M.R.O. 1—77,006—8-6-37.

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	514			Press / Mis.
49-50				
Dated	18	11	1867.	

49-50 28/29

Not to be folded or roughly handled

No. 49. Read the following letter from F. LUSHINGTON, Esq., Accountant General, Madras, to the Chief Secretary to Government, Fort Saint George; dated Fort Saint George, 30th October 1867, No. 247.

Adverting to the Orders of the Supreme* and Local Governments† noted in the margin, I have the honor to submit, for the consideration and orders of the Right Honorable the Governor in Council, the reports of my Assistant, who was deputed by me to audit the accounts of the Bank of Madras and the Government Savings' Bank, and to request the sanction of Government for the further investment on account of the latter institution of one and a half lakh of Rupees in Government Paper of the 4 per cent. Loan, in accordance with the suggestion of the Auditor, in the 4th paragraph of his report.

* Letter from the Financial Secretary to the Government of India, to the Madras Government, No. 1546, dated 21st March 1867, recorded in the Madras Government Order, No. 168, dated 13th April 1867, Financial Department.

† No 20, dated 16th January 1867.

2. In submitting these reports, I consider it only due to my Assistant to mention that, in consequence of the heavy pressure of business in this office, he was obliged to conduct the audit of the Savings' Bank's accounts, which is a very laborious one, almost wholly out of the usual office hours, and I hope, therefore, that the Government will see fit to give him some remuneration for this extra duty, especially as the fee‡ which has always hitherto been given for the audit of the Madras Bank's accounts has also now been withdrawn, under the orders of the Government of India above quoted. The fee granted by this Government to Mr. D'Silva, for the audit of the previous year's accounts of the Savings' Bank was Rupees 500.

‡ Rupees 500.

From J. MACKEY, Esq., Acting 1st Assistant Accountant General, to the Acting Chief Secretary to Government, Fort Saint George; dated Madras, 8th August 1867.

In compliance with the Order of Government marginally noted, I have the honor to report that I have examined the accounts of the Bank of Madras, in conjunction with Mr. A. Camniade, the Auditor selected by the Shareholders, and the results of my examination will be found in the following observations.

No. 274, dated 24th June 1867, Financial Department.

2. All the securities deposited on account of loans, and cash credits have been carefully examined, item by item, and found correct, and the margins ample. The amount so advanced on 13th July was—

	RS.	A.	P.
Loans.....	27,23,007	2	10
Cash credits..... ...	7,95,050	0	0
Do. undrawn..... ...	4,21,398	1	10

3. All the Government Securities, Bank Stock, and shares in other public companies, held in deposit at the Bank, whether on account of the Government or private individuals, and all the other miscellaneous items contained in the Deposit Registers of the Bank, have been minutely verified entry by entry, and each security examined, and found to correspond with the Register. All entries which required to be cancelled have been so treated, upon production of written authority from the owners of the property withdrawn. The Promissory Notes of the Government of India, which have been verified, appertain to the following accounts :—

	RS.	RS.	A.	P.
Police Funds.				
Metropolitan...	65,000			
Mofussil.....	2,89,600	3,54,600	0	0
Saint Mary's Church and other bequests...		3,66,200	0	0
High Court.				
Causes...	26,68,200			
Estates, being marriage settlements	23,800			
	26,92,000			
Official Trustee...	66,600			
Official Assignee.....	83,300			
	1,49,900	28,41,900	0	0

