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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Review DEPARTMENT

G.O. No.	1262	Press
B.P. No.		Mis.
Dated	24.12.62	1962

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Not to be folded or roughly handled

1262

*Proceedings of the Madras Government, Revenue Department,
24th August 1875.*

No. 214. Read the following Proceedings of the Court of Wards, dated 24th June 1875, No. 1,758.

Read the following letter from W. McQUHAE, Esq., Collector of Madura, to H. E. STOKES, Esq., Acting Secretary to the Court of Wards, dated Shembaganur, 7th June 1875, No. 59 :—

To enable me to prepare the statement showing the period likely to be required to free the Ramnad Estate from debt referred to in the Proceedings

Board's Proceedings, dated 1st December 1874,
Miscellaneous No. 8,401.
Board's Proceedings, dated 7th May 1875,
Miscellaneous No. 3,863.
Court's Proceedings, dated 28th May 1875,
Miscellaneous No. 4,694.

noted in the margin, I have the honor to request the Court to inform me whether it is intended, in preparing the mortgage deed, to show separately in it, or in the schedule to be annexed to it, the amount of interest which will accrue

up to the date of the deed on the arrears of peishcush as interest without charging any further interest thereon, or to convert it (amount of interest) into principal by including it with the arrears of peishcush and to charge it with further interest from the date of the bond.

2. If the latter course is to be pursued, I beg to be informed of the rate of interest to be charged on the amount composed of arrears of peishcush and interest. I think it would be fair to charge only five per cent.

3. The amount of arrears of peishcush outstanding against Estate on the 1st June 1875 is Rupees 2,74,199-14-11, and the interest which has accrued up to that date is Rupees 1,74,518-0-11.

4. The interest on the above arrears for one year, if calculated at six per cent., amounts to Rupees 16,452, whereas the calculation of interest at five per cent. both on the above arrears of peishcush and interest for the same period augments the amount to Rupees 22,436.

SUBMITTED for the orders of Government with reference to G.Os., dated 24th November 1874, No. 1,447, and 27th April 1875, No. 862.

2. To enable him to calculate the period likely to be required to free the Ramnad Estate from debt, the Collector inquires how interest is to be calculated on arrears of peishcush, whether compound interest is to be charged, and, if so, at what rate.

The Collector gives the amount of arrears of peishcush outstanding against the Ramnad Estate on the 1st June 1875 at Rupees 2,74,199-14-11. The Court presume that this sum represents the arrears which had accrued previous to the late Zemindar's decease, as the Government in paragraph 6 of G.O., dated 14th August 1873, No. 850, directed that all claims on account of peishcush since that date should be liquidated from current collections. The interest which had accrued up to that date is stated to amount to Rupees 1,74,518-0-11. The Collector inquires whether this latter sum should be added to the principal and compound interest charged on the total amount, viz., Rupees 4,48,717-15-0, at five per cent., or whether interest should be calculated on the old arrears only at six per cent.

*Proceedings of the Madras Government, Revenue Department,
24th August 1875.*

3. The charge of compound interest not having the sanction of law, and the object of the Government in procuring the loan being to free the estate, if possible, from debt during the minority of the present proprietor, the Court recommend that simple interest only, at six per cent., on the old arrears of peishcush be charged, provision being made for payment of current interest annually as it accrues. In this case the large sum which has already accumulated on account of interest must be liquidated without delay, as it will not be included in the sum secured by the mortgage deed. The budget for Fasli 1285 just received contains a provision of two lakhs for payment of debts, from which the interest which has accumulated can be paid at any rate in part.

4. If Government decide that compound interest should be charged, the Court request instructions as to the rate. In this case the simplest arrangement will be to treat the old arrears of peishcush and accumulated interest thereon as an addition to the loan, and charge a uniform rate of five per cent. on the whole amount secured by the deed.

(A true Copy and Extract.)

(Signed) C. A. GALTON,
Acting Sub-Secretary.

No. 215. ORDER THEREON, 24th August 1875, No. 1,263.

Miscellaneous.

It is clear that compound interest cannot be charged, consequently no interest already due should be included

in the bond, as interest will accrue on whatever sum is therein specified.

2. It is not easy to gather from the papers the exact position of the estate in regard to arrears of peishcush. The Collector should report fully on this point, and state the amount to be entered in the bond and how it is arrived at.

