The Registered Accountants Journal

(Conducted under the auspices of the Society of Auditors, Madras.)

Edited by:
K. V. SRINIVASAN, B.Sc., G.D.A., R.A.

Office of Publication:
161, Mount Road, Madras

Vol. I.
No. 5

DECEMBER 1945

Annual Subscription:
Indian Rs. Six
Foreign Sh. Ten

Published on the 25th of Every Month

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Vol. I | DECEMBER 1945 | No. 5

CONTENTS

Income-tax—Taxation procedure—Certain defects.—We believe that many in our profession would have shared the common experience of being called upon by the income-tax authorities to file *total wealth statements* of their clients. The statements reveal the wealth at any particular date in the shape of cash, jewels, lands, business assets and so on. The income-tax law nowhere provides for this procedure and in fact the attempts of the Government to incorporate this common practice as a provision of law have been rejected by the legislature. There has been, however, no slackening on the part of authorities in respect of calling for these statements. We are aware that many assesses, although they are in the full know of the legal position, give these statements in the belief that by such compliance the extensive powers of the Income-tax Officers will not be used to tease or bully them in the course of the normal assessment proceedings. In practice, therefore, the authorities have been getting what the legislature have explicitly refused them, a state of affair which ought to be condemned. Nor is this a solitary instance of such flagrant violation of the will of the legislature by the Income-tax Department. We see, again, the income-tax authorities entering the business premises of the assessees and calling for their books of accounts. The legislature refused time and again to enact a measure conferring this power on the department, but nevertheless the procedure continues. It is not sufficient if the assessees have the right of refusal in these matters. With the knowledge that the income-tax authorities possess unlimited powers to harass them, no assessee will ordinarily refuse to comply with these *albeit* unlawful demands. We have to draw the attention of the higher authorities and of the legislature to this every day experience of the assessees and to urge that an end be put to this state of affairs.

Annual fees.—The Auditors' certificate issued by the Central Government entitles the holder to audit companies in British India and it is the practice of the Governments of Indian States to issue their own certificate for enabling Registered Accountants to do similar audit in their States. It cannot be denied that the issue of such certificates by States is for all practical purposes automatic. A majority of the States, however, require payments of annual fees and the present trend is for such payments to be increased and multiplied. The alarming extent to which it has spread can be truly gauged by considering a case of a firm of Accountants with say, three partners, practising in South India. The total annual fees for each partner is Rs. 177 as under:—

British	India	Rs. 32
Mysore	State	„ 25
Cochin	„	„ 20
Travancore „		„ 75
Puducottah „		„ 25

The total fees for the firm is Rs. 531 and for a period of say, 20 years, the firm will have to pay the fantastic fees of Rs. 10,620. We would urge the Central Government to enquire into the subject and allay the fears and alarms caused in professional circles by this trend. They may well consider giving a subvention to the State in compensation for levy of the annual fees from duly enrolled Registered Accountants.

SPECIAL ARTICLES

Sections 86F and 87D(5) of the Indian Companies Act, 1913

(M. S. SRINIVASAN.)

An attempt is made hereunder to examine mainly the consequences of non-compliance with the provisions of sections 86F and 87D(5) of the Indian Companies Act, 1913. Incidentally, the necessity for the introduction and the practicability of compliance with the provisions of the said two sections have to be touched upon.

Though the Indian Act is mainly a copy of the English Act, the latter does not contain any provisions similar to the said two sections. Except in India the managing agency system does not obtain anywhere else, and therefore in no other Act can provisions similar to section 87D(5) be found.

The aforesaid two sections were introduced by Act XXII of 1836.

Under section 17(2) of the Act, Regulation 71 of Table A of the First Schedule to the Act is applicable to all companies.

This Regulation provides that—

"The business of the company shall be managed by the directors…………, and (they) may exercise all such powers of the company as are not, by the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulations of these articles, to the provisions of the said Act,………".

The articles of association of most companies in India provide for the appointment of, and management of the company's affairs by, managing agents. Under sub-section (9A) of section 2 of the Act,

"**Managing agents** means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement……"

The words, "except to the extent, if any, otherwise provided for in the agreement", in the above definition require careful attention. Most of the managing agency agreements contain a clause giving the entire power of purchase, sale or supply of goods and materials to the managing agents and these are thus not subject to the control and direction of the directors in respect of purchases and sales.

