on the 15th July and 15th January.

to be made
to the Chairman

7 Each tender must be accompanied by a deposit
of not less than one hundredth part of the tender. The deposit
must be in cash or currency notes. The amount deposited by
unsuccessful tenderers will be duly returned to the address
given by them and of those whose tenders have been accepted
will be duly credited to their account as part of the loan
paid.

8 The loan is repayable in two instalments at
the end of the 25th & 50th years.

9 Successful tenderers should pay the amount
of their tender within one month of the date on which notice
of acceptance has been sent to him, failing which the
amount deposited will be forfeited to the Municipal
Council Trichinopoly.

10 Payments on account of interest or
repayment of loan by instalments will be recorded on the
back of the promissory notes which must invariably be
presented to the Chairman before any claim can be
recognised.

11 Tenders will be opened publicly by
the Chairman of the Municipal Council Trichinopoly
at a special meeting of the Council convened for the
purpose.

12 The Council does not bind itself to
accept any tender or to assign any reason for such rejection.

M. G. M. V.
Vice Chairman

Extract from the Proceedings of the
Municipal Council, Trichinopoly
passed at the meeting held on the
15th June 1899.

- Present.
1. Mr. H. G. Kopala Esq. M.B.A. Vice Chairman
 2. " M. Sreenivasa Rao Esq. Revenue Officer.
 3. J. H. Lehelmes Esq. Councillor
 4. Rev. J. Chrysberg B.A.
 5. Mr. A. M. N. K. S. S. S.
 6. Mr. H. V. Annaswami Mudaliar Esq.
 7. Rev. S. Guanamathu M.A.
 8. Mr. T. S. Palaniswami Pillai Esq. B.A.B.L.
 9. " C. E. Sundaram Esq. Esq.
 10. " T. S. Sureshwarar Esq. Esq.
 11. " C. V. Thirupathi Pillai Esq.
 12. Mr. A. S. S. S. S. S. S.
 13. Mr. H. V. S. S. S. S. S. S.

Para 11. Read Draft Notification of the
Finance Committee for a loan of Rs. 50,000
required to be raised for the extension of the
water supply scheme.

The Draft Notification will be
submitted to Government and their atten-
tion will be drawn to the proposal after

in terms for repayment. As soon as the
Sanction of the Government is received
the Chairman is authorized
to publish the notification
/ Signed / N. G. Gopala Iyer
Deo Chairman

/ True Extract /

Municipal Office
Trichinopoly
17th June 1899
H. G.

Deo Chairman

MUNICIPAL OFFICE,
TRICHINOPOLY 17th June 1899.

No. 22.

FROM, Mr. R. R. Iyer
N. G. Gopala Iyer Acting B.A.

Vice-CHAIRMAN
Municipal Council,
TRICHINOPOLY.
RENT NO. 168/1899

TO,
The Secretary to Government,
Local and Municipal Department,
FORT ST. GEORGE.

Through the Dy Collector of Trichinopoly.

SIR,
With reference to G.O. No. 399 M. Div.
dated the 20th March 99, I have the honor to
send for the approval of the Government a
draft notification inviting tenders for the
loan of Rs. 158,000 proposed to be raised in
the open market and to request you will be
pleased to have it published in Fort St.
George Gazette as modified and approved
by the Government. The Council thinks
that the proposal to repay the loan by annual
instalments will not be acceptable to
the lender or lenders and therefore request
the Government for permission to repay

the loans in two instalments at the end of the 25th and 50th years. If there is no objection to this arrangement, I request the Government will be pleased to decide whether a sinking fund may be opened and with whom it may be deposited, until the money is paid to the creditors.

I have the honor to be
Sir,

Your most obedient servant
W. H. Smith
Secy. Chairman

[L. & M.]
250-10-12-98.

LOCAL AND MUNICIPAL DEPARTMENT.

Papers to be read in proceedings:—

Again G.O., No.	dated	189
Again G.O., No.	dated	189
Current No.	of 189, dated	, from
	" 189, "	" "
		" "

NOTE FOR THE F.A.

It does not appear that E.R. 5.
any action has to be taken on this. May not the papers be simply filed with 80. No.
1240 11-30-8-99?

Yes - do so

V.A.
4/11/99

The Hon^{ble} Member asked in G.O. 1240 - 30. viii. 99. for the rules as regards the formalities to be observed in issuing Municipal Loans. No rules have yet been issued under the Municipal Act.

The rules issued under the Local Authorities Loans Act - 179. - G.O. 8. Feb 89. 322. & the - have got -

It seems doubtful whether any further rules are necessary - All loans are issued in very much the same way - and Government fixes the rate of interest in each case. The form of tender is probably the same everywhere, one Municipal copy, another - The only point is the

Pluck
d. 10 Sept 1899

W. H. Smith
Chairman

Sufficiency of advertisement and if when Municipalities are authorized to issue loans, the importance of widely advertising the loan is intimated to them - perhaps enough will have been done.