Service Funds.				
Civil...		74,61,500		
Medical...		60,05,700		
		1,34,67,200		
Secretary of State (late Military Fund)... ...		78,29,400		
			212,96,600	
Other Funds and Investments.				
Educational Building Fund...		10,00,000		
Mysore Trust Fund...		33,23,300		
Waste Lands Invested Fund...		1,33,700		
Regimental Cart Fund...		6,500		
			44,63,500	
Government Investment of Savings' Bank Balances ...		6,59,300		
Government Savings' Bank Deposits of Minors and others...		6,300		
			6,65,600	
				2,64,25,700 0 0
For Contracts and Appointments, Civil.				
Accountant General's Department...		1,21,800		
Superintendent of Stamps...		22,700		
Supervisor, Government Printing Establishment... ...		2,100		
Controller, Money Order Department...		1,000		
		1,47,600		
Postal.				
Postmaster General, Madras...	8,500			
Do. Madras...	500			
		9,000		
Director of Telegraphs...		1,000		
Principal Civil Engineering College...		4,000		
			1,61,600	
Military.				
Commissariat Department, Madras...	1,80,400			
Do. at out-stations...	74,200			
		2,54,600		
Superintendent and Agent, Army Clothing... ...		12,300		
Inspector General, Ordnance and Magazines... ...		500		
Commissary of Ordnance...		9,300		
Superintendent of Stationery...		14,600		
Barrack Master, Presidency...		1,500		
Principal Inspector General, Medical Department.....		5,500		
			2,98,300	
			4,59,900	
Public Works Department.				
Executive Engineer, Presidency...			10,000	
			4,69,900	
Other Deposits.				
Court of Wards...		17,16,900		
Administrator General...		7,12,400		
Estates unclaimed for 15 years...		1,000		
Agency, including a deposit of the Zemindar of Ramnad		5,800		
		24,36,100		
Security lodged by the Cash-keeper of the Bank of Madras...		50,100		
			24,86,200	
Deposits by the Public...			.....	29,56,100 0 0
				61,68,348 14 0
				391,12,848 14 0
Add 562½ shares of the Bank of Madras, the property of Government, being one-tenth of the whole number of shares...				6,18,750 0 0
			Total...	397,31,598 14 0

4. Of the last item, I was only able to verify 375 shares, the rest being contained in a sealed packet, which I suggest be opened, as, although sent to the Bank for security sealed, it was not, I believe, intended by the Accountant General that they should be treated differently from the 375 shares formerly lodged. It is the duty of the Auditor to see that each share is in deposit.

5. On Monday, the 15th July, the cash was verified, being the closing balance of the previous Saturday evening, which stood, including cheques outstanding, at Rupees 93,01,432-14-11, accounted for thus :—

		With Secretary.				With Cash-keeper.				Total.		
			RS.	A.	P.		RS.	A.	P.	RS.	A.	P.
Notes..... Rupees	10	4,100	41,000	0	0	1,214	12,140	0	0	53,140	0	0
,, ... ,,	20	3,950	79,000	0	0	809	16,180	0	0	95,180	0	0
,, ... ,,	50	3,600	1,80,000	0	0	591	29,550	0	0	2,09,550	0	0
,, ... ,,	100	2,900	2,90,000	0	0	923	92,300	0	0	3,82,300	0	0
,, ... ,,	500	710	3,55,000	0	0	106	53,000	0	0	4,08,000	0	0
,, ... ,,	1000	410	4,00,000	0	0	79	79,000	0	0	4,79,000	0	0
Total.....		...	13,45,000	0	0	...	2,82,170	0	0	16,27,170	0	0
Silver.....		...	59,50,000	0	0	...	51,688	12	4	76,56,708	12	4
Small silver...		...	3,95,000	0	0	...						
Copper.....		...	12,60,020	0	0	...						
										92,83,878	12	4
Cheques outstanding...		...	.....	...	...	...	.....	...	...	17,554	2	7
Total.....		...	89,50,020	0	0	...	3,33,858	12	4	93,01,432	14	11

Of the Copper, Rupees 6,98,450 is at the Mint, as there is not sufficient room in the Bank vaults for the whole. The Mint Master's receipt was produced for the deficiency. The verification of the cash was made in ordinary manner, and tested as usual in the manner described in previous reports.

6. I have examined the private Bills discounted by the Bank, and find they correspond with the entries in the Bill Register. The total amount at the Head Office is Rupees 6,23,415-11-8.

7. The Government balance on 13th July was Rupees 75,96,997-4-2, composed as follows, excluding fractions of a Rupee :—

	RS.	
Balance as per Account rendered.....	75,96,997	
Less Bank's maximum.....	25,00,000	
		50,96,997
	RS.	
Single Rupees.....	34,41,892	
Half ,, ...	1,70,000	
Quarter ,, ...	1,10,000	
Double Annas.....	1,15,000	
Copper Half Annas.....	6,69,990	
,, Quarter Annas.....	5,07,960	
,, Single Pice.....	82,070	
Uncurrent Silver.....	49	
Do. Copper.....	36	
		50,96,997