Thus the directors of a company, and similarly its managing agents, are entrusted with the management of the affairs of the company. They are agents of the company and they should not depart from their character as agents and become principal parties to transactions with the company, even though this change of attitude does not result in injury to their principal. In the words of Lord Cranworth, in Aberdeen Railway Co. *vs.* Blackie,

"The directors are a body to whom is delegated the duty of managing the general affairs of the company. A corporate body can only act by agents and it is of course the duty of those agents so to act as best to promote the interests of the corporation whose affairs they are conducting. Such agents have duties to discharge of a fiduciary nature towards their principal. And it is a rule of universal application, that no one, having such duties to discharge, shall be allowed to enter into engagements in which he has, or can have, a personal interest conflicting, or which may conflict, with the interests of those whom he is bound to protect. So strictly is this principle adhered to that no question is allowed to be raised as to the fairness or unfairness of a contract so entered into."

In 1913 when the Indian Companies Act was consolidated there was no provision for even a disclosure of their interest by directors. It was only in 1914, by the amending Act XI, sections 91A and 91B were introduced. When the Indian Companies (Amendment) Bill was discussed by the Legislative Assembly in 1936, it was generally considered that section 91A "relates to post-mortem reports of contracts between the company and the directors," and therefore some honourable members of the Assembly went to the extent of suggesting that such contracts to be made by a director or a managing agent with the company for the purchase, sale or supply of goods and materials should have the sanction of the company in general meeting. In support of the suggestion for such a drastic provision the following plea was advanced.

"A director above all holds a fiduciary position. He more or less occupies the same position as a trustee occupies with this difference that a trustee generally has to discharge his duties without being exposed to as many temptations as a director of business concern ordinarily is. There are so many temptations in his way that it is necessary to protect him against himself and to safeguard his innate honesty.........If you were to leave things to directors and not take them to the general body of shareholders, then the directors would do no more than register the will of each other and of their common master, the managing agent. So it is necessary to provide a safeguard more effective than the mere sanction of the directors themselves."

The Legislature did not adopt such a drastic provision as it considered that it would be inconvenient to go to the shareholders for sanction of these contracts. It is thought that sections 86F, 87D(5) and 91A will provide, within practical limits, necessary safeguards against the misuse by a director or managing agent of his position as such.

According to section 86F—

"Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or a director, shall not enter into any contract for the sale, purchase, or supply of goods and materials with the company......"

Though it is not expressly stated therein that the previous consent of the directors is necessary, if the words, "shall not *enter* into", be considered, it has to be presumed that the statute requires the previous consent of the directors, especially when it is remembered that the provisions of section 91A were supposed to relate "to post-mortem reports of contracts between the company and the directors."

Under Section 4(3) of the Indian Sale of Goods Act,

"Where under a contract of sale, the property in the goods is transferred from the seller to the buyer, the contract is called a sale, but where the transfer of the property in the goods is to take place at a future time or subject to some condition thereafter to be fulfilled, the contract is called an agreement to sell."

Therefore, the provisions of the said two sections, 86F and 87D(5), are applicable to ready purchases and sales as well as to purchases and sales of future goods.

In the case of contracts by a director, it is enough if a majority of the directors assent to them, whether the resolution giving such consent is passed at a meeting of the Board of Directors or, if the articles of association of the company so permit, by means of a circular.

In the case of contracts by managing agents, the statute provides greater safeguard in favour of the company. Section 87D(5) provides that

"Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company, or the firm of which he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company.... ."

As in the case of section 86F, the words, "shall not *enter* into", denote that the previous consent of the directors is necessary. In the case of contracts by managing agents, the consent of a mere majority of directors is not enough, but the consent of three-fourths of the disinterested directors present is necessary. Further, the consent must be given at a meeting of the Board of Directors as the words, "directors *present* ", clearly indicate. A circular resolution for such consent will not be in compliance with the provisions of the section.

Section 86-I of the Act provides that the office of a director shall be vacated if he acts in contravention of section 86F. In accordance with the decision in Bodega Co. Ltd., (1904) I ch. 276, when a director contravenes the provisions of section 86F, the director vacates his office *automatically.* But no provision is found in the Act imposing any sort of disability for a managing agent in case of a contravention by a managing agent of the provisions of section 87D(5). Further, there is no indication in the Act itself as to the effect of such contracts when the said provisions are not complied with. Section 87E provides a penalty in case of a contravention of its provisions. Section 87G provides that a delegation to a managing agent made against the provisions of that section is void. Neither such penalty nor such an effect is provided for in the case of a contravention of section 87D(5).

