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MADRAS RECORD OFFICE.

Government of Madras.

DEPARTMENT.

G.O. No. 2240 30-31.		Press / Mis.
Dated 12-5-	18 65	

30-31 18/19

Not to be folded or roughly handled

No. 30. Read the following letter from J. MACKEY, Esq., Auditor of the Accounts of the Madras Bank, to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George ; dated 10th April 1865.

I have the honor to submit my report upon the accounts of the Bank of Madras, as directed n the Order of Government, Financial Department, No. 136, dated 7th March 1865.

2. The examination commenced with the various Registers containing the particulars f every description of deposit, whether on Public or Private account, and comprise Government ecurities, Bank shares, Title Deeds, marriage settlements, sundry packages of Gold in boxes or ars, coins, medals, duplicate keys, the Silver racing cup, &c. All proved on examination correct, s noted in the said Deposit Registers above alluded to. When any Securities could not be produced, the authority in writing off the owner was shown, or the receipt originally given by the Bank for such security was exhibited. In some cases owners called at the Bank and removed heir papers in person, and their receipt was given in the Deposit Register book.

3. The Promissory Notes of the Government of India, and the stock in the custody of the Bank, on behalf of Government and the Public, including the investments on hand for the benefit of the Bank, have all been carefully examined and verified. These exhibit a grand total of Rupees 3,38,93,352-6-0, as particularised below, viz. :—

		RS.	RS.	A. P
Estates unclaimed for 15 years...		16,200		
Agency including a deposit of Rani Zemindar of Ramnad.		6,300		
Saint Mary's Church and other bequests...		3,65,200		
Deposits of minors in the Savings Bank, viz., Deighton and others, including soldiers non-transferable Treasury Notes, transferred by the late Secretary...		6,300		
			3,94,000	0 0
Educational...			10,00,000	0 0
Service Funds				
Metropolitan Police.	65,000			
Mofussil	2,89,600			
		3,54,600		
Civil Service Fund...		62,92,600		
Military do.		78,48,400		
Medical do.		60,05,700		
			2,05,01,300	0 0
375 Shares in the Bank of Madras, the property of Government			3,75,000	0 0
High Court.				
Causes...		25,87,800		
Estates...		23,800		
Official Assignee...		72,900		
Do. Trustee...		67,600		
			27,52,100	0 0
For contracts and appointments.				
Accountant General's Department... ...	48,900			
Commissariat Department at Madras... ...	1,35,400			
Do. at out-stations...	45,600			
		1,81,000		
Executive Engineer Presidency		3,900		
Principal Inspector General, Medical Department... ..		3,000		
Director of Telegraphs...		1,000		
Inspector General of Ordnance and Magazines... ...		7,500		
Superintendent of Stationery...		3,000		
Principal Civil Engineering College...		4,500		
Supervisor Government Printing Establishment... ...		2,100		
			2,54,900	0 0
Court of Wards			14,07,900	0 0
Administrator General			6,28,250	0 0
Madras Bank, Cash-keeper's security deposit. ...			50,100	0 0
Securities known as Government Reserve No. 1, the interest on which is enjoyed by the Bank ...		6,00,000		
Bank's own Reserve No. 2.		7,81,200		
			13,81,200	0 0
Deposits by the public...			51,48,602	6 0
Grand total—Sicca and Government Rupees....			3,38,93,352	6 0

In addition to the foregoing stock and securities, the Bank has purchased, on Government account, being a portion of the balances at credit of Civil depositors of the Savings' Bank, Securities to the extent of Rupees 5,76,900 ; but no examination of these Bonds were made by me, as, the transaction not being quite complete, the particulars of the Bonds had not been entered in the Deposit Register book, but as the entry will shortly be made, the Bonds can then be verified at the next half-yearly audit.

4. The advances on Loan account, all secured by the deposit of Government Promissory Notes, or Gold, have been duly verified, and found to agree with the record ; the amount is :—

	Rs.	A.	P.
	31,60,841	2	8.
Cash credit accounts similarly secured have been opened, to the extent of Rupees 8,30,770, but availed of up to 25th March	3,82,654	10	4
together Rupees...	35,43,495	13	0
Private bills have been discounted, aggregating... ...	2,64,678	13	10
Total...	38,08,174	10	10,

being nearly the entire amount of the Bank's Capital, which, on 25th March, stood at Rs. 38,41,025. As the bulk of the investments on Loan accounts is made on security absolutely safe, and the small risk (if any) will only be on the private bills discounted, it follows that share-holders have reason to anticipate a favorable dividend.