(True Extract.)

(Signed) A. MACGREGOR,
Acting Secretary to Government.

To the Court of Wards.

Exd. J. W. Fischer.

No. 89

Madras Collector's Office
Camp Shembagumner
Periaolum Taluk
7th June 1875

From

W. S. Subbar Eswara
Collector of Madras

To H. E. Stokes Esq.
S^r. Secretary to the
Court of Wards
Madras.

Sir,

To enable me to prepare the
Statement showing the period likely
to be required to free the Ramnad
estate from debt referred to in the
Proceedings noted in the margin I
have the honor to request the Court
to inform me whether it is intended
in preparing the mortgage deed to
show Separately in it or in the Schedule
to be annexed to it the amount of
interest which will accrue to the rate
of

4697 1/2 paise per 100 Rs. per annum
82 1/2 paise per 100 Rs. per annum
1048 1/2 paise per 100 Rs. per annum
Board of Revenue

Madras 1875 No. 2604
1875 W²

Govt. of Madras

REVENUE.

To

THE COURT OF WARDS.

Dated August, 24th.

Recd.

Encl.

G. O., 24th August 1875, No. 1,263.

AUGUST.

Nos. 214-215.

Ramnad Estate. - Showing, with reference to the
preparation of a statement, showing the period
likely to be required to free the - from debt, that
no interest already due should be included in the
bond; requesting the Collector to report fully on
the exact position of the estate in regard to arrears
of payment, and to state the amount to be entered
in the bond and how it is arrived at.



of the due on the arrears of Peshench
as interest without charging any further
interest thereon, or to convert it (amount
of interest) into principal by including
it with the arrears of Peshench
and to charge it with further interest
from the date of the bond.

2 If the latter course
is to be pursued I beg to be
informed of the rate of interest
to be charged on the amount composed
of arrears of Peshench and interest.
I think it would be fair to charge
only 5 per cent.

3 The amount of arrears
of Peshench outstanding against
the Ramnad Estate on the 1st June 1895
is Rs. 274,199-14-11 and the interest
which has accrued up to that
date is Rs. 174,518-0-11.

4 The interest on the above
arrears

accrued for one year if calculated
at six per cent amounts to Rs. 16,452,
whereas the calculation of interest
at 5 per cent both on the above
arrears of Peshench and interest
for the same period amounts
to Rs. 22,436.

I have seen
/Sd/ W. H. L. L. L.
Collector

/True Copy/

C. L. Alton
Jy. Sub Secretary

Comptroller

4/13

REVENUE DEPARTMENT.

No. 2520

From Compt. of Wards.

Dated 24 June 1875.

FOR ORDERS.

Not call for the
further information
as suggested

The papers are very
incomplete - but
my recollection is
that the G.P. in
the first instance
of the loan being
requested sanctioned
the suspension of the
Buckthorn Demand

The proceeds are not
very clear but so far as
I can gather - the Buckthorn
is - I comprehend small amt. of the
judging from the

Enclosed in
the original of the
Compt. of Wards
the 14/10/75
of 24 June 1875
No 2520/75
Rev 532/75
Copy of following
letter of 27/7/75
No 532

FOR ORDERS.

Bellevue, N. H.
and others.

Wm. J.

2/1/23
I don't think the draft
J.O. is right.

My view is this.

The amount of Red Bank
with interest (simple) at
6% according to law. is
to be included in the whole
amt. of debt for S. the
estate is the mortgage
& S.

From the date of
mortgage the whole debt
from H. S. for S. clear.
the estate (including the interest)

on the arrears, accumulated
upto a date & he determined.
B. I think still to place them
under the permission & suspend
the back demand / but be
treated as a principal
dkt. and bear interest
at 5%.

DK
If the Govt. B. send a
simple d. & f. acct. of
the back he could
see how the case stands.

It seems evident that large
payments of back & interest
have been made since.

REVENUE DEPARTMENT.

No. 2520

From

Court of Wards

Dated

24 June

1875.

FOR ORDERS.

I agree with Mr
Huddleston in his
view of the intention
effort - & that the
d. & f. amount should
be furnished in order
to precise instructions
being given RIL

I am
yrs
19/8/75

FOR ORDER

Rammad Estate

Note

From the accompanying précis of the orders regarding the Peshkash of the Rammad Estate it appears

(1) that the Govt. of India allowed the Peshkash demand to be suspended and directed its arrears to bear interest at 5 per cent.