8. The Bank Directors have invested on their own account in Government Securities, known as "No. 2 account," a sum of Rupees 19,79,600, costing, as noted in the books of the Bank, Rupees 20,36,229-3-0, but as the market value of Government Bonds has since risen, the value may at present rates be estimated at Rupees 20,46,392. These figures do not correspond with the Balance Sheet, which shows on the 13th July a sum of Rupees 14,80,171-1-0 as invested, which is explained by the fact of the difference having been invested subsequent to that date. The Bonds composing the No. 2 account have been verified, and the particulars are as under, viz.—

	RS.	RS.
4 per Cent. Loan of 1835-36.....	37,400	
1842-43.....	1,84,500	
1854-55.....	1,30,500	
1865-66.....	1,70,600	
		5,23,000
5 per Cent. Loan of 1854-55.....	54,200	
1856-57.....	72,000	
	1,26,200	
	RS.	
New Debenture Bonds for 5 years	1,00,000	
10 do.	1,00,000	
15 do.	1,25,000	
	3,25,000	
		4,51,200
5 per Cent. Loan.....		6,99,900
3 per Cent.....		5,500
		16,79,600
With the Bank of Bombay.....	1,00,000	
Do. of Bengal..... ...	2,00,000	
		3,00,000
Total...		19,79,600

9. The following accounts have been compared with the Ledger entries, and all found to correspond—vide Balance Sheet, marked *A*, enclosed:—

Reserved Surplus Fund.
Dividend Account.
Unclaimed Dividends.
Interest Account.
Commission.
Exchange.
Charges.
Dead Stock.

10. Under Section 6 of the new agreement between the Government and the Directors, the maximum has been raised to Rupees 25,00,000 and the minimum to Rupees 20,00,000. The former limits were Rupees 15,00,000 and Rupees 10,00,000, respectively.

11. I find the following sums due by other Banks, excluding the Branches of the Bank of Madras:—

	RS.	A.	P.	RS.	A.	P.
Bank of England.....	31,842	13	2			
Oriental Bank, Colombo.....	2,47,488	15	0			
Bank of Bombay, No. 2.....	5,06,191	3	10			
Do. of Bengal.....	4,46,972	3	7			
				12,32,495	3	7
and due to other Banks, exclusive of Branches,						
Bank of Bombay, No. 1.....	22,437	5	6			
Do. of Hyderabad.....	8,546	15	5			
Bank of Bengal, No. 1.....	4,06,888	3	11			
				4,37,872	8	10
Difference...				7,94,622	10	9

12. The Government contingent account exhibits a debtor balance of Rupees 13,446-15-7: this is chiefly on account of packing charges for specie.

13. The issue and payment of Currency Notes by the Bank ceased from 1st March, on which date the Currency Commissioner at the Mint, with the Assistant Commissioner, Mr. Trevor, has taken up that duty. The Currency Commissioner's reserve of bullion hitherto kept at the Bank (under his own custody) has also been removed, on the 24th July, to the Mint vaults, where all the currency balances are now kept.

14. I am not aware whether the Bank will accommodate their constituents or the public generally by cashing Currency Notes, but they are not bound to do so under the recent agreement, and it is certainly highly inconvenient for the public to be obliged, under these circumstances, to send so far as the Mint, before cash can be demanded for a Government Currency Note. It would be a most convenient arrangement if the Currency Commissioner had a branch of his office established in the vicinity of the business part of the town, for the receipt and issue of Currency Notes.

15. This subject is noticed, as the transfer of the Currency Department to the Mint has taken place since the last audit.

16. *Branch Banks.*—Since the last audit two new Branches have been established, viz., at Tuticorin (in work), and one at Colombo (just about to commence operations, but not actually opened, so far as I know, at the date of this examination). Another Branch is contemplated at Trichinopoly, and will, I believe, shortly commence work. There are eight Branches now established, viz.—

Cochin, Bimlipatam,
Calicut, Bellary,
Cocanada, Ootacamund,
Bangalore, Tuticorin,

and all appear to be in a flourishing condition.

17. The net profits for the half-year ending 30th June 1867 of the above eight Branches is 1,38,308-10-11: this is upwards of 2,76,000 per annum, after paying all expenses, including salaries and charges of every kind. This, it must be admitted, is a very gratifying result for the shareholders. The next division of profits will doubtless show a still larger gain, as the Colombo and Trichinopoly Branches will then be in operation, and the young Branches at Tuticorin and Ootacamund will have had time to expand and extend their transactions.