5. The under-mentioned accounts have been examined in the Bank's Ledger :—

Reserved Surplus Fund.
Unclaimed dividends.
Dividend account.
Interest.
Commission.
Exchange.
Profit and Loss.
Charges.
Adjusting account of Interest.
Dead Stock, which includes the estimated value of the Bank premises, Furniture, Stationery and Stamps on hand.
Government contingent account; this consists of charges incurred by the Bank, chiefly for packing treasure.

6. The examination of the Cash and Currency Notes was made on Monday the 27th of March, being the total balance of the previous Saturday evening, and was found to be as under, viz.,

	Rs.	A.	P.
Silver	22,21,000	0	0
Copper	7,15,390	0	0
Sundry Coins, 1 bag with Cash-keeper	977	12	1
	29,37,367	12	1
Notes	9,75,630	0	0
Grand Total...	39,12,997	12	1

divided thus :—

With Secretary.			
Cash.....	28,58,940		
Notes.....	6,96,540		
	35,55,480	0	0
With Singaru Charry, Chief cash-keeper, including a bag of sundry coins.			
Cash...	78,427	12	1
Notes..	2,79,090	0	0
	3,57,517	12	1
Total...	39,12,997	12	1

and cheques outstanding..... ....Rupees 8,180 4 6

Of the silver, 10 lacs were ready packed for shipment, on Government account, to Calcutta, as also copper for the Berar territory, viâ Bombay, to the value of Rupees 3,70,000. The boxes said to contain this silver and copper could, therefore, only under the circumstances be counted ; but of the remaining bags all were counted, and 25 bags of silver both weighed and counted, and found correct. The currency Notes aggregating in value Rupees 9,75,630, include Notes in use, cancelled Notes, stopped Notes, Notes of the several Branch Banks, and Calcutta and Bombay Notes, aggregating Rupees 1860. The silver in the Bank under Shroffage, not being on the books of the Bank, is not treated of here, but will be alluded to further on in this report,—vide paragraph 10.

7. *Branch Banks.*—There are 4 of these branches now established, viz., at

Bangalore.
Calicut.
Cochin.
Cocanada.

and by a reference to the enclosed Statement, marked B, it will be seen that all are more or less doing well, and, by their earnings, materially contributing to the prosperity of the parent establishment. The gross earnings of each, up to 25th March, is shown under the head "rest," and the expenses under "adjusting account current of interest and charges." The following figures exhibit the result, viz. :—

	Gross profits.		Charges.		Profits.
Bangalore.....	8246	less	2097	nett	6149
Calicut.....	14,853		2569		12,284
Cochin.....	20,433		3519		16,914
Cocanada.....	14,582		2349		12,233
Total.....	58,114		10,534		47,580.

When it is remembered that the above result represents the transactions of less than three months, the prospect of the year must be considered very favorable, and speaks well of the intelligence and ability of the several Agents selected by the Directors. The profits of the four branches should form a fair proportion of the gross earnings of the head office, and this with a relatively much smaller working capital, which may be accounted for by a wider range of Inland Exchange operations being open to them—exchange after all being the true essence of a Banking business. The discounts at Cochin alone are more than equal to the discounts of the Head office, and next in extent are those of Calicut. The business at Bangalore is also very promising; and if a branch bank is opened at Bellary or that neighbourhood, the operations of the Bangalore Branch will no doubt be further developed.

8. The sums due to the Madras Bank I find to be as under, viz.,

	Rs.	A.	P.	Rs.	A.	P.
Cochin Branch...	5,59,781	4	1			
Calicut...	3,54,738	11	9			
Cocanada...	1,18,674	14	3			
Bangalore...	1,65,911	9	2			
				11,99,106	7	3
and due by other Banks, viz.,						
Bank of England...	97,997	15	2			
,, Bombay, No. 2...	3,52,835	10	7			
,, Bengal, No. 2...	1,91,835	2	7			
,, Oriental, Colombo...	42,479	2	8			
				6,85,147	15	0
Together...				18,84,254	6	3

9. The sums due to other Banks is :—

Bank of Bombay, No. 1...	1,56,401 3 4		
„ Bengal, No. 1...	43,435 0 6		
„ Bombay, Hyderabad Branch...	17,220 6 2		
		2,17,056 10 0	
and due by the Bank or other accounts, viz.,			
Cash credit accounts...	6,75,462 11 4		
Current accounts...	15,39,009 2 9		
Unclaimed balances...	6,606 15 10		
Suspense account...	1,586 4 8		
		22,22,665 2 7	
Total...		24,39,721 12 7	

10. The Government balance in the Bank stood on 25th March at Rupees... ... ... 39,32,269 6 4
and the remittances under shroffage as follows, viz.,

From Collector of Kistnah...	6,02,175 0 0	
„ South Arcot... ...	5,50,000 0 0	
„ Nellore...	4,50,110 0 0	
	16,02,285 0 0	
From this must be deducted amount of specie ready packed for remittance, viz.,		
Silver for Calcutta...	10,00,000 0 0	
Copper for the Berars...	3,70,000 0 0	
	13,70,000 0 0	

11. The old Notes of the Bank of Madras out-standing, after writing off the sum of Rupees 25,000, shews a liability of Rupees 29,900.