(2) that owing to the suit against the Zemindar the Estate was attached and the demand was not suspended until May 1873 after the Zemindar's death.

(3) that in August of the same year this last order was cancelled and all claims for peshkash after the Zemindar's death were to be paid from the Estate.

(4) that at the same time directions were issued for entering in the bonds the arrears of peshkash and road cess due up to the Zemindar's death with interest to that date.

(5) that the Collector has been perked interest from as well as before the

date of the Zemindar's death.

(6) That the Board have substituted for the 5 per cent rate originally ordered by the Govt of India interest at 6 per cent in accordance with the arrears of Revenue Act.

Lastly it is submitted that the levy of compound interest would be illegal. The Act says arrears of revenue shall bear interest at 6 per cent per annum. This seems prohibitive of a higher rate. Possibly also it forbids a lower rate though it is presumed that Govt. may forego their rights.

* This was too low an estimate in July 79
The peshkash arrears for two years amounted to Rs. 5,64,987.
+ the interest for 5 years to Rs. 60,493
Total Rs. 6,25,480
see G.O. 25 August 79. No: 1458.

See in G.O. 11. Sep. 1871 No. 1580

Revenue Dept.

Precis of Orders &c touching the Peshkash of the Ramnad Estate.

When application was made, in June 1871, to the Govt of India for a loan to the Zemindar of Ramnad, his liabilities were roughly estimated at 14 lakhs. Of this amount, 2 3/4 lakhs were arrears of peshkash.

The Govt of India directed

1). that money should be advanced to pay off the

debt

debt chargeable to the estate
amounting to about 71 1/2 lakhs.

(2) that the prishenk should
be suspended until the remaining
debt were cleared off

(3) that the amount of money
advanced and "the whole
amass of prishenk" should
"bear interest at 5 per cent
per annum" -

The advance of money
was held in abeyance owing to
the suit brought by the claimants
of the Zemindari, and the Govt.
accordingly ordered the attachment
of the property in December 1871
for amass of prishenk -

Matters remained in
this state until March 1873,
when the Zemindar having
died on the 21st of the
previous month, the Estate
was

G.O. 15. March/73 No. 319

See para 23 of Collr's letter in
G.O. 15. March/73 No. 319

G.O. 14. Dec/71 No. 2106

para 3 of G.O. 23. May/73 No. 529

para 6 of G.O. 14. Aug/73 No. 850

1287
was placed under the Comt.
of Wards.

On the 31st of January 1873,
i.e. a few weeks before his
death, the Zemindar's debts
to Govt. for prishenk & were
as follows: -

	Rs.
Prishenk —	4,67,792
Interest —	1,09,708
Road Cess —	47,694
Total —	6,25,194

In May 1873, the
Govt. directed that the entire
receipts should be held at
the credit of the property
"all demand for prishenk being
suspended for the present,"
but in August of the same
year these instructions were
cancelled and the Collector was to
"see that all claims for
prishenk since the date of
the

the Remindar's declass are
liquidated from the State funds
as they arise, and that no
amounts are allowed to accrue.

In the same order, the
Govt issues orders regarding the
mortgage bonds which was to
be for the amount advanced for
the private debt "plus the
sum due to the Govt by the late
Remindar at the date of his
decease". This, it was stated,
"must be carefully arrived at by
the Collector, the full amount of
peishewch and road cess being
calculated with interest up to
the date of the Remindar's death".

The amount in the
Manager's hands at the
time of the Remindar's
death, and the value of
his private property, were
however

Su G.O. 16: 14/74 N. 1185

however to be
"credited to Govt in liquidation
of their claim for peishewch".

In August 1874 the
Board reported on the liabilities
of the estate.

According to their
report, the amount due
for peishewch &c was
then as follows:—

Rs	
Amount of peishewch	520,292
— Do — interest —	1,2,053
— Do — Road Cess —	61,525
Total	<u>6,93,870</u>

Against this had to be set off:—

Rs	
Amount to credit of State at Remindar's death —	1,06,769

and
Sale proceeds of certain property. 12,456
1,19,225

So that the balance to be entered in the
Deed on this account would be,
according to this, Rs 5,74,645.