As the managing agent is entrusted with the power of purchase and sale of goods and materials and as nothing connected therewith is expected to come before the Board of Directors unless it be for a compliance with the provisions of the said two sections, 86F and 87D(5), and as the Board of Directors meet generally not more than four times (commonly only once) in a year, a director or a managing agent ordinarily enters into contracts with the company for the sale and purchase of goods and materials without the previous consent of the Board of Directors therefor and seeks and usually obtains the approval of the Board of Directors subsequently. It is therefore necessary to examine how far such subsequent approval by the Board of Directors may be considered valid.

Does the contract made by a director or a manging agent without the consent, as prescribed by sections 86F and 87D(5), of the Board of Directors become null and void? To answer this qustion the following observations of the Honourable Walter B. Lindley, in pages 226, 227 and 228 of Volume I, of his Treatise on the Law of Companies, are relevant and to the point:

"A statute may require an act to be done in a particular way and yet not render the act null and void if not done in the way prescribed. Whether invalidity of what is done is a consequence of a departure from the terms of the Act or not depends on its true interpretation, and this again depends on the wording of the statute and on the object sought to be obtained by it. Statutes are said to be IMPERATIVE when they render null and void what is done contrary to their provisions; and to be DIRECTORY when the consequence of disregarding them is not the nullity of what is done but some thing different."

The following cases illustrate the distinction in question:—

One of the cases quoted by the learned author is as under—

"Again, it has been held that a covenant by a municipal corporation to repay money borrowed, is valid, although the money is not borrowed for any purpose to which the borough fund is made applicable by the Municipal Corporations Act, and although the deed containing the covenant has not been approved by the Lords of the Treasury as required by the same Act."

The same learned author further proceeds to observe:

"In each of these cases, the statute in question was said to be directory only; and to each of them the maxim, *Fieri non debuit sed factum valet*, was held applicable. In each case something was to be done in a particular manner; but whatever may have been the consequence of doing it in some other manner the invalidity of what was done was not one of the consequences; and this appears to be the test whereby to decide whether a law is directory or imperative as those terms are customarily employed."

"Statutes which are directory only are common enough, but it is not easy to recognise them with certainty before they have been judicially interpreted. There is, however, a natural tendency on the parts of Courts of justice to uphold an honest transaction although somewhat irregular......"

Therefore, so long as the contracts made by a director or managing agent with the company are honest and so long as the company stands to benefit as much by such contracts as it may when they are made with third persons and so long as the only defect in respect of such contracts is the irregularity in the matter of procedure, there is room to consider that the said two sections are directory only and that therefore the said contracts do not become null and void on account of the non-compliance with the provisions of those sections.

If the said two sections be construed to be directory only, and if contracts are made by a director or managing agent with the company without the previous consent of the directors, a subsequent approval of such contracts by the directors by such a majority as is prescribed therein can be considered to cure the irregularity.

(To be continued)

Association Notes

Dated 21st December 1945

The Society of Auditors, Madras

The Thirteenth Annual Report of the Executive Committee for the year ended 31st October, 1945.

The Executive Committee has pleasure in submitting to the members of the Society, the Thirteenth Annual Report on the working of the Society for the year ended 31st October 1945.

Membership:—The total number of members on the rolls at the close of the year is 96. Two existing members have enrolled themselves as Life Members during the year by paying Rs. 100 each. The Committee reported last year that outstanding subscriptions continued to exist in spite of the efforts made by them. Since then the committee is glad to note that local members have been more prompt in paying their subscriptions. It is anticipated that mofusil members will follow the example set up by our local members.

Reading Room:—The following Journals are available to members of the Society for reading and reference at the office from 3 p.m. to 7 p.m.:—

1. A. N. Aiyer's Income-tax Reports;
2. A. N. Aiyer's Company Cases;
3. The Eastern Economist;
4. The Indian Finance;
5. Government of India Gazette;
6. Fort St. George Gazette;
7. The Accountant, England;
8. The Annotated Tax Cases, England;
9. The Registered Accountant and
10. Registered Accountant's Journal.

Coaching Institute:—The Coaching Institute run with the support of the Society was recognised by the Government under the Auditors' Certificates Rules and First R. A. classes were commenced. The support from the public was gratifying and the Committee looks forward to the success of the classes. The classes for the Final Examinations were not commenced on account of insufficiency of students. A Refresher Course may, however, be conducted if sufficient number of students express their willingness to join the Institute.