12. There are no Sovereigns in the Bank Cash balance at present, either on Public or Private account. The transactions in these coins have hitherto been on a very limited scale, which may be accounted for by the fact that a Sovereign can not be imported at a cost of Rupees 10, the amount at which it is a legal tender in payment of Government dues.

13. I have read the Minutes of Proceedings, and find nothing requiring special comment. An Inspector of Branches has lately arrived in the country, Mr. Dewar, and is, I believe, now absent from Madras on his first tour. It is also in contemplation to open a Branch Bank at Bellary, or some other place in that part of the Presidency.

14. Enclosed, I beg to submit the Secretary's Statement, marked A, exhibiting an abstract of the Bank's position, which may safely be pronounced as sound and prosperous; and this prosperity may yet be increased by a further judicious extension of branches.

15. *New capital.*—Under this head, I have little to say, as the payments on account of the last extension of capital have hardly yet commenced. The amount so paid for "New Stock" account is only Rupees 91,025, and share-holders have grace until the 31st December next to complete the payment of the "calls" made by the Directors. Without the Capital had been increased it would not have been possible to open up branches, which better promise grand results for the future.

16. I beg to state that these observations have been submitted to my co-auditor Mr. A. Cammiade, for his approval and concurrence.

17. Finally I beg to offer my thanks to the Secretary, the Deputy Secretary, and the various officers in the several Departments of the Bank, for their courtesy and assistance in this examination. All the Books, Accounts, and Statements seen by me I found to be beautifully kept, every record extremely neat and clear, and the signs of a well regulated and disciplined establishment every where visible.

A.

BALANCE of the General Ledger of the Bank of Madras on 25th March 1865.

Balances.—*Dr.* RS.	A.	P.	RS.	A.	P.	Titles of Accounts.	Balances.—*Cr.* Rs.	A.	P.	RS.	A.	P.
						PROPRIETORS' ACCOUNTS.						
						Capital Stock.....	37,50,000	0	0			
						New Stock.....	91,025	0	0			
										38,41,025	0	0
						Reserved Surplus Fund...	.....	...	...	4,00,000	0	0
						Unclaimed Dividends. ..	15,018	12	0			
						Dividend Account...	10,740	0	0			
										25,758	12	0
						Profit and Loss—						
						viz.—Interest Account....	78,145	9	11			
						Commission...	10,983	14	11			
						Exchange Bengal. — Bombay.	3,757	6	7			
						Profit and Loss Account....	10,220	15	7			
										1,03,107	15	0
20,834	10	7	.....	...	...	Charges.....						
46,241	8	6	.....	...	...	Adjusting Account of Interest.						
						Dead Stock— *viz.*						
			69,253	15	10	Bank Premises.						
			6,236	8	0	Furnishings.						
			7,315	11	9	Stationery & Engraving.						
			3,807	12	6	Stamp Account.						
			2,709	1	3	Government Contingent Account.						
89,353	1	4										
						INVESTMENTS.						
			3,82,664	10	4	Cash credit Accts.—*(Dr.)*						
			31,60,841	2	8	Loan Acounts.						
						Bills Discounted—Government.						
			2,63,654	5	3	Do. Private.						
			1,024	8	7	Do. Past-Due.						
38,08,174	10	10										
			6,66,000	0	0	Government Securities, No. 1.						
			2,87,946	0	1	Do. No. 2.						
9,53,946	0	1										
			97,997	15	2	Bank of England.						
			3,52,835	10	7	Bank of Bombay—No. 2.						
			1,91,835	2	7	Bank of Bengal.—No. 2.						
			42,479	2	8	Oriental Bank Colombo.						
6,85,147	15	0										
			5,59,781	4	1	Cochin Branch.						
			3,54,738	11	9	Calicut do.						
			1,18,674	14	3	Cocanada do.						
			1,65,911	9	2	Bangalore Branch.						
11,99,106	7	3										

