M.R.O. 1—82 400—22-11-30

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 622 Press ~~Mis.~~

Dated 5-10-1857

Bm 20-22

Not to be folded or roughly handled

No. 20. From J. D. INVERARITY, Esq., Acting Chief Secretary to Government of Bombay; to E. MALTBY, Esq., Acting Chief Secretary to the Government of Madras, dated, Bombay Castle, 4th July, No. 708 of 1857.

Territorial Department, Finance.

SIR,

I am directed to forward herewith copy of a letter from the Secretary and Treasurer to the Bank of Bombay, No. 1448, dated the 25th Ultimo, with its enclosures in original, containing the information called for in your communication of the 27th May last, No. 305.

(Signed) J. D. INVERARITY,
Acting Chief Secretary to Government.

From J. STUART, Esq., Secretary and Treasurer, Bank of Bombay; to J. D. INVERARITY, Esq., Acting Chief Secretary to Government of Bombay, dated 25th June 1857, No. 1448.

SIR,

In reply to your letter, No. 664, dated 20th Instant, I am directed to state, for the information of Government, that the Bank is managed by the Secretary and Treasurer and other Officers, under the control of the Directors.

2. The Directors meet at the Bank Office once a week to receive a report of the operations during the past week and for the transaction of any other business.

3. A weekly rotation is established, and a Committee consisting of one Government and two other Directors appointed for daily duty.

4. At the weekly meeting of the Board of Directors the following Statements are submitted.

A balance sheet of the General Ledger at the close of business, on the previous Saturday, with abstracts of all transactions on the various accounts of Investments, Deposits, Circulation, Profits, &c. as per form marked A.

List of all Bills presented for discount as per form marked B.

List of all Advances granted and the particulars of the security lodged.

Day Book containing the daily transactions of the Bank on all Accounts. This Book is also submitted to the Committee appointed for daily duty.

Statement of the position of the Bank as regards all liabilities payable on demand and the Cash balance on hand on the morning of the Meeting.

5. The Accounts of the Bank are made up and balanced half yearly on the 30th June and 31st December, and after being duly audited by a Committee of Directors appointed for the purpose they are submitted to the Board of Directors for the purpose of declaring a Dividend.

6. All Government and other Securities belonging to the Bank, or deposited with the Bank for safe custody, or lodged as security for Advances, are examined at least once every year by a Committee, or Committees of Directors appointed for the purpose.

7. All Bills under Discount are examined by the private Discount Committee at least once every year.

8. The Cash balance is examined by the daily Committee once every month.

(Signed) J. STUART,
Secretary and Treasurer.

(True Copy)

(Signed) J. D. INVERARITY,
Acting Chief Secy. to Govt.

No. 21. From C. HUGH LUSHINGTON, Esq., Secretary to the Government of India; to the Acting Chief Secretary to the Government of Fort Saint George, dated Fort William, the 17th July 1857, No. 2926.

SIR,

I am directed to acknowledge the receipt of your letter to the address of the Secretary to

the Government of Bengal, No. 305, dated 27th May last, and in reply to forward copy of a letter from the Directors of the Bank of Bengal, No. 797, dated 9th Instant, and its enclosure, containing the information required in respect to the mode of management adopted in administering the affairs and conducting the operations of the Bank.

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

From the Directors of the Bank of Bengal; to C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, dated 9th July 1857, No. 797.

SIR,

We have the honor to acknowledge the receipt of your letter of the 25th Ultimo, requesting information relative to the mode of management adopted in administering the affairs and conducting the operations of the Bank of Bengal.

In reply we have the honor to refer you to the Bank Charter for information on the principal points connected with the Institution, but in order fully to place the detail of our system of management, before you, we beg to enclose a report on the duties of each European Officer on the Bank Establishment which we trust will be found to contain all necessary information.

(Signed) C. Hugh Lushington,
„ J. J. Harvey,
„ Edmund Drummond,
„ George Brown,
„ D. Mackinlay,
„ Henry Cowie,
„ H. E. Braddon,
„ John N. Bullen.

The Establishment of the Bank consist of the following Officers.

EUROPEAN.

Secretary and Treasurer.
Deputy Secretary.
Accountant.
Assistant to do.
Two passing Officers in the Cheque Department.
Three Officers in the New Agency Department.

NATIVE.

Khazanchee or Native Treasurer.

