(1) Number of pages 3 sheets.

(2) Date of repair 16.11.81,

(3) Initials of the Referencer

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No. / B.P. No.	5457	Press. / Mis.
Dated	14-9-1877	197 .

Not to be folded or roughly handled.

Archives 1—10,006—19-4-79.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

31st August 1877, No. 2228.

Loans.

Read the following paper:—

No. 258. *Proceedings of the Government of India in the Financial Department, dated Simla, 28th July* 1877, *No.* 2206.

Accounts.

Read again the following Proceedings in the Financial Department:—

Accounts, October 1869, Nos. 56 and 57.
" " 1873, No. 30.
" " 1875, Nos. 27 to 31.
" February 1876, No. 56.
" March 1876, No. 9.
Accounts and Finance, May 1876, No. 45.
" " June 1876, No. 1.
" " July 1876, Nos. 47 to 50.
" " October 1876, Nos. 3 and 4.
Resolution, No. 1522, dated 16th March 1877.
" " 1170, dated 18th June 1877.

Read—

A letter from Government of Madras, No. 1542, dated the 24th April 1877, soliciting sanction to certain advances of small amounts made to the ryots of Bonvanka and Vundeyoor, in the Ganjam and Madura Districts, for rebuilding houses destroyed by fire; also requesting that general powers may be granted to that Government to make similar advances, subject to such restrictions as to amount and report as may be deemed necessary.

Read—

Takavi proceedings in the Revenue Department, April 1877, Nos. 1 to 24.

Read—

Despatch from the Secretary of State, received in the Revenue Department, No. 42, dated 10th May 1877.

Read—

A letter from the Government of Madras, No. 1728, dated 18th June 1877, asking confirmation of its orders authorizing the Collector of Nellore to make advances to the newly established Municipality of Ongole, to be adjusted when the municipal taxes are realized; and for general sanction to such advances subject to adjustment within the year.

Resolution.—By Resolution in the Financial Department, No. 3649, dated 30th September 1869, the Governor-General in Council decided that the particular sanction of the Supreme Government for each Takavi advance was not necessary, and that it would suffice for the Local Governments to obtain sanction for the disbursement of lump sums from time to time on this object.

2. These advances will, in future, be regulated by the Rules framed under the Land Improvement Act, 1871. The rate of interest under these Rules is 1 Anna in the Rupee, or $6\frac{1}{4}$ per cent. per annum.

3. By Resolution in the Financial Department, No. 191, dated 12th January 1876, the Government of India decided that, without the special sanction of the Government of India in the Financial Department, no loan of public money shall be made under the provisions of any special law bearing a less rate of interest than 4½ per cent., and no such loan shall be made, otherwise, bearing a lower rate of interest than 6 per cent.

4. By orders in the Revenue Department, No. 10, dated 21st March 1876, the Government of the North-Western Provinces was authorized to make advances, in any case of emergency, for such purposes as the purchase of seeds, grain, &c., without interest, reporting the matter simultaneously to the Government of India.

5. By Resolution in the Financial Department, No. 1291, dated 30th June 1876, it was declared that—

1st, no advances should be made, without the general or special sanction of the Government of India, unless, in any case, the Local Government is empowered by law to make such advances without reference to the Imperial Government;

2nd, regular provision should be made in the estimates for all advances, and no advance should be made without the special sanction of the Government of India, unless funds have been duly provided in the estimates and sanctioned by the Governor-General in Council.

6. By Resolutions, Nos. 1451, dated 9th July 1873, 5206, dated 26th August 1874, and 465, dated 26th May 1876, Local Governments were authorized, under certain defined circumstances, to advance money without interest to public servants to enable them to build houses.

7. By Resolutions, No. 3687, dated 30th September 1875, and No. 1170, dated 18th June 1877, provision was made for the immediate report to the Supreme and Local Governments of any default in the payment of interest upon a loan of public money or in the repayment of its capital amount, and for the levy of compound interest at 6 per cent. upon overdue instalments. A Local Government receiving intimation of such default was also required to explain to the Government of India at once the causes of the default and the steps taken to remedy it.

8. The Governor-General in Council considers it expedient now to substitute the following amended and consolidated order for these scattered Resolutions, and, at the same time, to dispose of the two pending references from the Government of Madras, recited in the Preamble.