18. The following sums represent the amounts due by Branches to the Head Office :—

	RS.	A.	P.
Bimlipatam...	4,39,888	14	5
Bellary	42,535	13	0
Cochin	3,14,750	12	8
Calicut	2,19,121	12	2
Cocanada	3,87,748	11	2
Colombo	1,281	6	6
Tuticorin	8,41,271	5	7
Total...	22,46,598	11	6

The undermentioned branches have a credit balance, viz., owing by the Head Office to them—

	RS.	A.	P.
Bangalore...	59,751	8	4
Ootacamund	70,979	4	3
	1,30,730	12	7

19. The transfer of the Government Treasury balances at the following stations—Calicut, Bellary, Ootacamund, Cocanada, and Tuticorin—to the Branch Banks has undoubtedly been of great assistance to the Head Office, as the Branches are thus enabled to work with less of the shareholders' capital.

20. In Bangalore no transfer of Government balances has been made, though why that military station should be treated differently from Bellary in this respect I am unable to state. Her Majesty's Treasury at Bangalore has nothing to do with the Mysore or Rajah's Treasury at the same station, though both are in charge of the same Treasury Officer and in the same building. The transfer of the Bangalore Treasury could easily be made.

21. Under paragraph 2 of the Government Order marginally noted, the Government informed the Directors of the Madras Bank that the *Mysore* Treasury is not under their control. I venture to point out that the word "Mysore" is probably the cause of misconception : the "Mysore" or Rajah's Treasury is undoubtedly under the Government of India, and its balance could not, therefore, be transferred to the Bank of Madras but the Bangalore Treasury is Her Majesty's Treasury, under the control of the Accountant General, just as any Collector's Treasury is, and consequently under the control of the Madras Government. Monthly accounts from the Bangalore Treasury are rendered to the Accountant General, and the Treasury Officer is subordinate to that Officer in financial matters.

No. 155, dated 5th April 1867.

22. The control and supervision of the Branches is one of the most, if not *the* most, important work devolving upon the Directors, and I venture to suggest that the Government should have an annual audit of the Branch accounts. The examination of the Bank accounts may then be considered as complete. There can be no difficulty in this matter, as the Accountant General has now to depute an Officer of his establishment to examine the Currency accounts at the stations of Calicut, Vizagapatam, and Trichinopoly : a little extension of time would enable the same Auditor to visit the Branch Bank establishments at those and other stations.

23. In conclusion, I beg to express my thanks to the Secretary, Deputy Secretary, and other heads of departments for their courtesy and assistance. It is superfluous to mention that the books under the supervision of Mr. Franck, the Deputy Secretary, are faultlessly kept.

A.

BALANCE of the General Ledger of the Bank of Madras on 13th July 1867.