I see the only loan in the Madras Mail. Now - and perhaps an advertisement in a Bombay paper would be advisable. It much depends upon the size of the loan.

M
13. 7. 99.

This will show that the Ootacamund Municipality is advertising its loan in the Madras Mail.

I am asking the Madras Office about the matter generally - It may be advisable to issue some orders about advertising these loans.

Municipalities do not seem to advertise their loans sufficiently widely.

M

6. 7. 99.

[L. & M. Dept.]
530-29-3-99.
NOTE FOR THE

M

Vide notification
No. 643 in the Fort
Saint George Gazette
dated 1st August
1899. Page 297.

Nilgiri District
Gazette dated 16th
August 1899. Pages
6 and 7.

Ootacamund Municipal
Notice No. 1198 dated 5th September 1899.

The Government of Madras
having approved of the Ootacamund
Municipal Council raising a loan for
the acquisition of the Catchment area
of the Marimund Reservoir of Rs. 1,00,000
bearing interest at (5) five per cent per
annum, payable half yearly on 30th September
and 31st March and having a currency
of (30) thirty years, tenders for the whole or
part of Rs. 1,00,000 will be received by
the Chairman upto the 25th October 1899.

2. Each tender should be
Superscribed "Tender for Municipal loan",
and be sent in with a deposit of 2 per
Cent of the amount tendered.

3. Deposits received with
tenders but not accepted will be returned.

4. For the amounts accepted, and
fully paid up on the 15th November 1899,
debentures will be issued for Rs. (500) five
hundred each.

(Sd) Geo Hammett
O.M.C.

To

The Manager, Madras Mail.
For publication in two alternate
issues of the Madras Mail.

True copy.

Geo Hammett
Chairman

No. 1198

To

The Head Clerk
L & M Dept (St. James House) 99

NOTE FOR THE Hon'ble Mr.
Arundel. C.S.I.

Pages 297 & 298 of the
Fort Saint George Gazette
of 1.8.99,
in which is published the
application of the Coimbatore
Municipality for
a loan of one lakh of
Rupees are submitted

H. 97
2

This is all right as far
as it goes, but there
is no intimation as to
the method of tendering
for the loan, to whom
& within what date, &c.
Has not this been
advertised or
gazetted.

MA 3.10.99.



TELEGRAPHS. Monthly
Number.

From
(Office)

Official
Instructions.

From

(Person)

Hon. Mr. Arundel

Lack of Rupees to the
unpublished matter
yet, if so please

C.S.I.

LN.

Mts. by

Telegraph Master.

MADRAS MUNICIPAL 4 PER CENT. DEBENTURE LOAN OF 1899 FOR Rs. 13,50,000.

UNDER Section 209 of Madras Act I of 1884 (as amended by Madras Acts VII of 1884 and II of 1892), the Governor in Council of Fort St. George has given sanction, in Orders No. 389 M. and No. 529 M., Mis., in the Local and Municipal Department, dated the 17th March 1899 and 24th April 1899, respectively, for raising a Debenture Loan of twelve lakhs of rupees for construction of drains and one lakh and fifty thousand rupees for the completion of the Moore Market in Madras on the security of the taxes and tolls imposed and levied under the said Act. The Municipal Commissioners are therefore prepared to receive tenders for such loan.

2. Debentures will be issued for the said amount, bearing interest at the rate of 4 per cent. per annum, payable half-yearly in arrear on the 15th of January and 15th of July each year, and having a currency of fifty years. No interest will accrue before the 15th of July 1899.

3. The form of Debenture Bonds will be that given below. Each Debenture will be issued for the sum of Rs. 100 or some multiple of Rs. 100.

4. Tenders for the whole or any part of the above-named sum of thirteen lakhs and fifty thousand rupees will be received by the President of the Municipal Commission up to noon on Monday the 26th of June 1899.

5. Each tender should be in the form hereto annexed and enclosed in a sealed cover, superscribed "Tender for Madras Municipal 4 % Debenture Loan of 1899" and sent to the Municipal Office addressed to "The President, Municipal Commission, Madras."

6. The tenders will be opened by the President at the Municipal Office at noon, or, as soon thereafter as possible, on the 26th of June 1899, a minimum rate, below which no tenders will be accepted, having been previously fixed by the President.

7. Parties tendering must pay direct to the President, or into the Bank of Madras, to the credit of the Municipal Fund Account No. II, a sum equivalent to 2 per cent. of the amount tendered. If the deposit be paid into the Bank of Madras, the Bank's receipt must be forwarded with the tender.

8. If the tender be accepted, the deposit will be taken in part payment but it will be forfeited if, after the acceptance of the tender, the allotment is not fully paid up on or before the 15th of July 1899.

