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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.
B.P. No.

763

Press
Mis.

Dated

16.4.1875

196

Not to be folded or roughly handled

PROCEEDINGS OF THE BOARD OF REVENUE, dated 20th March 1875.

Read the following letter from A. WEDDERBURN, Esq., Collector of Coimbatore, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated 16th March 1875, No. 72:—

I HAVE received two applications from "T. Saravanamootoo, care of Arbuthnot and Co., Madras," and Nunjappa Row and Neilgherry Muddanna, dated 9th and 11th March, respectively, each offering to take the arrack contract for the ten taluqs of Coimbatore for the three years, commencing 1st July 1875, at the rate of Rupees 2,40,000 per annum.

2. The Board are aware that the arrack contract was advertised to be sold taluqwar on the 1st proximo, and this is rather short notice to contemplate other action.

3. The following shows annual sums received from the abkari for the past fifteen years beginning with:—

	RS.
I.—For 1270 for one year	98,750
II.—For 1271-75 for five years	1,37,050
III.—For 1276-77 for two years	2,55,100
This was paid for one year; in the next year a remission was given which reduced the revenue to	1,92,614
IV.—For 1278 for one year, continued at a less rate on account of losses.	2,20,000
V.—For 1279-81 evidently large profits had been made out of this reduction, for the bidding rose to	2,92,920

For three years—

But the thing had been overdone, as one man failed (Caroor), and a remission was given to another who met his engagements under most adverse circumstances. The actual collections were at the average rate of

2,83,820

VI. II.—For 1282-84.—To prevent a recurrence of speculative over-bidding and exclude men of straw, heavy deposits were required, and the three years (1282-84) realized

2,83,600

4. There was too sudden and unsound a rise, from the II. to the III. period. The large concession in the IV. period and probable profits produced a too high bidding in the V. period.

The VI. period was sound.

5. All these periods combine arrack and toddy, a calculation has been made to separate them, and the estimate founded on the number of shops and probable sales and deductions being made for the seven months when palmyra—the staple—toddy is not procurable, results in a probable sum of Rupees 56,600. Therefore deducting Rupees 56,600 from Rupees 2,83,600, leaves a residue of 2,27,000 as the last quotation.

6. To this Rupees 13,000 increase are offered by two firms, viz., Rupees 2,40,000 for the arrack contract alone.

7. The Madras Contractor guarantees a revenue of Rupees 2,40,000. The Neilgherry Contractor besides the guarantee, offers to be bound by condition, as in Salem and Trichinopoly, on the excise system, which is payment of duty on actual issues which may be more than the guaranteed sum, but such a system cannot be introduced at once.

8. Besides these tenders another is received from one Teruvangadasawmy, the representative of the family of the late Thoppa Moodelly, who during thirteen years contracted for taluqs in this district.

9. This party offers Rupees 2,50,000 for the arrack contract. He would have tendered long ago if there had been an intention or intimation of disposing of the contract otherwise than by public auction on the 1st proximo.

I deem it my duty to report to the Board on these tenders, as in Nunjappa Row's tender an allusion is made to the Board of Revenue being "favorably disposed" to accept of the tender system, of which I have no official information.

10. I have no official acquaintance with the Madras Contractor or with the Neilgherry one, but a full report will be found on the conduct of the representative of Thoppa Moodelly in Board's Proceedings, dated 6th January 1872, No. 46.

11. Old Thoppa Moodelly had in his dotage been induced to join with Venkatachelliah of Salem in overbidding in 1869. That nefarious party slipped out of the contract when a penniless brother-in-law of bad character of the deceased Thoppa Moodelly was joined as co-contractor, who wasted the goods of the estate and was most detrimental. The family, at a great loss, though conducting the contract so overbid (owing to an idea then prevalent that the Nerinjepett anicut would be constructed and great sales obtained, by which the contracts for Erode rose from 12,000 to 40,200, and Bhowany from 12,000 to 16,080) by sales of family property probably did not lose less than 50,000 or 60,000 in this District by the unfortunate contract. If past conduct and a long previous contract entitle to consideration, they are here to be found.

12. The applicant in question has distilleries already in this district and at Bangalore, and is prepared to introduce an improved manufacture in three places, Coimbatore, Erode, and Collegal.

13. Having had practical experience of the honest adherence to disastrous engagements of the representative of this family, I would, if the Board are willing to accept of the tender now made, higher by Rupees 10,000 than the other two, recommend its acceptance; if otherwise, the taluqwar auction sale should take place as advertised, though it is possible by the separation of toddy from arrack, the sale of the former, as ordered by Government, will result in a considerable increase of toddy contract to the lowering of the arrack contract, and it is not certain that a larger sum will be bid, or that the separate taluq bidders will be as substantial as the present tenderer.

As a matter of choice, I would prefer dealing with one than with ten contractors.

14. Since writing the above Nunjappa Row has offered Rupees 2,51,000, and Thoppa Moodelly's representative Rupees 2,52,500. It would be better, I think, to adhere to the auction sale under good security; any other mode is liable to the imputation of favoritism.

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THE Board have already refused to accept tenders for the arrack contract of Coimbatore, and must reject those now submitted. It would be unfair to accept tenders without public notice, and there is no time now to give such notice. The auction sales must proceed as advertized.

(A true Copy and Extract.)

H. J. T. M.
Ag. Secretary.

To the Collector of Coimbatore.

Copy to the Secretary to Government, Revenue Department,

Exd. E. C. Shunker.

No 1262

Resolved 1875. do file
Board of Revenue,
MADRAS.

PROCEEDINGS, 20TH MARCH 1875, No. 675.

20th Sept 1875

Encl

Received

9. April

MARCH.

No. 675.

Arrack Contract—of Coimbatore District,
Board have already refused to accept such
tenders, and reason assigned for rejecting them.
—Collector informed that auction sales must
proceed as advertised.

1 To the Board of Revenue, April

M. A. 20/7/75
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