9. Advances made under the *Land Improvement Act*, 1871, are regulated by Rules passed by each Local Government with the approval of the Governor-General in Council under authority of the Act. Provision for these advances may be made in the estimates of each year, without further sanction by the Government of India, as follows:—

	RS.
Governments of Madras, Bombay, and the North-Western Provinces and Oudh, each	2,00,000
Government of the Punjab	1,50,000
Governments of Bengal, Mysore, and the Central Provinces, each ..	1,00,000
Governments of Assam, British Burmah, and Berar, each	50,000

If any Local Government or Administration wishes to make a larger provision than this, the previous sanction of the Government of India must be obtained. Sums thus provided in the estimates may be disbursed without any further orders by the Government of India than may, in any case, be required by the local Rules under the Land Improvement Act. The yearly rate of interest fixed by these Rules is 1 Anna in the Rupee, or 6¼ per cent.; but the Local Government may, if in any case it considers it expedient, for special reasons, reduce this rate to 4½ per cent., or remit due interest in excess of this rate.

10. The powers of the Local Government, under the *Local Public Works Loan Act*, 1871, are regulated by rules published under the Act by Notification, No. 3761, dated 18th October 1873.

11. Besides advances under the Land Improvement and Local Public Works Loan Acts, it sometimes becomes necessary to make loans of public money for the relief of persons suffering for some temporary calamity, as for instance, the destruction of houses or crops, or seed grain, or agricultural stock, by some calamity of season, or by fire, or flood, or for some miscellaneous object such as that described in the letter from the Government of Madras, No. 1728, dated 18th June 1877, now read. The Local Governments are authorized to advance money in such cases at their discretion within the following limits:—

	LIMITS OF each advance.	LIMITS OF all advances during the year.
	RS.	RS.
Governments of Bombay and Madras	2,500	25,000
Lieutenant-Governors	1,000	10,000
Chief Commissioners	500	5,000

The yearly rate of interest upon such advances should ordinarily be, as for advances under the Land Improvement Act, 1 Anna in the Rupee, or 6¼ per cent.; but the Local Government may, at its discretion, for special reasons, make such advances at a lower rate of interest, or even without interest, or remit any part of the interest due upon such advances. It is not necessary generally to make any provision in the estimates for this class of advances, the amount of which is never likely to be large, and cannot, ordinarily, be foreseen.

12. The following general Rules should apply, as far as the law and existing Regulations allow, to all the advances to which reference is hereinbefore made:—

(*a*). The advances should be repaid in not more than twenty equal half-yearly instalments including interest, the first instalment of principal to be repaid six months after the loan is completely taken up.

(*b*). Temporary advances to Municipalities should be repayable in not more than twelve months.

(*c*). A penal rate of compound interest not less than 6 per cent. should be enforced, as far as the law allow, upon all overdue instalments of interest, or principal and interest, and this should not be lightly remitted.

(*d*). Any default in the payment of interest upon a loan of public money, or in the repayment of the principal, should be promptly reported by the Account Department to the Local Government, and, if the loan was sanctioned by the Governor-General in Council, to the Supreme Government. A Local Government receiving such a report should, in the case of a loan sanctioned by the Governor-General in Council, immediatly explain the circumstances to the Government of India in the Home, Revenue, or Public Works Department, as the case may be, and the steps which it has taken to remedy the default.

13. No fresh orders are needed about building advances to public officers, which must be regulated, as heretofore, by the Rules in Resolutions, No. 3123, dated 25th August 1871, and No. 5206, dated 26th August 1874.

ORDERED that this Resolution be communicated to the Home, Revenue, and Public Works Departments, for information.

Ordered, also, that this Resolution be communicated for information and guidance to all Local Governments and Administrations; to the Comptroller-General; and to the several Accountants-General and Deputy Accountants-General in independent charge. The proceedings of the Government of Madras in the particular cases reported in the two letters now read for the first time are sanctioned.

(Signed) R. H. HOLLINGBERY,
Asst. Secy. to the Govt. of India.

No. 259. ORDER THEREON, 31st August 1877, No. 2228.

Communicated to the Board of Revenue for report through the Revenue Department with reference to paragraph 2.

2. This Resolution will not be held to affect the power of the Local Government to grant special advances of any description in connection with the present distress.

3. The sanction sought in letter, No. 1542, dated 24th April 1877, Revenue Department, is, it is observed, accorded.

(True Extract.)

Acting Under Secy. to Govt.

To the Board of Revenue.
" Revenue Department.
" Public Works Department.
" Military Department.
" Accountant-General.
" Presidents of Municipalities.
" President of the Municipal Commission, Madras.

Memorandum of Papers
No 3995

Govt. of [1877] Madras.

FINANCIAL.

To

The BOARD OF REVENUE.

&c., &c., &c.

Miso

Dated August, 31st.

Issued 12-9

Recd. 12 Septr

Encl.

G.O., 31st August 1877, No. 2228.

AUGUST.
Nos. 258-259.

Loans.—Orders passed on Resolution of Government of India laying down general rules for advances of public money, and sanctioning the advances made by this Government to ryots in the Ganjam and Madura Districts, and to the Ongole Municipality.

No 5457 Misc

Recorded

14 Sept/77

VCP 8/178