BALANCE of the General Ledger of Madras, &c.—*(Continued.)*

Balances.—*Dr.*			Titles of Accounts.	Balances.—*Cr.*					
RS.	A.	P.		RS.	A.	P.	RS.	A.	P.
			LODGEMENTS.						
			Cash Credit Accts.—*(Cr.)*	6,75,462	11	4			
			Current Accounts.....	15,39,009	2	9			
			Bank of Bombay, No. 1..	1,56,401	3	4			
			Bank of Bengal, No. 1....	43,435	0	6			
			Unclaimed Balances... ...	6,606	15	10			
			Suspense Account *(Cr.)*	1,586	4	8			
			Bank of Bombay. (Hyderabad Branch).....	17,220	6	2			
							24,39,721	12	7
			Government of Fort Saint George.....	.....	...	...	39,32,269	6	4
54,038	0	1	Bills for Collection.....	.....	...	...	52,811	7	4
52,811	7	4	— Receivable. — Private.						
			Bank Post Bills.....	.....	...	...	6,237	8	4
			Bank of Madras Notes.						
			Rupees 10	1,930	0	0			
			15	1,025	0	0			
			20	1,820	0	0			
			25	2,625	0	0			
			50	6,200	0	0			
			100	14,800	0	0			
			500	10,500	0	0			
			1000	16,000	0	0			
				54,900	0	0			
			Written off.....	25,000	0	0	29,900	0	0
			29,37,367	12	1	Specie.			
			9,75,630	0	0	Notes.			
39,21,178	0	7	8,180	4	6	Cheques.			
			GENERAL ACCOUNT OF CASH.						
108,30,831	13	7	TOTAL...	.....	...	...	1,08,30,831	13	7

(Signed) T. E. FRANCK,
Chief Accountant.

(Signed) J. McJVER,
Secretary and Treasurer.

WEEKLY GENERAL STATEMENT, 25th March 1865.

Abstract of Notes in Circulation.

Denomination.	10	15	20	25	50	100	500	1000	3000	Total.
Balance of Account... ...	2,59,600	...	3,65,500	...	6,21,500	12,38,900	8,78,500	20,36,000	.....	54,00,000
On Hand....	31,770	...	54,160	...	73,300	2,09,900	1,38,500	4,68,000	.....	9,75,630
In circulation.	2,27,830	...	3,11,340	...	5,48,200	10,29,000	7,40,000	15,68,000	.....	44,24,370
Circulation 18th Mar...	2,08,150	...	2,82,060	...	4,99,400	9,72,700	6,95,500	15,06,000	.....	41,63,810
Increase. ..	19,680	...	29,280	...	48,800	56,300	44,500	62,000	.....	2,60,560
Decrease... ...	.....	...	.....	...	.....	.....	.....	.....	.....	.....

In General Treasury...

ABSTRACT of General Account of Cash.

Particulars.	With Secretary.			With Cashkeeper.			Total		
Specie.....	28,58,940	0	0	78,427	12	1	29,37,367	12	1
Cheques...	.....	...	...	.....	...	...	8,180	4	6
Total Cash...	28,58,940	0	0	78,427	12	1	29,45,548	0	7
Notes, Rs. 10	22,130	0	0	9,640	0	0	31,770	0	0
15									
20	42,160	0	0	12,000	0	0	54,160	0	0
25									
50	43,050	0	0	30,250	0	0	73,300	0	0
100	1,43,700	0	0	66,200	0	0	2,09,900	0	0
500	92,500	0	0	46,000	0	0	1,38,500	0	0
1000	3,53,000	0	0	1,15,000	0	0	4,68,000	0	0
3000									
Balance...	35,55,480	0	0	3,57,517	12	1	39,21,178	0	7

LIABILITIES,
PAYABLE ON DEMAND.

Bank post bills.	6,237	8	4
Circulation. ...	29,900	0	0
Deposits... ...	24,39,721	12	7
Dividends... ...	25,758	12	0
Cash Credits undrawn.....	4,48,115	5	8
Govt. Balance.	39,32,269	6	4
Total.....	68,82,002	12	11
One-Fourth...	17,20,500	11	3

DRAFTS
SINCE LAST RETURN.

On Bank of Bengal... ...	3,075	0	0
Bank of Bombay...	5,00,034	0	0
Bank of England..	35,457	0	0
Total...	5,38,566	0	0

WEEKLY GENERAL STATEMENT.—(*Continued*).

ABSTRACT of Investments bearing Interest.