9. Debentures will be issued as soon as possible after receipt of the full amount of allotment.

10. The deposit on tenders which may not be accepted will be refunded on application accompanied by a duly stamped receipt.

11. In the case of two or more tenders at the same rate (not being below the minimum) a *pro rata* allotment will, if necessary, be made.

12. The rate stated in a tender must not contain any fraction of an anna; if a rate containing a fraction of an anna is inserted in any tender, such fraction will be struck out and the tender treated as if the rate did not contain such fraction of an anna.

13. In order to avoid mistakes, a separate tender must be made at each rate tendered, and a separate corresponding deposit must accompany each tender.

14. The annual income from the said taxes and tolls which will form the security for the loan amounts to between 9 and 10 lakhs of rupees. Loans which have already been raised on the same security are as follows, viz.:—

RS.		Repayable in 50 years by a Sinking Fund at 2 per cent. per annum.	And carrying interest at 4 % payable to Government and amounting annually to ..	RS.
14,30,000	Water-works Loan of 1869.		57,200	
20,000	Market Loan of 1879.	Repayable in 30 years by a Sinking Fund of Rs. 440 per annum.		
2,50,000	Water-works Loan of 1882.	Do. do. do. of Rs. 4,640	Do. at 5 % .. do. 12,500	
1,00,000	Drainage Loan of 1882.	Do. do. do. of ,, 1,850	Do. do. do. 5,000	
3,00,000	do. of 1883.	Do. do. do. of ,, 5,860	Do. do. do. 15,000	
18,000	do. of 1885.	Do. do. do. of ,, 5,720	Do. do. do. 900	
2,82,000	do. of 1885.	Do. 50 yrs do. of ,, 820	Do. at 6 % .. do. 16,920	
1,00,000	do. of 1887.	Do. do. do. of ,, 1,160	Do. do. do. 6,000	
1,50,000	do. of 1888.	Do. do. do. of ,, 1,210	Do. at 5 % .. do. 7,500	
1,50,000	do. of 1889.	Do. do. do. of ,, 170	Do. do. do. 1,000	
20,000	Water-works Loan of 1889.	Do. do. do. of ,, 400	Do. do. do. 2,500	
50,000	Drainage Loan of 1890.	Do. do. do. of ,, 3,050	Do. at 4 % .. do. 16,000	
4,00,000	Water-works Loan of 1895.	Do. do. do. of ,, 850	Do. do. do. 4,000	
1,00,000	Market Loan of 1897.	Do. do. do. of ,, 1,520	Do. do. do. 8,000	
2,00,000	Plague Loan of 1899.	Do. do. do. of ,, 380	Do. do. do. 2,000	
50,000	Water-works Loan of 1899.			

FORM OF TENDER.

I hereby tender for Rupees _____ of the loan advertised in the Notification of the Revenue Officer of the Madras Municipality, dated 8th May 1899, and agree to pay the same, subject to the conditions therein notified, at the rate of Rupees _____, for every Rupees 100 allotted to me. I enclose (a cheque, currency notes, or the Banker's receipt, as the case may be), for Rupees _____ being 2 per cent. on the amount of my tender, and engage, if my offer be accepted, to pay to the account of the Municipal Fund No. II in the Bank of Madras the balance of the sum allotted to me on or before the 15th of July 1899.

(Signature.)

(Address.)

FORM OF DEBENTURE.

Madras Municipal 4 per cent. Loan of 1899.

No.

Madras, the 15th July 1899.

By virtue of the City of Madras Municipal Act I of 1884 (as amended by Madras Acts VII of 1884 and II of 1892) we, the Municipal Commissioners for the City of Madras, incorporated under the said Act, in consideration of the sum of Rupees _____ paid to us by _____ promise to pay to the said _____ or order, the sum of _____ fifty years after the date hereof, together with interest on _____ at the rate of four per cent. per annum, payable in the meantime half-yearly on the 15th day of January and on the 15th day of July.

Rs.

Common Seal of the Commissioners.

N.B.—This debenture is transferable by endorsement, which must be made in the following form:—

Transferred this _____ day of _____ to _____ by _____

No transfer will be effectual until the endorsement has been registered in the office of the Commissioners.

(By order.)

Municipal Office, Revenue Department,
Madras, 8th May 1899.

MD. S. HUSAIN,
Revenue Officer.

It is understood from the Municipal Office that a notification inviting tenders for the loan has not been issued

29th July 1899

of course this is only the advertisement of the application

The loan has apparently not yet been advertised -

Are there rules as to the mode of advertising? Some municipalities seem to advertise the loan in the local newspapers & some not so -

Please put up the rules as subject of loan if there are any and let me know how the loan are generally advertised.

8 + 97

P.T.O.