SECRETARY AND TREASURER.—This Officer's duties embrace general superintendence and control over all departments, but he leaves the mechanical operations of details to the several Officers appointed for the purpose with the exception of certain special duties performed under his own hands. The Secretary is the medium of communication in all cases of reference to the Directors, prepares and puts into proper form their Proceedings, has charge of the Cash and Bank Notes jointly with the Native Treasurer. In addition to the foregoing it rests with the Secretary to pass and refuse Government and Mercantile Bills, his other duties are onerous and varying, they include the taking and passing for Discount Government and Mercantile Bills, signing Bank Notes, &c., &c.

DEPUTY SECRETARY.—This Officer has charge of the Loans and Credits granted and paid off, examines all Companies' Papers and Warrants tendered as Security and retains charge of these Securities under the joint custody of himself and the Native Treasurer or Khazanchee. He endorses all Securities on being redeemed, draws Cheques for the amount advanced in Loans, and prepares Passes for the same when paid off, sells all Securities when not redeemed, signs all Transfers of Bank Stock and all new Certificates, Bank Notes, Post Bills, &c., &c.

Fort Saint George, Financial Consultation, 6th October 1857.

ACCOUNTANT.—This Officer has sole charge of all Books, &c., and prepares all Statements and signs and registers all Bank Notes and Post Bills, and superintends the Transfer and Register of all Bank Stock Certificates, has charge of all new Bank Note Forms and all cancelled Bank Notes and has charge of the Records and Stationery, besides other duties too numerous to mention.

PASSING OFFICERS.—These Officers examine and pay all Account Current Cheques and sign for all monies paid in by Customers, they keep the cheque Ledgers, the balances of which are examined with those kept by the Native Amlahs, and at the close of each day the Total Balance of the Department is compared with the General Ledger. It is the duty of one of these Officers to remain until the Balance agrees.

NEW AGENCY DEPARTMENT.—Three Officers are employed in this Department, one attends to the correspondence, also to sales and purchase of Government Securities and purchase of Bills for remittances, the other to Accounts, and the third is employed to assist the other Officers. Two of these Officers examine the daily balance of Bank Notes.

ASSISTANT IN THE ACCOUNTANT'S DEPARTMENT.—This Officer daily examines the Cheques and the receipt Vouchers of the previous day paid and received in the Account Current Department, marks off all cancelled Bank Notes in the Register, and examines the Balance of Cash in the Khazanchee's hand at the close of each day.

KHAZANCHEE.—This Native Officer examines all Bills and Notes, Mint Certificates, &c., tendered for discount or otherwise; he examines all Government Securities, &c., passing through the Bank: has sole charge of the Native Establishment employed in his Department and holds the key of the Iron Safes jointly with the Secretary, signs all Vouchers for payments, makes enquiry and reports to the Secretary in regard to the credit of Natives who are parties to any Bills and Notes, &c., &c.

(True Copies.)
(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

No. 22. Ordered that the following letter be despatched
TO THE SECRETARY TO THE GOVERNMENT OF INDIA, dated 5th October 1857, No. 622.

SIR,

Early last year the Governor in Council received an address from certain Members of the Commercial and Trading Community of this Presidency, requesting His Lordship to commend to the notice of the Government of India their prayer that the Capital of the Bank of Madras might be raised from 30 to 50 lacs of Rupees.

2. The Governor in Council referred the subject to the three Members of the Bank Directory nominated by Government. The reports of these Officers, and the Minutes of the Governor and the Honorable Members of Council are now forwarded, together with a copy of the address above referred to. The power of authorising the creation of an extension of Capital is vested by the Law in the Governor General in Council, and this Government in submitting the application do not wish it to be understood that the same has, under present circumstances, their support.

Section IV. Act IX of 1843.

(Signed) E. MALTBY,
Acting Chief Secretary.

Exd. J. A. Wilson.

Abstract Balance of the Gener

On

Total. Dr.	Balances. Dr.	Titles o
		I. Proprietc
		Paid-u
		Reserved Su
		Dividend A
		Ditto,
		Unclaimed
		II. Lod
		Current Dep
		Deposit
		Bank P
		Notes in C
		III. Inve
		Government and
		Government B
		Private I
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		Adjusting Acc
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		Discou
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		Interes

AL STATEMENT.

VESTMENTS.

	LOANS.	CASH CREDITS.	TOTAL.

Balance Undrawn, Rs.

ABSTRACT OF LODGMENTS.