Description.	Government Securities.	Govt. Bills.	Private Bills.	Loans.	Cash Credits.	Total.
Balance 18th Mar.	9,53,946 0 1	... ...	2,97,201 11 10	34,88,708 5 7	3,83,090 9 7	51,22,946 11 1
Since invested.	... ...	... ...	13,742 10 0	2,98,496 3 6	... ...	... ...
Together.	9,53,946 0 1	... ...	3,10,944 5 10	37,87,204 9 1	... ...	... ...
Since realized.	... ...	... ...	46,265 8 0	6,26,363 6 5	... ...	... ...
Balance..	9,53,946 0 1	... ...	2,64,678 13 10	31,60,841 2 8	3,82,654 10 4	47,62,120 10 11

(Signed) T. E. FRANCK,
Chief Accountant.

(Signed) J. McIVER,
Secretary and Treasurer.

B.

Week ending 25th March 1865.

Liabilities.	Bangalore.			Calicut.			Cochin.			Cocanada.			Total.			Head Office.			General Total.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A	P.
Deposits.	1,91,551	1	10	1,06,670	0	2	92,618	7	2	2,58,600	0	10	6,49,439	10	0	24,65,480	8	7	31,14,920	2	7
Bank Notes and Post Bills. ...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	36,137	8	4	36,137	8	4
Cash Credits Undrawn... ...	2,063	0	8	6,442	7	6	.....	...	..	.....	...	...	8,505	8	2	4,48,115	5	8	4,56,620	13	10
Government Deposits... ...	.....	...	...	.....	..	...	.....	...	...	.....	...	...	.....	...	...	39,32,269	6	4	39,32,269	6	4
Branch Balances in favor of Head Office.	1,72,838	4	3	2,58,955	2	10	3,80,102	11	10	1,44,875	2	2	9,56,771	5	1	.....	...	...	9,56,771	5	1
Capital...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	37,50,000	0	0	37,50,000	0	0
Subscriptions for New Stock.....	.....	...	...	.....	..	...	.....	...	...	.....	...	...	.....	...	...	91,025	0	0	91,025	0	0
Reserve Fund.	.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	4,00,000	0	0	4,00,000	0	0
Rest.....	8,246	7	0	14,853	9	10	20,433	2	2	14,582	12	2	58,115	15	2	1,03,107	15	0	1,61,223	14	2
Total...	3,74,698	13	9	3,86,921	4	4	4,93,154	5	2	4,18,057	15	2	16,72,832	6	5	1,12,26,135	11	11	1,28,98,968	2	4
Assets.																					
Loans.	1,26,625	0	0	21,925	0	0	34,310	0	0	38,783	0	0	2,21,643	0	0	31,60,841	2	8	33,82,484	2	8
Cash Credits.	18,000	0	0	5,000	0	0	....	...	...	55.000	0	0	78,000	0	0	8,30,770	0	0	9,08,770	0	0
Discounts	1,32,981	3	5	1,91,363	14	11	3,10,484	11	7	1,75,060	0	0	8,09,889	13	11	2,64,678	13	10	10,74,568	11	9
Bank's Reserve, Cash... ...	93,660	3	6	1,62,978	11	4	1,32,217	5	9	1,36,319	10	3	5,25,175	14	10	21,54,908	10	3	26,80,084	9	1
Government do. do... ...	....	...	...	.....	...	...	... ..	...	...	.....	...	...	... ..	...	...	17,66,269	6	4	17,66,269	6	4
Do. do. Securities. ...	.....	...	.	.....	...	...	.....	...	...	.....	...	...	.....	...	...	6,66,000	0	0	6,66,000	0	0
Government Securities... ...	.....	...	...	.....	...	...	.....	...	...	500	0	0	500	0	0	2,87,946	0	1	2,88,446	0	1
Adjusting Account Current of Interest and charges....	2,097	1	10	2,569	9	5	3,519	1	11	2,349	9	0	10,535	6	2	67,076	3	1	77,611	9	3
Dead Stock.....	1,335	5	0	3,084	0	8	12,623	1	11	10,045	11	11	27,088	3	6	89,353	1	4	1,16,441	4	10
Head Office Balance against Branches ...	.....	..	...	.....	...	...	.....	..	...	.....	...	...	.....	...	...	11,99,106	7	3	11,99,106	7	3
Bills of Exchange Due by other Banks ...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	.....	...	...	7,39,185	15	1	7,39,185	15	1
Total...	3,74,698	13	9	3,86,921	4	4	4,93,154	5	2	4,18,057	15	2	16,72,832	6	5	1,12,26,135	11	11	1,28,98,968	2	4

(Signed) T. E. FRANCK,
Chief Accountant.

(Signed) J. McIVER,
Secretary and Treasurer.

