

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 549

DATED 7th February 99

[Despatch Abstract.]

Recording Prop of the Bd of Rev.
Concurring in the view of the Collector of
Harrool that interest may be charged
on the suspended instalments of loans
at the rate at which interest is charged
on the loan itself.

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 (1898) Department.

CURRENT No. 8212

8/1/2/99

Order in N^o 549 77th Feb 4 1899

Recorded

8/2/2/9

From

The Board of Revenue
Rev: Secy. L. R. Agri.
Madras

No. 6853. misc.

Dated 25th November 98.

Received } 1st Dec. 98
Registered }

Enclosures -

Spare copies

To the Board of Rev (Rev. Secy)

24/12/98
8.2.2/9

SUBJECT,

Loans: - Informing
the Collector of Kurnool
that the view expressed
by him in regard to the
rate of interest to be
charged in the case of
instalments of - sus-
pended on account of the
late famine, is covered

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

(Sett. 18-2,000-25-4-98.)



Proceedings of the Board of Revenue

(Revenue Settlement, Land Records and Agriculture),

Dated 26th November 1898

No. 6853. misc.

READ

the following letter from
Mahomed Razak Khan Esq^{re}, Collector,
of Kurnool, R.C. No. 2850 of 98, dated
26th November 98:—

I have the honor to state
that annual instalments and
interest thereon in certain cases
under ordinary rules, and special
well rules of the Land Improvement
loans Act and under Agriculturists
loans Act were suspended on
account of the late famine.
Interest has not been collected
on the suspended amounts of
principal, and interest for the
period covered by the suspension,
as nothing is laid down in
old rules framed under this

acts as regards the collection of the same. But the last sentence of the last para of Rule IX of the revised rules lays down that simple interest at 5 percent per annum shall be charged on all suspended amounts up to date of collection. Though this rule does not apply to the loans the culti- Collection -vation of which was postponed in 1896-97, and previous to the publication of the revised rules yet, I think that simple interest may be charged on all suspended amounts of principal and interest, at the rate at which interest is charged on the loan itself. I beg to be informed whether my view is correct.

Resolution.

The collector will be informed that the view expressed in the penultimate sentence of his letter read above is correct.

(True Copy & Extract.)

R. V. Sundarar
Secretary.

The Collector of Kurnool
to the Secretary to the Government

D 1,000-7-9-98,
2

REVENUE DEPARTMENT.

Current No. 8212 of 1898

From The Board of Rev (Rev. Lett)

No 6853 Dated 25-11-

1898.

FOR ORDERS.

In the famine year of 1896-97 the ^{collection of the} ~~annual~~ ^{annual} in. statements and the interest thereon in certain cases of loans under the Land Improvement and Agriculture Loans Act, in the Kurnool District ~~was~~ ^{was} suspended. The collector raises the question whether interest should be charged on the suspended amounts for the period covered by the suspension and, if so, at what rate.

2 The ~~old~~ ^{revised} rules under the Act under which the advances were made contain no provision for charging interest on such amounts; ~~but~~ ^{though} para 9 of the Revised rules lays down that simple interest at 5% shall be charged in such cases.

In fo 884
22-10-97

7.

This

As this rule, however, does not ~~cannot~~ apply to the present case, the collector ~~therefore~~ considers that simple interest may be charged at the rate at which interest is charged on the loan itself & the Board concurs in this view.

FOR ORDERS.

3. The old rules do not provide for the charging of interest on suspended instalments & it is submitted that no interest is legally chargeable thereon under the old rules.

No interest is charged on suspended instalments of land revenue.

ns
8-12-98
Secy
It is submitted that no interest need be charged

6-12-98
What does the ~~fact~~ say? If interest is due we cannot pay it without their assent

8/12/98
72 Spt in

Info 4459
8-11-98

It is understood that no interest was charged in the late famine vide also

For 591	679	D
13-4-78	7-5-78	
	Rs	
Fr	17-12-98	

G.O. No. 434 Rev.,
27th June 1886,
rule 23, page 4.
G.O. No. 884 Rev.,
22nd Oct 1897,
rule 14, page 11.

Financial Department.

Rev. O. No. 8313.

NOTE.

When the collection of the annual instalment and interest due thereon in the case of loans under the Land Improvement and Agricultural Loans Acts has been suspended in consequence of failure of crops or other exceptional calamity the procedure is under the old as well as the new rules for the Collector to report the case to the Board of Revenue such orders as the Board may deem necessary to pass. Accordingly the Collector of Kurnool reported a case of such suspension of the annual instalments and interest thereon in consequence of the late famine, and added that interest had not been collected on the suspended amounts of principal and interest for the period covered by the suspension as this is not provided for in the old rules framed under the acts, while the new rules do not apply to the loans the collection of which was postponed in 1896-97. As however rule



rule IX of the new rules lays down that simple interest at 5 per cent per annum shall be charged on all suspended instalments of principal and interest up to the date of collection, the Collector recommended that simple interest ^{might} be charged on all suspended amounts of principal and interest at the rate at which ~~the~~ interest is charged on the loan itself. The Board of Revenue in the current read above accepted the Collector's view and communicated copy of its resolution to the Revenue Department.

2. The Revenue Department takes exception to the Board's resolution and contends that as the old rules do not provide for the charge ^e of interest on suspended instalments, ^{such} interest is ^{not} legally ^{leviable} ~~chargeable~~ under those rules. This does not appear to be quite the case. All that the new rules seem to ^{do} ~~provide~~ is to specify the rate of interest to be charged in such cases. It is submitted, however, that although the old rules do not specifically provide for the charge ^e of interest in such cases, they provide nevertheless for the Board of Revenue passing such orders on them as it may deem proper. The Board therefore does not appear to have exceeded its bounds in passing the orders it has done.

In the Ch.

Submitted that the view

taken in the portion of the note marked A above is correct. The ^{old} ~~rule~~ ^{rule} ~~was~~ leave it to the Board to pass orders, & it is not clear that Govt. can interfere to upset the orders passed in this case. The new rules

Govt. definitely prescribe ~~the~~ the period within

which suspended instalments shall be paid at the rate of interest leviable on such suspended instalments, & the orders passed by the Board in cases reported to it are, under these rules, subject to these conditions. Under the old rules, the Board appears to have been treated with greater leniency as regards these ~~suspended~~ suspended instalments. The law of interest appears to be equitable.

Curb.
28/11/99

N^o 296, d/31-1-99.
R. D. W.

H. J. P.

P. J. O.

To us

For orders as to whether
the Financial Dept's interpreta-
tion of the old rule (vide
portion marked B above) may
be accepted as correct and
the Bd's Progs merely recorded.
It will be seen that in the
matter of granting loans the
Govt reserved to itself the
power to remit the whole
or a portion of the rate of interest.
- vide rule 20 of the old ordinary
rules).

in fo $\frac{434}{7-6-86}$ G.

Ad
31-1-88
rd
1-2-99

Seq

the H.P. may

be recorded

the
31-1-88

Boyle

When given for copying
When copied
When examined
When signed

189

READ AGAIN G.O., No.

189

DATED

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT.

WITH DITTO.

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