

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 391

Press
~~Mis.~~

Dated 9. 8. 1860

B.No. 20-21

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
9th August 1860.*

No. 20. Read the following Proceedings of the Government of India, in the Financial Department, dated 12th July 1860, No. 6,074.

Read Despatch from the Right Honorable the Secretary of State for India, No. 80 of 1860, dated the 25th May.

Financial.

I have received and considered in Council your Excellency's letter in this Department, dated the 26th January last, No. 17, and the papers forwarded therewith, relative to the investment by certain of the Madras Service and Charitable Funds of portions of their balances in Government Promissory Notes.

2. In their circular despatch, dated the 4th July 1832, the Court of Directors directed that the rate of interest on the balances of all the Civil, Military, and Medical Funds (excepting only the Civil Service Annuity Funds) should be reduced to 5 per cent. per annum; and that on the 30th April in each year, the several Funds should be granted as a donation "a sum equivalent to the difference between the amount to which the grant of such interest and of interest at the rate now allowed, would produce."

3. Those orders appear to have been observed by the Managers of the several Bengal and Bombay Funds; but at Madras the Civil Fund, Charity Branch, the Military Fund, Medical Fund, and Male and Female Orphan Asylums, have, by means of the investment of portions of their balances in Government Promissory Notes purchased at a discount, obtained donations on larger nominal amounts than their actual balances.

4. The investments in Government Promissory Notes by the Madras Military Fund are stated to have been made between the years 1808 and 1841, the additional donation thereby obtained with compound interest to 30th April 1859, amounting to Rupees 66,031. The investments and donations in excess of the authorized grants obtained by the other Funds are stated as follow:—

	<i>Investments made.</i>	<i>Additional donation obtained with compound interest to 30th April 1859.</i>
Madras Civil Fund, Charity Branch, in 1855... ..		Rupees 5,353
Medical Fund... .. 1815 @ 1818...		„ 9,363
Military Orphan Female Asylum ... 1799 @ 1848...		„ 2,218
Do. Male Asylum... .. 1837 @ 1851...		„ 3,256

5. It is difficult to conceive how these irregular proceedings can, for so many years, have escaped the attention of the Madras Government. After the receipt by the several Governments of the circular despatch from the Court of Directors, dated the 4th July 1832, no doubt could be entertained as to the mode in which the additional donations to make up the interest on the balances to 8 per cent. was to be calculated. While, therefore, in regard to payments previously made, I refrain from requiring a re-adjustment, I desire that all donations in excess of the amount sanctioned by that despatch, which have been credited to the several Funds subsequently to its receipt by the Madras Government may be immediately re-adjusted in account.

6. The correct balances of the Funds being ascertained, the amounts thereof on which additional donations are to be paid, to make up the interest to 8 per cent. must henceforth be invariably invested in non-transferable Treasury Notes.

ORDER.—Ordered that, with reference to the Resolutions recorded in this Department under date the 27th January last No. 613, a copy of the above Despatch be forwarded to the Government of Madras for communication to the Managers of the Funds named, with a request that a re-adjustment be made forthwith in accordance with the instructions of the Secretary of State, and a report be submitted to this Department when the re-adjustment has been completed.

*Proceedings of the Madras Government, Financial Department,
9th August 1860.*

Ordered also that a copy of the above Despatch be sent to the Accountant General, Madras, with reference to the abovementioned Resolution of the 27th January last.

(A true Extract.)

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

No. 21.

ORDER THEREON, 9th August 1860, No. 391.

Ordered that the foregoing Despatch and the Order of the Government of India thereon be communicated to the Managers of the several Funds concerned, for information and guidance, and that the Accountant General (to whom copy has been already furnished) be requested to arrange with the several Managers the required re-adjustments and to report when they have been effected for communication to the Supreme Government.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge

Financial Department.

Proceedings of the Madras Government

*Read the following Extract from
the Proceedings of the Govt.
of India. Financial Dept.
(Despatch 12th Aug 1860 No 6074)*

Order thereon 9th Aug 1860 - No 391.

Ordered that the foregoing Despatch and the Order of the Govt. of India thereon be communicated to the Managers of the several Funds concerned for information and guidance and that the Accountant General (to whom copy has been already furnished) be requested to arrange with the several Managers the required re-adjustments and to report when they have been effected for communication to the Supreme Government.

*To the Managers of the Madras
Civil Fund
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Proceedings of the Society
9th August 1860

7. 1860 161.
" 76/62.

7. 1861 607/63

7. 1861 437

Comments. The
Reporters from the Society of
State and the order of the
Court of Justice relative
to the institution by
certain of the members
service and charitable
funds of portions of their
balances in Govt. Pro-
Notes, to the Managers
of the General Funds
concerned for information
and guidance. and
regards

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request the accounts
General to arrange
with the General
Managers the re-
= quired re-adjustment
and to report to the
they have been effected

20 1861.