The inaugural address of the Institute was given by the First President of the Society, Mr. P. N. S. Aiyer, Member, Income-tax Appellate Tribunal, Madras.

Jonrnal:—During the year, the Society accorded its support to the Registered Accountant's Journal run by Mr. K. V. Sriniyasan. It is requested that all our members subscribe to this Journal as the entire surplus will accrue to the Society. The Committee learns with pleasure that there is a good probability of the Society being enriched by a good surplus this year.

Meeting Sir John Sheehy, Member, Central Board of Revenue and Mr. C.W.I. Ayers, E.P.T. Officer:—The Society met the above officers of the Government of India and had a discussion on the points brought forward by the members of the Society. The memorandum of queries together with their replies has been published in the Registered Accountant's Journal in its maiden issue.

Hindu Religious Endowments Board:—The Government brought forward their much criticised Bill to amend the Hindu Religious Endowments Act wherein there was a provision to departmentalise the audit. A strong memorandum was sent by the Society protesting against the measure and it is expected that the bill may be dropped for the present.

Committee Meetings:—There were 12 Committee meetings since the last Annual General Body meeting and the number of meetings attended by each is given against the names of the Committee members.—

1.	Mr. C. Gill	... 4
2.	Sri R. N. Rajam Aiyer	... 4
3.	„ V. Soundararajan	... 11
4.	„ K. V. Srinivasan	... 9
5.	„ P. S. Subramania Aiyer	8
6.	„ B. Purushotham	... 7
7.	„ R. Venkatesan	... 10
8.	„ L. S. Mathrubutham Aiyer	... 5
9.	„ S. P. S. Iyer	... 10
10.	„ C. V. Ramaswamy	... 3
11.	„ C. S. Sastri	... 2
12.	„ M. S. Krishnaswamy	... 7

Accounts:—The Society thanks Mr. V. Natarajan for the audit conducted by him over the accounts of the Society. The auditor's statements attached hereto show a decent improvement in the finances of the Society. The position would have been still better if all the outstanding subscriptions had been collected.

(Annual Accounts on 3rd Cover page.)

READERS' FORUM

This section is intended to serve our readers in two ways. Firstly, difficult problems of each individual professional accountant is discussed and answers are obtained. Secondly, the readers who consider the answers get the benefit of the intense study that the answering of the problem implies and all readers get the benefit of the general discussion.

QUERIES

Q. 12. Appointment of Directors of a Company.—Section 83-B (*ii*) of the Indian Companies Act reads that "the Directors of the Company shall be appointed by the members in general-body meeting." Section 87 (*i*) specifies that the directors, if any, appointed by the Managing Agents shall not exceed in number 1/3 of the whole number of directors. I would like your readers' views, how any director can at all be appointed by Managing Agents in view of Section 83-B(*ii*) cited.

"K.B.R."

Q. 13. A private limited Company has got nearly 25 members. It has a Board of Directors consisting of five members. The Company in its special General Meeting passed a resolution appointing all the members including the Directors to do some work or other on salary basis. Next year the Company increased the salary of all the members who were also members-employees of the Company by two hundred per cent.

(*a*) Is the salary allowed to the shareholders and Directors of the Company an allowable expenditure for arriving at the income for taxation purposes and (*b*) is the increment in salary allowable for taxation purposes though the increase was considered necessary by the Company on account of heavy rise in the articles of consumption?

"D.R.R."

Q. 14. It has become a general practice with the examiners of Income-tax to recommend to the Income-tax Officer to estimate profits on some pretext such as absence of control over receipts and payments; sometimes they think that the percentage of profits is low and therefore they presume that there must be some manipulation of purchases and sales. Then they would call for inward and outward invoices which a private dealer (merchant) never obtains as there is no such system in the market (at least in the trade of cotton and groundnuts). In almost all the cases it is found that the examiners as well as the Income-tax Officers are unreasonably suspicious. Will any of your readers inform me how they would deal with the above points at the time of Assessment?

"D.R.R."

ANSWERS TO QUERIES

Q. 6. Payments to gramophone artistes.—A certain sum was paid to an artist for recording his song in ten titles. Can this sum with all recording charges be charged to revenue account when *(a)* only 5 titles have been recorded and the balance is pending, *(b)* when all the titles are recorded but only 5 of them have been released for sale, and *(c)* when all the titles have been recorded and only 5 are released and the rest are considered scrap ?

"C.H.S."

