M.R.O. 1—77,000—8-6-37.

(1) Number of pages 10

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	Letter 227	Press / Mis.
20-21.		
Dated	12-6-	1866.

617

20-21

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 12*th June* 1866.

No. 20. Read the following letter from the Accountant General, Madras, to the Chief Secretary to Government, Fort Saint George ; dated Fort Saint George, 1st June 1866, No. 48.

Book Department.

I have the honor to acknowledge the receipt of the Order of Government, No. 186, dated 17th ultimo, communicating copy of a letter from the Financial Secretary to the Government of India, directing that the Government Savings' Bank, to which the escheated Government Securities therein alluded to had been made over, should pay for them as for any purchase of Securities in the market, and the proceeds thus obtained be credited to the general revenues of the year, and, in reply, to observe that the above instructions appear to have been issued under the idea that the value of the above Securities remained uncredited to Government up to the date of their Order, No. 23, dated 19th January 1866, sanctioning the adjustment of the transaction in the manner recommended by me. This, I beg, however, to remark was not the case, as the par values of the Securities in question, namely Rupees 19,304, had already been adjusted in the books of this Office, at the time of their transfer by the Administrator General, by crediting "Profit and Loss" and debiting "Bonds transferred by the Administrator General to the credit of Government remaining unsold"; this course having been adopted because the market at the time was not favorable for the disposal of these Bonds.

	Rs.		Rs.
Securities in Co's. Rupees 17,600			17,600
Do. in Sicca Rupees 1,600			1,704
Total	19,200	Total	19,304

2. It will be thus seen that there was no necessity for any actual cash payment being made when the securities were transferred to the Government Savings' Bank. All that was necessary was to credit the head "Bonds, &c., &c.," abovenamed, with Rupees 19,304 (originally debited to it), at the time of the transfer of the Bonds to the Government Savings' Bank; but, as at that time 4 per cent. paper was selling at 9½ per cent. discount, the orders of Government were necessary to sanction the debit to "Profit and Loss." The difference arising from the disbursement above mentioned and the entry in the books on account of the transaction in question stands thus :—

	Rs.	A.	P.
Sundry accounts Dr. to Bonds transferred by the &c., &c., of Rupees 19,304.			
Investment on account of Government Savings' Bank market value of the Bonds transferred to this head	17,470	1	10
Profit and Loss. Loss by discount at 9½ per cent	1,833	14	2
Total	19,304	0	0

3. Practically, therefore, the mode of adjustment adopted is that directed by the Government of India, in letter, No. 126, above alluded to, and the Savings' Bank has paid the market value of the securities, such value being credited to general revenues.

No. 21. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 12th June 1866, No. 227.

With reference to your letter of the 23rd April last, No. 126, relative to the mode of adjusting certain escheated Government Securities purchased on account of the Government Savings' Bank, I am desired to transmit the annexed copy of a letter from the Accountant General, explaining that the par values of the Securities in question having, in the first instance, been adjusted in the Books of his office, at the time of their transfer by the Administrator General, all that was necessary, on the Securities being taken over for the Savings' Bank, was to credit the proper head with the proceeds, and that the mode of adjustment thus adopted was practically that pointed out by the Government of India.

Dated 1st June 1866, No. 48.

(Signed) J. D. SIM,
Acting Chief Secretary.

Exd. J. H. Burns.

Book ~~and Adjustment~~ Department.

No. 48

Fort Saint George,
Accountant General's Office,
1st June 1866.

From The ACCOUNTANT GENERAL
to the GOVERNMENT of MADRAS.

To The Chief Secretary
to Government
Fort Saint George

Sir,

I have the honor to acknowledge the receipt of the order of Government No: 186 dated 17th Ultimo, Communicating Copy of a letter from the Financial Secretary to the Government of India directing that the Government Savings Bank, to which the escheated Government Securities therein alluded to, had been made over should pay for them at the average purchase of Securities in the market and the proceeds thus obtained be credited to the general revenues of the year, and in reply to observe that the above instructions appear to have been issued under the idea that the value of the above Securities remained uncredited to Government up to the date of their order No: 23 dated 19th January 1866, sanctioning the adjustment of the transaction in the manner recommended by me. This, I beg however, to remark was not the case, as the par values of the Securities in question, namely Rupees 19,304 had already been adjusted in the Books of this Office at the time of their transfer by the Administrator General by crediting "Profit and Loss" and debiting "Bonds Transferred by the Administrator General to the credit of Government remaining unsold"; this

Securities in G: 17800-17900
D: — in S: 1800-1704
19200-19304

this course having been adopted because the market at the time was not favorable for the disposal of these 4 Bonds.

2 It will be thus seen that there was no necessity for any actual cash payment being made when the Securities were transferred to the Government Savings' Bank, all that was necessary was to credit the head "4 Bonds &c &c" above named with Rupees 19,304 (originally debited to it) at the time of the transfer of the 4 Bonds to the Government Savings' Bank; but as at that time 4% Paper was selling at 9½ Per Cent discount the orders of Govt were necessary to sanction the debit to "Profit and Loss" the difference arising from the disbursement above mentioned and the entry in the Bank account of the transaction in question stands thus.

Sundry Accounts Dr to 4 Bonds Transferred by the Rs 4,5 of Rupees 19,304

Investment on account Govt Savings' Bank, market value of the 4 Bonds Transferred to this head	17,470-1-10
Profit and Loss. Loss by discount at 9½ per cent	1,833-11-2
	19,304--

3. Practically therefore the mode of adjustment adopted is that directed by the Government of India in letter No 126 above alluded to, and the Savings' Bank has paid

paid the market value of the Securities, such value being credited to general revenues.

I have the honor to be
Sir
Your most obedient servant

F. Cruttenden
Accountant General

C/d C Sutherland
Compr 2.8.76.

Financial Department.

No. 227

To

The Secretary to the Government
of India.
Financial Department.

Sir,

With reference to your letter of the 23rd April last No. 126, relative to the mode of adjusting certain exchanged Government securities purchased on account of the Government Savings' Bank, I am desired to transmit the annexed copy of a letter from the Accountant General explaining that the par values of the securities in question having, in the first instance, been adjusted in the Books of his Office at the time of their transfer by the Administrator General, all that was necessary on the

Dated 1st June 1866 No. 48.

W.R.

N.

Rs. 17 & Rs. 15 - 17-20
1/3 Jany 67 23-27

From
The Accountant General
No. 127
To the Chief Secretary
to Government
Dated 25th May 1866
Rs. 2023
Rs. 2023 June 1866
Rs. 2020
No. 259

Under the rules
Established Government
Securities transferred to the
Government Savings Bank
have been refunded to the
Books of the Office.

From the Accountant General
1866 Rs. transferred

C.P. Sum
1812 4
24.

the securities being taken over
for the Savings' Bank —
was to credit the proper
head with the proceeds, and
that the mode of adjustment
adopted was ~~the first~~ practically
that pointed out by the
Government of India —

Fort St. George
12th June 1866

Finl 1886 Departm=
N° 227

To
The Secretary to the
Govern=ment of
India F. D.

Dated 12th June 1886

F-1-1-257

20-21.

C 9 June 1886