

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 1903

DATED

29th May. 99

[Despatch Abstract.]

Stat^{ing} ^{in the works} that the deposit of Rs 10,000 made by Messrs Parsy & Co. may be accepted in lieu of the hypothecation of all their buildings if the Board is satisfied that it furnishes sufficient security.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue (1899) Department.

CURRENT No. 2938.

Order

From

The Secretary to the Commissioner
of Salt, Abkari and Separate Revenue,
Madras.



Dated 1st May 1899.

Received 3rd May

Registered 4th do

Enclosures

Spare copies

SUBJECT.

Submitting for the orders of Government the request of Messrs Parry and Co. for a relaxation of the provisions of rule 35 of the Distillery and Warehouse Rules in the matter of the hypothecation of their distillery buildings and commending to the favourable notice of Government the application of M. R. R. T. Ratnasami Nadar for permission to establish warehouses at certain places without complying with rules in the matter of hypothecation and deposit.

1A/415 1867

BACK PAPERS.

G.O.	No.	Department.	Date.
Pres	211	Rev	6.4.95
Pres	364	Rev	27.4.91

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Proceedings of the Board of Revenue

(Separate Revenue),

Dated 1st May

1899.

Mis. No. 1867

(1) Read petition from Messrs Parry and Co., Madras, dated 12th December 1898, requesting the Board to relax the operation of the Distillery and Warehouse Rules by exempting them from any hypothecation of property or deposit of securities in respect of distilleries and warehouses belonging to the East India Distilleries and Sugar Factories, Limited, and offering to give instead an agreement to observe the conditions of their license, and

(2) Board's reference thereon No. 1, dated 3rd January 1899, requesting Messrs Parry and Co. to state whether they have any exception to take to the Board's suggestion that the deposit of Rs. 10,000 made by them in connection with their distillery at Nellikuppam should be held as a deposit for the whole of their business in the Presidency in lieu of hypothecation bonds.

(3) Read also petition from the same firm, dated 5th January 1899, accepting the above proposal.

(4) Read also petition from the same firm, dated 12th April 1899, enquiring if the proposal regarding their deposit has been sanctioned by Government.

(5) Read also petition from M.R.R.T. Ratnasami Nadar, dated

24th April 1899, requesting permission to establish warehouses at certain places named without complying with the rules in the matter of hypothecation and deposit.

Resolution:-

The Board begs to submit the following for the orders of Government:-

2. Under rule 34 of the Distillery and Warehouse Rules distillers and warehousekeepers are required to deposit with the Collector of the district in which their distilleries or warehouses are situated Rs.1000 as security for the due observance of the conditions of the license granted to them. In addition to this they are also bound under rule 35 to hypothecate their buildings, stock of liquor, etc, as security for the payment of all sums which may become due to Government by way of duty, rents, penalties, fines or otherwise. The latter condition has, however, been modified by Government Notification No.185, dated 6th April 1895, to the extent of permitting the deposit of Government Promissory Notes in lieu of the execution of hypothecation deeds. Government Promissory Notes to the extent of Rs.10,000 have accordingly been deposited with the Collector of South Arcot for the distillery at Nellikuppam.

3. In the first of the papers read above, Messrs Parry and Co, Managing Agents of the East India Distilleries and Sugar Factories, Limited, requested the Board to further modify rule 35 in so far as it relates to their business in this Presidency by taking from them an agreement to observe the conditions of their licenses instead of requiring them to either hypothecate their buildings or deposit Government Promissory Notes on the grounds that they, as managing Agents of the Company, are not permitted to hypothecate any of its property and that, since all the spirit in the distilleries and warehouses is under the lock and key and in charge of Government officers, it is unreasonable to require them to give security in respect of the same.

4. The reasons for Government securing itself against distillers so largely as it did in the past are not traceable in the Board's office, but may have had some connection with distillers collecting the duty on issues. Their current liabilities comprise

164 of Sec
Manual.

G.O. 211
6.4.95

(No. 2918 (Confid)
will be Submitted
separately

Rule 34+35-

G.O. 214
29-3-99

*no comp. to be
levied.

(1) duty on excess wastage, (2) contributions towards establishment, (3) overtime fees and (4) fines not exceeding Rs.50 for individual breaches of rules and conditions. In the case of issues under bond they execute only a plain bond and in the event of any sum becoming due under it in excess of the deposits made by them a suit is the only means of recovery. No such case has yet arisen, nor does there appear to be any danger of any arising, as the liquor has to be checked on receipt by a Government officer and cannot be issued until it has paid duty. The Board, while it is not prepared to abandon the provisions of rule 35 altogether, recognizes that there is good ground for the distillers' objection to hypothecate all their buildings or make a substantial deposit of Government paper in the case of each in that such precaution appears unnecessary to secure the end in view. It accordingly informed Messrs Parry and Co. in answer to their proposals detailed above that it was prepared to move Government to accept the one deposit of Rs.10,000 already made by them in lieu of the hypothecation of all their buildings if they so wished. In the second of the letters read above they signify their acceptance of this proposal. The Board, would, under ordinary circumstances, recommend it for the acceptance of Government, but so long as Messrs Parry and Co. choose to assume the attitude antagonistic to Government which has of late characterised them it sees no reason to relax distillery conditions. The Board requests the orders of Government in the matter.