A. The question raised is about the mode of writing off of the artistes' remuneration and recording charges to Revenue Account under various contexts.

As regards writing off recording charges, it should be charged to revenue and a portion of the total expenses incurred in the year should be capitalised, estimated on the ratio of total number of titles recorded in the year and considered good for release, but not released, to the number of titles recorded in the same period and considered good and released as well as those that are considered good but not released. The recording expenses are usually in many cases far more than the remuneration paid to the artistes and varies considerably with individual artistes. This should therefore not be treated on the same footing as artiste remuneration.

The artiste remuneration may be allowed to stand as capital expenditure until the titles agreed to are recorded. With the recording being over, the proportionate remuneration relating to the titles recorded should be charged to revenue and a portion of the total expenditure pertaining to artiste's remuneration coming to the revenue should be capitalised, estimated on the same ratio as the portion of recording expenses that is capitalised.

When therefore a certain sum is paid for recording ten titles and only 5 titles are recorded as mentioned under clause (*a*), half of the remuneration should be taken first to revenue and then a portion of the artiste remuneration is to be capitalised at the end of the year on the basis mentioned already.

When all the titles are recorded as mentioned in clauses (*b*) and (*c*) of the query, the above procedure if adopted will obviously lead to charging the entire remuneration first to revenue only and the fact of the balance of unreleased titles being fit or considered scrap will alter the ratio of capitalisation only.

The above procedure, I believe, will truly represent the real expenditure and asset position of the recording activities rather than any other mode of computation of capitalising the expenditure under these heads.

"Hariharan."

Letters to the Editor.

You may be aware of the fact that the Income-tax Department circulates to all its subordinate officers, copies of the income-tax Appellate Tribunal orders where they feel they can enrich the knowledge of the officers, with the help of these orders. While the officer has got an additional source of information, the practitioner is at a disadvantage as he has no access to such records. Now that we have got a journal why don't you make arrangements with the people who frequently appear before the tribunal to furnish copies of important orders so that they can be published in our journal by omitting the names, if necessary. If a move is made in this direction by you it will be an additional and most important feature to our journal.

N. L. N. Rao.

[We agree entirely with the suggestion and would gladly publish notes on Tribunal decisions that may be contributed by our readers. We take the opportunity to request our Readers to send full particulars of the matter referred to the Tribunal and the decision of the Tribunal, without disclosing the identities of their clients.—*Ed.*]

NOTIFICATIONS.

Excess-Profits Tax (Post-War Refunds) Rules, 1942, Amendments,

Notification No. 2, dated the 24th November, 1945.—In exercise of the powers conferred by sub-section (3) of Section 10 of the Indian Finance Act, 1942 (XII of 1942), and by that sub-section read with sub-section (5) of section 2 of the Excess Profits Tax Ordinance, 1943 (No. XVI of 1943), the Central Government is pleased to direct that the following further amendments shall be made in the Excess Profits Tax (Post-War Refunds) Rules, 1942, namely :—

1. After Rule 7 of the said rules, the following rule shall be inserted, namely :—

"8. (1) If the Central Government is satisfied that the whole or any part of the deposit repayable:—

(*i*) under sub-section (2) of Section 10 of the Finance Act, or

(*ii*) under sub-section (3) of Section 2 of the Ordinance, is required for an approved purpose, the Central Government shall, after taking such guarantee as it thinks fit for the proper utilisation thereof, repay the whole, or as the case may be, part, of the amount so repayable before the date of termination of the present hostilities.

(2) Every application for a refund of the deposit under this rule shall be made on Form E. P. 4-17 in duplicate to the Central Board of Revenue through the Excess-Profits Tax Officer of the district or circle in which the applicant is chargeable to excess-profits tax. Such an application may be presented by the applicant in person, or by a duly authorised agent or may be sent by post."

Explanation.—In this rule, "approved purpose" has the same meaning as in rule 7.

2. In the Forms appended to the said rules, after Form E. P. 4-7A the following Form shall be inserted, namely :—

Form E P. 4-17.

EXCESS PROFITS TAX.

Application for refund under Rule 8 of the Excess Profits Tax (Post-War Refunds) Rules, 1942.

To

The Central Board of Revenue,
through the Excess-Profits Tax
Officer, at..................