Some

Some private property
had however still to be sold,
and from this and other causes
the amount was only to be
considered a rough estimate.

The interest calculation
on the arrears of pishensh
was made out by the Board
at 6, instead of 5 per cent,
with reference to the provisions
of Sec: 7 Act II of 1864.

The Government did
not notice this point.

In February 1875
the collector reported that
of the amount of
"arrears of pishensh with interest"
at the time of the Zemindar's
death, the balance, on the 1st
February 1875, was Rs 4,35,75 24,
or with interest from date of his
death

* Sec 7. Arrears of revenue
bear interest at the
6 per cent per annum

See para 5 of letter in G.O. 23rd March/75
No. 466.

death, Rs 4,92,429
and that the arrears of
road cess had been
"wholly paid out of the
current collections of the
State"

The Collector now
states that, on the 1st June 1875,
the arrears of Pishensh were Rs 274,199
and the interest up to that date — " 174,518

The Board recommended that,
simple interest should be charged
at 6 per cent on the old arrears of
pishensh, the current interest being
paid annually as it accrues,
and that the large sum of
accumulated interest should be
liquidated without delay.

L. W. A. S.

Ramnad Estate

Revenue Department
1758

Proceedings of the Court of Wards
Dated 24th June 1875.

Read letter from the Collector
of Madura, dated 7th June 1875.
No. 59.

Submitted for the orders of
Government, with reference to G.O's
dated 24th November 1874, 1047 and
27th April 1875. 862.

2 To enable him to calculate
the period likely to be required to
free the Ramnad Estate from
debt, the Collector enquires how
interest is to be calculated on
anears of Peishush, whether
compound interest is to be charged,
and if so, at what rate.

The Collector gives the amount
of anears of Peishush outstan-
ding against the Ramnad Estate
on the 1st June 1875 at ~~Rs. 10,000~~
Rupees

Ruppes 274199-14-11. The Court
presume that this sum represents
the arrears which had accrued
prior to the late zamindar's
decease as the Government in para
6 G. O. dated 14th August 1873
no. 850 directed that all claims
on account of Peshkush since that
date, should be liquidated from
current collections. The interest
which had accrued up to that
date is stated to amount to
Rs 174518-4-11. The Collector
inquires whether this latter sum
should be added to the Principal
and Compound interest charged
on the total amount viz Ruppes
448717-15- at 5 per cent or whe-
-ther interest should be calcu-
-lated on the old arrears only at

at 6 per cent.

3 It is charge of Compound in-
-terest not having the sanction
of Law and the object of the
Government in procuring the
loan being to free the estate, if
possible, from debt during the
minority of the present proprietor.
-for the Court recommend that
Simple interest only at six
per cent on the old arrears of
Peshkush be charged, provision
being made for payment of
current interest annually as
it accrues. In this case the
large sum which has already
accumulated on account of in-
-terest must be liquidated
without delay as it will not
be included in the sum
secured

secured by the mortgage deed.

The Budget for July 1285 just received contains a provision of two lakhs for payment of debts from which the interest which has accumulated can be paid at any rate in part.

4. If Government decide that Compound interest should be charged, the Court request instructions as ^{to} the mode. In this case the simplest arrangement will be to treat the old advances of Peishcush and accumulated interest thereon as an addition to the loan and charge a uniform rate of 5 per cent on the whole amount secured by the deed.

(True extract)

C. L. Allen
Asst. Secy

To The Secretary to Govt. R.D.
Camp. W.B. with copy of Allen's letter.

Rev: 1575.242

1853.24.2020

Proceedings of the

Court of Trade.

Dated 24th June 1871.

Order of the
Court 23 July 1871
ent.

W. C. H. M. P.

No. 1863. 24. 1871.

Submissions for orders of

Court, with view to the

for Coll. of the same.

according to information

for the preparation of

statements showing

the present state of the

revenue of the

Revenue of the

Reck.

No. 1263.

It is clear that compound interest

cannot be charged. Consequently

no interest should be

included in the bond. ~~is~~ interest

will appear in the statement

there specified -

It is well known & follows from

the nature the exact position

of the State in regard to

the State in regard to the

revenue of the

should report fully on the

& state the amount of the

the bond. Hence it is

1863. 24. 1871. 24. August 1871. Office

1813 Aug 15. 1813 Aug 15. 1813 Aug 15.

29. 6. 71