Proceedings of the Madras Government, Financial Department,
12th May 1865.

No. 31. ORDER THEREON, 12th May 1865, No. 240.

His Excellency the Governor in Council considers the result of the examination of the accounts of the Bank of Madras, reported in the foregoing letter, to be satisfactory, and concurs in the commendation bestowed in the last paragraph on the manner in which the Books, Accounts, and Statements have been kept.

2. His Excellency in Council is gratified to learn, from paragraphs 7 and 15 of the Report, that the Branch Banks already established are doing well, and promise great results for the future, and that the Bank's position is regarded as sound and prosperous.

3. The attention of the Directors of the Madras Bank will be drawn to the remarks of Mr. Mackey in paragraphs 7 and 14, as to the effect of opening a Branch Bank at Bellary, and a further judicious extension of Branches.

4. The Civil Paymaster is authorized to pass to Mr. Mackey a sum of Rupees (400) four hundred, as remuneration for his services.

True Extract

Chief Secretary.

To the Deputy Auditor and Accountant Gene
" Civil Paymaster.
" Secretary and Treasurer, Madras Bank.
To J. Mackey, Esq.

Exd, J. H. Burns.

From

J. Mackey Esq

To

The Honorable A. J. Arbuthnot

Chief Secy to Govt.

Sir

I have the honor to submit my report upon the accounts of the Bank of Madras, as directed in the order of Govt. Fin: dept. No 136 dated 7 March 1865.

2 The examination commenced with the various Registers containing the particulars of every description of deposit, whether on Public or Private account, and comprise Govt. Securities, Bank Shares, Title deeds, Marriage settlements, sundry packages of Gold in bars or Bars, coins, medals, duplicate

keys, the Silver sacing cupboards all proved on examination correct as noted in the said deposit registers above alluded to. When any Securities could not be produced, the authority in writing of the owner was shewn, or the receipt originally given by the Bank for such Security was exhibited, in some cases owners called at the Bank and removed their papers in person, and their receipt, was given in the Deposit Register book.

3 The Promissory Notes of the Govt of India, and the Stock in the custody of the Bank on behalf of Govt and the Public, including the investments on Land for the benefit of the Bank have all been carefully examined and verified, these exhibit a grand total of Rs 338,93,352. 6. as particularised below, viz

Estates unclaimed for 15 years		16,200.
Agency including a deposit of Rani Zemindar of Ramnad		6,300.
Saint Mary's Church and other bequests		3,65,200.
Deposits of Minors in the Savings Banks, viz		
Deighton & others including Soldiers Non transferable Treasury Notes, transferred by the late Secy	6,300.	3,94,000.
Educational		10,00,000.
Service Funds		
Metropolitain Police	65,000.	
Mofussil	2,89,600.	3,54,600.
Civil Service Fund		62,92,600.
Military		78,48,400.
Medical	60,05,700.	2,05,01,300.
375 Shares in the Bank of Madras the property of Govt		3,75,000.
carried forward		2,22,70,300.

brought forward 222,70,300.

High Court

Causes	25,87,800.	
Estates	23,800.	
Official Assignee	72,900.	
" Trustee	67,600.	27,52,100.

For Contracts and appointments

Accountant General's dep^{t}.	48,900.	
Commissariat department		
at Madras	1,35,400.	
Do at out stations	45,600.	1,81,000.
Executive Engineer Res^{y}.	3,900.	
Principal Inspector		
General Medical dep^{t}.	3,000.	
Director of Telegraphs	1,000.	
Inspector General Ordnance		
& Magazines	7,500.	
Superintendent of Stationery	3,000.	
Principal Civil		
Engineering College	4,500.	
Superviser Gov^{t}. Printing		
establishment	2,100.	2,54,900.

carried forward 252,77,300.

Brought forward 2,52,77,300.

Court of Wards	14,07,900.	
Administrator General	6,28,250.	
Madras Bank Cash keepers		
security deposit	50,100.	
Securities known as Government		
Reserve No 1. the interest on which		
is enjoyed by the Bank	600,000.	
Banks own Reserve No 2.	7,81,200.	13,81,200.
Deposits by the public		51,48,602. 6. —
Grand total Siccas Rs. rupees		3,38,93,352. 6. —

In addition to the foregoing Stock and Securities the Bank has purchased on Gov^{t}. account, being a portion of the balances at credit of Civil depositors of the Savings Bank, Securities to the extent of Rs 5,76,900. but no examination of these Bonds were made by me, as the transaction not being quite complete the particulars of the Bonds had not

been entered in the deposit register book, but as the entry will shortly be made, the Bonds can then be verified at the next half yearly audit.