	DEPOSIT ACCOUNTS AND RECEIPTS.	BANK POST BILLS AND NOTES IN CIRCULATION.	TOTAL.

ABSTRACT OF BILLS DRAWN ON THE

	BANK OF BENGAL.	BANK OF MADRAS.	RATES.

S IN CIRCULATION.

	Rs. 100.	Rs. 500.	Rs. 1000.	Rs. 5000.	TOTAL.

B.

BILLS PRESENTED FOR DISCOUNT.

By whom presented.	*On whom, and*	*where.*	*Sum.*	*Ordered for Discount.*

BILLS PRESENTED FOR DISCOUNT.

	On whom, and	where.	Sum.	Ordered for Discount.	Rejected

that this Govt could hardly
take up the question of
a change in the constitu-
tion of the Bank ma-
nagement. without
some previous expression
of opinion from the
Proprietary - & the Public
here especially as the

discussion would inevita-
bly excite the consi-
deration of changes
of a similar nature
at Calcutta & Bombay.

Harris.

Sept 16/57.

I concur in the above
views, Walter Elliot
20/9/57

Bank of Madras.

Memo.

* Memorial to Govt of India, from certain members of the Commercial & Trading Community at the Presidency, praying for an extension of the Capital of the Bank of Madras from 30 to 50 Lacs of Rupees.

From Govt of India
No 2926
dd 17-7-57.

From Govt of Bombay
dd 4-7-57.

on the 27th May last the Govt, on a review of the Memorial mentioned specified and of the reports of Messrs Prendergast, Birch and Underwood thereon, decided that it would be desirable, before disposing of the question, to ascertain the description adopted in Bengal & Bombay of administering the affairs and conducting the operations of the Banks at those Presidencies.

A call was accordingly made, the same date, for such information.

2. Returns have now been rec'd, but it will probably be found that they do not contain the kind of information required. Details are given of the duties of each official, the meetings of the Directors, the checking the treasure, the auditing of the accounts, & so forth; but the management adopted by those who meet in the 'Bank Parlor' has not transpired

3. The Directories of these Banks are similarly constituted to the Directory of the Madras Bank. There are some Directors appointed by Govt, but the Majority are elected by the Proprietary. The affairs of the Bank are entirely in the hands of the Directors, & as they are constantly changed, there is no saying what 'the system' may be - brought at Madras from the fact of the Directors being elected out of the great houses, the rule has been has been uniform; "accommodation to the great houses" - one of whom, in 1852, was allowed to take off nearly two thirds of the working capital of the Institution, shipping it to Calcutta with a view to speculation in the money market there.

4. It seems to remain that, hitherto, Govt, the Supreme Govt authorized an increase to the Capital Stock of the 'Bank of Bengal' a perusal of the correspondence wd perhaps in that case might aid in the solution of the present question.

D.T. 31/7/57.

– For Orders –

I learn from Mr Birch that the Directors of the Bank are not now likely to wish for authority to increase the Capital of the Bank, as a large part of its present money is lying unemployed.

– Govt Therefore will, instead of proceeding further, let the Bank directors know whether they shall be called on to state, if so circumstances, on what they state desire that the Bank's Capital should be enlarged?

Ellen

Bank of Madras

Mems

for Orders.

20022

c 12 56
R 224

Financial Depot

No 6322.

From the Chief Secy.

To the Secy. to the Govt of India.

Sir,

Early last year the G-in C received an address from certain members of the Commercial & Trading community of this Presidency, requesting his Lordship to commend to the notice of the Govt of India their prayer that the capital of the Bank of Madras might be raised from 30 to 50 Lacs of rupees.

2. The G-in C referred the subject to the three members of the Bank Directory, nominated by Govt. The reports of these officers, and the Minutes of the Governor & the honorable Members of Council are now forwarded together with a copy of the address above referred to.

The power of authorising the creation of an extension of capital is vested by the Law in the Governor Genl in Council, & this Govt in determining the application do not think it to be understood that the Legislature can have any part in the matter.

Sect IV. Act IX of 1843.

I have &c

Sd/ [illegible]

Fort St George
5th October, 1857.

Sd/ [illegible]
Secy to Govt
28/9-57.

Financial 1857 Depart[t]

No. 622.

Financial Letter to England
1st December No 24 of 1857
Paras 31 & 32

To
The Secy: to the Govt of
India

Dd 5th October 57

Rcpvd. 6th November 57
Ans[d] 4/58

20 a 22

1000 220
P.W. 5/12