I, ...of............having been assessed to excess profits tax at the rate of 66-2/3 per cent. in respect of the excess profits arising from the business of................... and having deposited with the Government of India under the provisions of Section 10 of the Finance Act, 1942, and Section 2 of the Excess Profits Tax Ordinance 1943, additional sums as set out hereunder, do hereby declare—

(1) that the whole or some part of the additional sums so deposited is required for an approved purpose, *viz.*, the * provision / * replacement of building or plant and machinery as follows:—

at a cost of

at a cost of

at a cost of

(2) that, as shown by the certificate overleaf, the necessity for such * provision / * replacement has been certified by the Department of Industries and Civil Supplies of the Government of India to be in the national interest, and

(3) that the current revenues of the business are insufficient to defray the cost of such * provision / * replacement.

I, therefore, pray for a refund of the sum of Rs.........under the provisions of rule 8 of the Excess-Profits Tax (Post-War Refunds) Rules, 1942. The interest on this amount may also be refunded.

I hereby agree that the payments authorised may be treated as provisional subject to readjustment in due course on the basis of audited figures and I hereby undertake to repay the excess amount, if any, refunded by Government either in respect of the sum deposited, by me or in respect of the relative interest thereon.

SCHEDULE OF SUMS DEPOSITED.

Chargeable accounting period		Sums deposited	Date on whi[ch] sums deposit[ed]
Commencing	Ending		

Dated, 194 . Signat[ure]

Form of Verification.

I hereby declare that what is herein is true to the best of my knowledge and belief.

Dated 194 . Signature.

Certificate of Department of Industries and Civil Supplies.

On behalf of the Department of Industries and Civil Supplies I certify that the purchase of buildings or plant and machinery, as set out in this application, has been authorised as being in the national interest and that under the provisions of rule 8 of the Excess Profits Tax (Post-War Refunds) Rules, 1942, the refund of sums deposited with the C[entral Government] of India under Sectio[n] ... Act, 1942, and Sectio[n] ... [Excess Pro]fits Tax Ordinance, 194[.] in the amounts and on dates shown hereunder.

Date	Am[ount] Rs.
....	....
....	....
....	....
....	....

Date 194 . S[ignature] De[partment]

* Delete words that are inapp[licable].

Note.—In the case of a partne[rship, Hindu Un]divided Family or Limited Co[mpany the] designation of the signatory should b[e ...]

THE SOCIETY OF AUDITORS, MADRAS

Receipts and Payments Account for the period from 1st November 1944 to 31st October 1945.

RECEIPTS	Rs. A. P.	Rs. A. P.
To Balance on 1st November 1944—		
Cash on hand ...	162 0 3	
Cash with the Indian Bank Ltd., on Current Account ...	70 11 10	
		232 12 1
To Subscriptions—		
Life Membership	200 0 0	
Current	408 0 0	
Arrears	234 8 0	
Advance	12 0 0	
		854 8 0
,, Entrance Fees		60 0 0
,, Library Fund Collections		350 0 0
,, Indian Accountancy Board Election Account ...		352 0 5
,, Suspense Account (V. Swaminathan) ...		5 3 11
,, Coaching Institute—(Recovery of Charges)		
Last Year's Account ...	11 9 6	
Current Year's ...	89 9 0	
		101 2 6
,, Suspense Advance by Hon. Treasurer ...		4 13 6
Total ...		1,960 8 5

PAYMENTS	Rs. A. P.	Rs. A. P.
By Rent of Office Premises		471 15 0
,, Postage and Telegrams		34 0 6
,, Printing and Stationery		47 8 3
,, Salary of Peon for April, May and June 1945 ...		54 0 0
,, Library Account—		
Subscriptions to Journals, Gazette and Income-tax Act		154 1 0
,, Indian Accountancy Board Election—		
Refund of Charges		16 10 0
,, Refund of Suspense to Mr. V. Swaminathan ...		5 3 11
,, Refund of Suspense Advance to Hon. Treasurer...		4 13 6
,, Coaching Institute:—Charges Incurred ...		89 9 0
,, Miscellaneous Expenses—		
Bank Charges, Telephone Charges, etc. ...		8 10 9
,, Balance on 31st October 1945—		
Cash on Hand ...	28 13 3	
Cash with the Indian Bank Ltd., on Current Account ...	1,045 3 3	
		1,074 0 6
Total ...		1,960 8 5

Y. M. I. A. Buildings,
Armenian Street,
Madras,
22nd November 1945.

C. GILL,
President.

Examined and found correct.

V. NATARAJAN,
Registered Accountant.

V. SOUNDARARAJAN,
Jt. Hon. Secretary and Treasurer.