4 The advances on Loan account all secured by the deposit of Govt Promissory Notes or Gold, have been duly verified, and found to agree with the record, the amount is _____ Rs 31,60,841.2.8

Cash credit accounts similarly secured have been opened to the extent of Rs 8,30,770. but availed of up to 25 March _____ 3,82,654.10.4

together rupees 35,43,495.13.—

Private Bills have been discounted aggregating _____ 2,64,678.13.10

Total 38,08,174.10.10

being nearly the entire amount of the Banks Capital, which on 25 March stood at _____ Rs 38,41,025.

As the bulk of the investments on Loan accounts is made on security absolutely safe, and the small risk (if any) will only be on the private bills discounted, it follows that Shareholders have reason to anticipate a favorable dividend.

5 The undermentioned accounts have been examined in the Banks Ledger.

Reserved surplus fund

Unclaimed dividends

Dividends account

Interest

Commission

Exchange

Profit & Loss

Charges

adjusting account of Interest.
Dead Stock, which includes the estimated value of the Bank premises, furniture, Stationery and Stamps on hand.
Govt Contingent account, this consists of charges incurred by the Bank, chiefly for practising Treasure.

6 The examination of the Cash & Currency Notes was made on Monday the 27 of March, being the total balance of the previous Saturday evening, and was found to be as under, viz,

Silver	22,21,000.	
Copper	7,15,390.	
Sundry Coins, Bags with Cash keepers	977.12.1	
	29,37,367.12.1	
Notes	9,75,630.-.-	
grand total Rs	39,12,997.12.1	

divided thus,

With Secretary

Cash	28,58,940.	
Notes	6,96,540.	35,55,480.-.-

With Sanjeevan Chary Chief Cash keeper including a bag of sundry Coins.

Cash	78,427.12.1	
Notes	27,090.	
	3,57,517.12.1	
Rs	39,12,997.12.1	

and cheques outstanding Rs 8180.4.6

Of the Silver 10 lacs was ready packed for shipment on Govt account to Calcutta, as also Copper for the Berar territory via Bombay, to the value of Rs 3,70,000- the boxes said to contain this Silver & Copper could therefore only under the circumstances be counted, but of the

remaining bags all were counted
and 25 bags of Silver both weighed
and counted, and found correct.
The Currency Notes aggregating in
value Rs 9,75,630- include Notes in
use, cancelled Notes, stopped Notes
Notes of the several Branch Banks
and Calcutta and Bombay Notes
aggregating Rs 1,860. The Silver in
the Banks under Shroffage, not
being on the books of the Banks is
not taken of here, but will be
alluded to further on in this report.
vide para 10
7 Branch Banks, there are 4 of them
branches was established, viz at

Bangalore
Calicut
Cochin
Cocanada

and by a reference to the enclosed

statement marked B it will be 21
seen that all are more or less
doing well, and by their earnings
materially contributing to the
prosperity of the Parent establishment.
The gross earnings of each up to 25
March is shewn under the head
"rent" and the expenses under
"adjusting account current of
Interest & charges", the following
figures exhibit the result, viz,

	gross profits	charges	nett profits
Bangalore	8,246.	less 2,097.	nett 6,149.
Calicut	14,853.	2,569.	12,284.
Cochin	20,433.	3,519.	16,914.
Cocanada	14,582.	2,349.	12,233.
Total	58,114.	10,534.	47,580.

when it is remembered that the
above result represents the transactions
of less than 3 months, the prospect
of the year must be considered

very favourable, and speaks well
of the intelligence and ability of the
several agents selected by the Directors
The profits of the 4 branches should
form a fair proportion of the
gross earnings of the head office, and
this with a relatively much smaller
working capital, which may be
accounted for by a wider range of
Inland Exchange operations being
open to them, Exchange after all
being the true essence of a Banking
business. The discounts at Cochin
alone, are more than equal to the
discounts of the head office, and
next in extent are those of Calicut.
The business at Bangalore is also
very promising, and if a Branch Bank
is opened at Bellary as that

neighborhood, the operations
of the Bangalore Branch will
no doubt be further developed

8 The sums due to the Madras
Bank I find to be as under, viz

Cochin Branch 5,59,781.4.1
Calicut ——— 3,54,738.11.9
Cocanada ——— 1,18,674.14.3
Bangalore ——— 1,65,911.9.2
11,99,106.7.3

and due by other Banks, viz

Bank of England 97,997.15.2
" Bombay N.2 - 3,52,835.10.7
" Bengal N.2 - 1,91,835.2.7
" Oriental, Colombo - 1,42,479.2.8 - 6,85,147.15.-
together 18,84,254.6.3

