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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

G.O. No. / ~~B.P. No.~~	1953	Press. / Mis.
Dated	12-8-1878	~~197~~ .

Not to be folded or roughly handled

No. 2,074.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 26th July 1878.

Read again Proceedings of the Court of Wards, dated 6th July 1878, No. 1,876.

Read also the following letter from J. W. HANDLEY, Esq., Government Pleader, to J. STURROCK, Esq., Acting Sub-Secretary to the Board of Revenue, dated Madras, 13th July 1878, No. 78:—

I HAVE the honor to acknowledge the receipt of the Board's Proceedings noted in the margin requesting my advice as to the steps to be taken to secure the arrangement proposed in a letter from the Secretary to the Government of India as to the repayment of money advanced to the Ramnad Estate for repairs and improvements.

6th July 1878, No. 1,876.

2. The mortgage deed provides that, after payment of the peishcush and other charges payable to Government, the income of the Zemindari shall be applied, first, to the maintenance and education of the minor Zemindar and his family; secondly, to cost of establishment; thirdly, in payment of debt to Ramasamy Chetty; fourthly, in "defraying any charge which the Court of Wards may be advised is justly payable out of the estate;" fifthly, in payment of interest on the mortgage debt; and, sixthly, in payment of principal. Then follows a proviso that the Court of Wards may, instead of applying the surplus under the above sixth head in payment of principal, apply it in carrying out such improvements of the Zemindari as shall in their opinion be necessary or expedient for increasing and maintaining the income and profits of the said Zemindari." I think the Court of Wards would be justified under the above fourth head in applying any part of the surplus income, after payments of the amounts required under the first three heads, in repairs and improvements, but perhaps it is safer to act under the proviso above quoted which expressly authorizes such expenditure. Ramasamy Chetty's debt has been paid off by a special advance, so that there only remain the first three and the fifth heads of charges to be defrayed before repairs and improvements are provided for. I think therefore that to carry out the arrangement proposed in paragraph 3 of the letter from the Secretary to the Government of India, as far as the provisions of the mortgage deed will allow, all sums advanced for repairs and improvements should not be endorsed on the deed as further advances, but should be set off in the accounts against surplus receipts after payment of all amounts under the first three and fifth heads above mentioned until cleared off. In carrying out this arrangement care must of course be taken that no larger sum is advanced for repairs and improvements than can be repaid out of the above surplus income before the Minor attains his majority.

3. I return the copy of the mortgage deed.

THE Government of India having desired that the debts of the Ramnad Estate to Government should be classified as under—

I. Arrears of revenue,
II. Money advanced for repairs and improvements,
III. Money advanced to repay debts due by the late Zemindar,

and that the items should be cleared in the order above given, the Court remarked that under the terms of the mortgage deed the payment of the revenue due to Government forms a first charge on the income of the estate, and requested the Government Pleader to advise as to the steps to be taken to secure the advances on account of repairs and improvements being cleared before the advance for repayment of debt. The Collector was also requested to do nothing further in the way of endorsing the advances recently sanctioned on the original mortgage deed.

2. The Government Pleader advises that sums advanced for repairs and improvements should not be endorsed on the deed as further advances, but should be set off in the accounts against surplus receipts after payment of all amounts under the first three and the fifth heads of the provisions of the mortgage deed in respect to the application of the income of the Zemindar. This can be done by virtue of the special proviso in the deed to the effect that when necessary the surplus receipts in question can be devoted to improvements instead of to the repayment of the principal of the loan under the deed. Any advance made in this

manner will of course be unsecured, but it is presumed that no formal security is necessary in the case of an advance with regard to which there is no doubt that it can be recovered during the term of management of the Court of Wards. The Accountant-General will be requested to inform the Court of the manner in which this transaction should appear in the accounts, and the Collector will report whether any portion of the recently-sanctioned advance of two lakhs has been endorsed on the mortgage deed, under the orders issued before the Court had been apprised of the wishes of the Government of India.

3. It seems necessary to make some remarks here with reference to the amount due on account of arrears of revenue. It is only arrears accruing during the administration of the Court of Wards which cannot be recovered from the Minor after he has attained his majority. The arrears so accrued are but small, and the Collector will see that the dues are punctually realized. An arrear of Rupees 2,72,830, inclusive of interest, which accrued before the late Zemindar's death, is included in the mortgage deed and thus secured in the same way as the amount advanced for the repayment of the private debts of the Zemindar, and subject to the same amount of interest. The Court observe that the amount has been carried to the credit of Land Revenue in the Jamnabandy accounts while no corresponding entry has been made in the Treasury accounts, and the Accountant-General treats the mortgage debt as one of ten lakhs only instead of Rs. 12,72,830. In the mortgage deed it is stated that the Court of Wards have authorized the mortgage of the estate "by way of security for the due repayment of the said sums of Rupees 9,27,169-14-4* and Rupees 2,72,830-1-8, and whereas previous to the execution of this deed, the said arrears of revenue have been discharged . . . . . ." The deed thus clearly contemplates that the amount should be carried to the credit of land revenue and shown as a portion of the mortgage, and this course is rendered the more convenient by the fact that the rate of interest has been fixed at five† instead of six per cent. as in the case of ordinary arrears of Land Revenue.

* Subsequently raised to ten lakhs.

† Resolution of Government of India embodied in G.O., dated 11th Sept. 1871, No. 1,580.

The Accountant-General will be requested to have the amount adjusted accordingly.

(A true Copy and Extract.)

Acting Sub-Secretary

To the Collector of Madura.
" Accountant-General, with copy of Board's Proceedings, 6th July 1878, No. 1,876.
Copy to the Government Pleader.
" " Secretary to Government, Revenue Department.

Exd. A. Grubert.

1878.
Board of Revenue,
MADRAS.

PROCEEDINGS, 26TH JULY 1878, No. 2,074.

Received 29 July 1878.

JULY.
No. 2,074.

Ramnad Estate in Madura District.—Passing remarks on the advice of Government Pleader as to the steps to be taken to secure the repayment of advances made to the — for repairs and improvements; requesting Accountant-General to inform the Court of Wards of the manner in which the transaction should appear in the accounts, and desiring Collector to report whether any portion of the recently-sanctioned advance has been endorsed on the mortgage deed.