M.R.O. 1—77,006—8-8-87.

(1) Number of pages _____

(2) Date of repair 3-8-88

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Letter DEPARTMENT.

G.O. No. 151	Press / Mis.
20-23.	
Dated 10-2- 18 85.	

20-23 6/7

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 10*th March* 1865.

No. 22. Read the following letter from F. LUSHINGTON, Esq., Deputy Auditor and Accountant General, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, Fort Saint George ; dated 9th March 1865, No. 212.

Referring to the Notification (published in the *Fort Saint George Gazette* of 3rd February 1865, page 278) of the Secretary to the Bank of Madras, regarding the extension of its capital, I have the honor to ask if it is the intention of His Excellency in Council to take the new shares to which the Government are entitled, under the terms of said Notification.

2. The Government now hold 375 shares in the Capital stock of the Bank, or $\frac{1}{10}$th of the whole, and they are further entitled to take up 187½ new shares, being at the rate of one new share for every two old shares, at a premium of 10 per cent., or Rupees 1100 per share, the whole costing Rupees 2,06,250, payable in four equal instalments, the first payment to be made on or before 1st May next.

3. The selling value of the shares just before the present extension of Capital, was 138 premium, or say Rupees 2380 per share, and at this rate, the cost of 187½ shares, is Rupees 4,46,250
Price at which the shares are now offered is 2,06,250

Apparent gain... 2,40,000

4. On the last occasion of the Bank extending their Capital, the Secretary addressed a special letter to this Government on the subject, dated 17th August 1863, referred, by endorsement dated 31st August 1863, to this office for report, and my acting predecessor made reply, under date 4th September 1863, No. 184, pointing out the profit of the investment. The sanction of the Government of India to the purchase, was conveyed in their Financial Secretary's letter to your address, No. 5312, dated 31st October 1863. In the present case, I understand that the Secretary of the Bank has only sent a general Circular to Government, but no special letter; hence, I conclude, the matter has escaped His Excellency's notice.

5. I beg to recommend that the new shares be taken by Government, as I consider the investment to be a safe and profitable one. The dividend for the six months ending 30th June 1864 was at the rate of 15 per cent, and that for the six months ending 31st December, 12 per cent. If it be considered hereafter that the shares held by Government are more than sufficient, a portion of them may then be disposed of, and probably at a considerable advantage to Government.

6. I beg, in conclusion, to remark that provision has been made in the Budget for 1865-66, for the purchase of the full number of shares allotted to Government.

No. 23. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 10th March 1865, No. 151.

Adverting to the correspondence noted in the margin, I am directed to submit, for the consideration of His Excellency the Governor General in Council, the annexed copy of a letter from the Accountant General, and Notification lately issued by the Bank of Madras, regarding the extension of its Capital by the creation of 1875 new shares. The Governor in Council agrees in the opinion of Mr. Lushington that it is advisable that the Government should take the 187½ new shares to which it is entitled, and I am directed to request the early orders of the Government of India on the subject. The shares will be available until the 1st May next.

To Government of India 17th September 1863, No. 107.
From do 31st October ,, 5312.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. J. H. Burns.

28. Febr.

My dear Arbuthnot

I find that it will be
in sufficient time if the Govern.t
signify to the Bank their inten
=tion of taking up the new shares
any time before the 1st. of May
so that there will be ample time
to refer the question to the Gover
of India should you Consider

3/

Fort Saint George,
Accountant Genl's Office,
9 March 1865.

No. 212

From

F. Cushington Esquire,
Asst. Auditor & Accountant General

To

A. J. Arbuthnot Esquire,
Chief Secretary to Government

Sir,

Referring to the notification (published in the Fort Saint George Gazette of 3d February 1865, page 278) of the Secretary to the Bank of Madras, regarding the extension of its Capital, I have the honor to ask if it is the intention of His Excellency in Council to take the new shares to which the Government are entitled under the terms of said notification.

2. The Government now hold 375 Shares in the Capital Stock of the Bank, or 1/10 of the whole, and they are further entitled to take up 187½ new shares, being at the rate of 1 new share for every 2 old shares, at a premium of 10%, or Rupees 1100 ₹ share, the whole costing Rupees 206250. payable in 4 equal instalments, the first payment to be made on or before 1st May next.

3. The selling value of the shares just before the present extension of Capital, was

138

138 premium, or say Rs. 2380 per share, and at this rate the cost of 187½ Shares is Rupees 4,46,250

Price at which the shares are now offered, is ——— 2,06,250

Apparent gain 2,40,000

4 On the last occasion of the Bank extending their Capital, the Secretary addressed a special letter to this Government on the subject, dated 17th August 1863, referred, by endorsement dated 31st August 1863, to this Office for report, and my acting predecessor made reply under date 4th September 1863, No. 1814, pointing out the profit of the investment. The sanction of the Government of India to the purchase, was conveyed in their Financial Secretary's letter to your address, No. 5,312, dated 31st October 1863. In the present case, I understand that the Secretary of the Bank has only sent a general Circular to Government, but no special letter, hence, I conclude, the matter has escaped His Excellency's notice.

5. I beg to recommend that the new shares be taken by Government, as I consider the investment to be a safe and profitable one. The dividend for the 6 months ending 30th June 1864, was at the rate of 15%, and that for the 6 months ending 31st December, 12%. If it be considered hereafter that the shares held by Government are more than sufficient, a portion of them may then be disposed of and probably at a considerable advantage to Government.

6. I beg in conclusion, to remark, that provision has been made in the Budget for 1865/66 for the purchase of the full number of shares allotted to Government.

I have the honor to be,

Sir,

Your most obedt Servant

F. Lushington

Dy Auditor & Asstt Genl

Compd JW

Copies

Naga Ruthnum

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Financial Department.

No. 157.

To

The Secretary to the Government
of India.
Financial Department.

Sir,

To Govt. of India. 17 Sept. 63 No 607.
From — do — 31 Oct — 5312.

Adverting to the correspondence noted in the margin, I am directed to submit for the consideration of His Excellency the Governor General in Council, the annexed copy of a letter from the Accountant General and notification lately issued by the Bank of Madras, regarding the extension of its capital by the creation of 1875 new shares. The Governor in Council agrees in the opinion of Mr. Lushington that it is advisable

advisable that the Government should take the 187 1/2 new shares to which it is entitled, and I am directed to request the early orders of the Government of India on the subject. The shares will be available until the 1st May next.

Fort St. George
10th March 1863

Bank Shares

Act of 21st March.

Finl. 1865. Departm

N° 151

To The Secretary to the Govt
of India Fr. D

Date the 10th March 65.

1/3/65

22 & 23