9 The sums due to other Banks is,

Bank of Bombay N.1 - 1,56,401.3.4
" Bengal N.1 - 43,435.0.6
" Bombay Hyderabad Branch } 17,220.6.2
2,17,056.10.-

brought forward 2,17,056. 10. —

and due by the Bank on

other accounts, viz

Cash credit accounts- 6,75,462. 11. 4

Current accounts — 15,39,009. 2. 9

Unclaimed balances — 6,606. 15. 10

Suspense account — 1,586. 4. 8

22,22,665. 2. 7

Rs 24,39,721. 12. 7

10 The Government balances in the Bank stood on 25th March at Rs 36,32,269. 6. 4

and the remittances under

this head as follows, viz from

Collector of Kistna 602,175.

" South Arcot 550,000.

" Nellore — 450110. — 1602285.

from this must be deducted

amount of Specie sent by private

for remittance, viz

Silver for Calcutta — 1000000.

Copper for the Berars — 370000. 1370000.

11 The old Note of the Bank

of Madras outstanding, after writing

off the sum of Rs 25000. shews a

liability of Rs 29900-

12 There are no Sovereigns in the

Bank Cash balance at present,

either on public or private account.

The transactions in these coins have

hitherto been on a very limited

scale, which may be accounted

for by the fact that a Sovereign

can not be imported at a cost

of Rs 10. the amount at which it

is a legal tender in payment of

Govt dues.

13 I have read the Minutes of Proceedings

and find nothing requiring special

comment - An Inspector of Branches

has lately arrived in the country,

Mr Dewar, and is I believe now

absent from Madras on his first tour.
It is also in contemplation
to open a Branch Bank at
Bellary or some other place in
that part of the Presidency.
14 Enclosed I beg to submit
the Secretaries statement marked
A, ~~link~~ exhibiting an abstract
of the Banks position, which
may safely be pronounced as
sound and prosperous, and this
prosperity may yet be increased
by a further judicious extension
of branches.
15 New Capital, under this head
I have little to say, as the payments
on account of the last extension
of Capital have hardly yet
commenced, the amount so paid
for "New Stock" account is only

Rs 91,025. and Shareholders have
grace until the 31 Dec: next
to complete the payment of
the "Calls" made by the Directors;
without the Capital had been
increased it would not have been
possible to open up Branches,
which latter promise grand results
for the future.
16 I beg to state that these
Observations have been submitted
to my Co-Auditor Mr A.
Cammiade for his approval
and concurrence.
17 Finally I beg to offer my
thanks to the Secretary the
Deputy Sec[y] and the various
Officers in the several departments
of the Bank for their courtesy

and assistance in this examination,
all the Books, accounts, and
Statements seen by me I found
to be beautifully kept, every
record extremely neat and clear,
and the signs of a well regulated
and disciplined establishment
every where visible.

I have the honor to be

Sir

Your obedient servant

Inverarity

Fort St. George
10 april 1865

Rec'd 4th March 65 9-10

Financial Dept.

From

F. Mackay Esqr.

To

The Hon'ble J. H. Maitland
Chief Secretary to
Government.

No. 260

Dated 10th April 1865.

Rec'd 4th April 1865.

2 Enclosures.

Ex. Pt.

Report upon the Accounts
of the Bank of Madras.

4 May 30

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read Report from the Auditor of the Accounts of the Madras Bank.

Dated 10th April '65

Order — 12th May 1865 No. 260.

H. E. the Governor in Council considers the result of the examination of the accounts of the Bank of Madras, reported in the foregoing letter, to be satisfactory; & concurs in the commendation bestowed in the last para on the manner in which the Books, Accounts & Statements have been kept.

2 H. E. in Council is gratified to learn from para 7 & 15 of the report that the Branch Banks already established are doing well and promise

promise great results for the future; and that the Bank's position is regarded as sound and prosperous.

3 The attention of the Directors of the Madras Bank will be drawn to the remarks of Mr. Mackay in paras 7 & 14 as to the effect of opening a Branch Bank at Bellary & a further judicious extension of Branches.

4 The Civil Paymaster is authorised to pass to Mr Mackay a sum of Rupees 1400 / Four hundred as remuneration for his services.

To Dy: Ar: & Asst: General
" Civil Paymaster
" Secy: & Treasr: Madras Bank
" J. Mackay Esqre

Desp. No. 16/5

Financial 1865. Department.

No. 240

PROCEEDINGS of GOVERNMENT.

Dated 12 May 1865

30 & 31