5. In this connection the Board begs to commend to the favourable notice of Government an application from M.R.R.T. Ratnasami Nadar for permission to establish warehouses at Nellore, Madras, Conjeevaram, Vellore, Villupuram, Mayavaram, Trichinopoly and Madura without complying with the rules in the matter of hypothecation and deposit. The Board has on a previous occasion urged on Government the necessity for a relaxation of the rules in order to enable the smaller distillers to compete with Messrs. Parry and Co. and it now recommends that M.R.R.T. Ratnasami Nadar's request be granted as he has very readily come forward to take up the supply of districts abandoned by that Company and the Board thinks it advisable that he should be encouraged to do so. It is hopeless in his present financial circumstances to expect

from him a deposit of Rs.1000 in respect of each warehouse, but the Board will see, after ascertaining what his sales are likely to be, whether he should not be required to make a deposit of a smaller amount, say Rs.200 for each. His buildings he cannot hypothecate, as he says, because they will all be rented ones. In these circumstances the Board requests that it may be permitted for the present to accept the hypothecation of his vats and furniture only subject to such arrangement as it may be hereafter found necessary.

(True extract)

G. J. K. S.
Acting Secretary.

1.5.99

$\frac{D}{4}$ 1,920-14-3-99.

REVENUE DEPARTMENT

C No. 2938

From The Board of Revenue SR.

18-1867 Dated 1-5-1899.

FOR ORDERS.

To Secretary.

Messrs Parry & Co.
request that, instead of requiring them to make deposits and execute hypothecation bonds as ~~required~~ provided by rules 34 and 35 of the Distillery and Warehouse Rules, a sum of Rs 10,000 deposited by them in connection with their distillery at Vellikuppam may be held as the security for the whole of their business in the Presy. The Board states that, under ordinary circumstances, it would

¶ 64 & 65 of the
Excise Manual.

To the Secretary to Government, Revenue Department.

R.
1.5.99

FOR ORDERS.

para 4 on page 3 of current.

See note ahead
SR

no 3 of the papers read in
the B.P.

3/

para 5 of current.

yes
SR
20.5.29

8/6/57

167599 Am.

Business is business: & if
there is no objection ^{on business grounds} to accepting
the Rs 10,000 as security, I see no
reason why the firm's attitude

recommend the request
for the acceptance of
Goat "but so long as
Messrs Parry & Co choose
"to assume the attitude
"antagonistic to Goat
"which has of late
characterised them, it
sees no reason to relax
distillery conditions"
From the second
of the papers read at
the head of the Board's
Resolution, it would
appear that the sug-
gestion to treat the Rs
10,000 as security for
Messrs Parry's business
was made by the Board
itself and agreed
to by the firm. Under
the circumstances,
it is submitted that
the Board is not con-
sistent in not re-
commending the
arrangement to the
favour of Goat. More-
over, the treatment

which the Board
proposes to accord to
Messrs Parry & Co is just
the opposite of what
it proposes in the
case of Mr R. J. Rati-
sami Nadar and may
be regarded ^{by the firm} as invi-
dious. Orders requested.

The Board's pro-
posals in para 5 of
the current relative
to the application
of Mr R. J. Rati-
sami Nadar
for permission to esta-
blish warehouses in
districts the supply
of which has been
abandoned by Messrs
Parry & Co, seem
unobjectionable.

with reference to the policy of
govt in some other matter
shd stand in the way. ~~be~~
A firm fight for its own
hand, & this is human
nature. The Board may
be told to accept the amt.
if they are satisfied that
it furnishes a sufficient
security

S.R. 1879

Sey.

Please see draft below.

D.R.
5-99
5-99

I quite agree
at 20.5.99.

of 29/5/99

Read B.P. (S.R.) No. No.
1867 of 1.5.99 (C. no. 2938)

G.O. no. 1903 of 29th May 99

The Government is of
opinion that the deposit of Rs 10000
already made by Messrs. Parry & Co. may
be accepted in lieu of the hypothecation
of ^{all} their buildings, if the Board of
Revenue is satisfied that it furnishes
a sufficient security.

2. The proposal in para 5
of the B.P. read above is also
approved.

S.R.
28.5.99

To

The Board of Revenue (S.R.)
(From order) No. 31-5-99

KD
26-5-99

When given for copying _____
When copied _____ 189
When examined _____
When signed _____

READ AGAIN G.O., No. _____, DATED
189 .

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT

STATEMENT WITH DITTO.

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IN ORIGINAL.

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