Balances..... *Dr.*						Titles of Accounts.	Balances..... *Cr.*					
RS.	A.	P.	RS.	A.	P.		RS.	A.	P.	RS.	A.	P.
						PROPRIETORS' ACCOUNTS.						
						Capital Stock.....	.....	...	...	56,25,000	0	0
						Reserved Surplus Fund.....	.....	...	...	5,62,500	0	0
						Unclaimed Dividends.....	17,303	12	0			
						Dividend Account.....	26,862	8	0			
										44,166	4	0
						Profit and Loss—						
						viz., Interest Account.....	10,293	9	11			
						Commission.....	676	9	10			
						Exchange Bengal.... }	2,561	11	1			
						,, Bombay ... }						
						Profit and Loss Account.	18,407	13	3			
										31,939	12	1
			1,674	4	0	Charges.						
			25,172	5	0	Adjusting Account of						
26,846	9	0				Interest.						
						Dead Stock—						
			69,675	0	0	*viz*, Bank Premises.						
			9,620	11	2	Furnishings.						
			13,446	15	7	Government Contingent Account.						
			2,583	15	0	Stamp Account.						
			9,711	2	8	Stationery and Engraving.						
1,05,037	12	5										
						INVESTMENTS.						
			3,73,651	14	2	Cash Credit Accounts.....(*Dr*).						
			27,23,007	3	3	Loan Accounts.						
			6,20,515	5	8	Bills Discounted—Private.						
			2,900	6	0	Do. Past Due.						
37,20,074	13	1										
14,80,171	1	0	.....	...	...	Government Securities, No. 2.						
			2,47,488	15	0	Oriental Bank, Colombo.						
			31,842	13	2	Bank of England.						
			5,06,191	3	10	Bank of Bombay, No. 2.						
			4,46,972	3	7	Bank of Bengal.						
12,32,495	3	7										
			.....	...	...	Bangalore Branch.....	.....	...	...	59,751	8	1
			4,39,888	14	5	Bimlipatam do.						
			42,535	13	0	Bellary do.						
			3,14,750	12	8	Cochin do.						
			2,19,121	12	2	Calicut do.						
			3,87,748	11	2	Cocanada do.						
			1,281	6	6	Colombo do.						
			8,41,271	5	7	Tuticorin do.						
			.....	...	...	Ootacamund do.	.....	...	...	70,979	4	3
22,46,598	11	6										
						LODGEMENTS.						
						Cash Credit Accounts.....(*Cr*).	3,41,288	10	7			
						Current Accounts.....	32,23,709	4	10			
						Deposit Receipts.....	4,87,693	5	4			
						Bank of Bombay, No. 1.....	22,437	5	6			
						Do. Hyderabad.....	8,546	15	5			
						Unclaimed Balances.....	4,556	13	5			
						Suspense Account.....(*Cr*).	56	8	6			
						Bank of Bengal, No. 1.....	4,06,888	3	11			
										44,95,177	3	6

BALANCE of the General Ledger of the Bank of Madras, on 13th July 1867.—(*Continued*).

Balances..... *Dr.*			Titles of Accounts.	Balances..... *Cr.*		
RS.	A.	P.	LODGEMENTS.—(*Continued*).	RS.	A.	P.
			Government of Fort St. George.	.....	...	...
1,32,144	0	9	Bills for Collection.....	.....	...	...
3,82,739	11	11	Do. Private.	.....	...	...
			Do. Receivable.			
			Bank Post Bills.....	.....	...	...
			RS.			
			Bank of Madras Notes... 10			
			Do. ... 15	1,560	0	0
			Do. ... 20	800	0	0
			Do. ... 25	1,380	0	0
			Do. ... 50	1,950	0	0
			Do. ... 100	4,150	0	0
			Do. ... 500	8,200	0	0
			Do. ... 1,000	3,000	0	0
				6,000	0	0
				27,040	0	0
			Written off.....	25,000	0	0
76,56,708	12	4	Specie.	2,040	0	0
16,27,170	0	0	Notes.			
17,554	2	7	Cheques.			
186,27,540	14	2	TOTAL.....	.....	...	...
				186,27,540	14	2

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

(Signed) J. McIVER,
Secretary and Treasurer.

WEEKLY GENERAL STATEMENT, 13TH July 1867.

Abstract of General Account of Cash.

Particulars.	With Secretary.			With Cash-keeper.			Total.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Specie.....	76,05,020	0	0	51,688	12	4	76,56,708	12	4
Cheques.....	.....	...	...	.....	...	...	17,554	2	7
Total Cash.....	76,05,020	0	0	51,688	12	4	76,74,262	14	11
RS.									
Own Notes. 10	41,000	0	0	12,140	0	0	53,140	0	0
Do. ... 15	.....	...	...	.....	...	...	.....	...	...
Do. ... 20	79,000	0	0	16,180	0	0	95,180	0	0
Do. ... 25	.....	...	...	.....	...	...	.....	...	...
Do. ... 50	1,80,000	0	0	29,550	0	0	2,09,550	0	0
Do. ... 100	2,90,000	0	0	92,300	0	0	3,82,300	0	0
Do. ... 500	3,55,000	0	0	53,000	0	0	4,08,000	0	0
Do. ...1000	4,00,000	0	0	79,000	0	0	4,79,000	0	0
Do. ...3000	.....	...	...	.....	...	...	.....	...	...
Balance...	8,950,020	0	0	3,33,858	12	4	9,301,432	14	11

Liabilities payable on demand.			
	RS.	A.	P.
Bank Post Bills...	6,845	9	1
Circulation..... ...	2,040	0	0
Deposit.....	44,95,177	3	6
Dividends.....	44,166	4	0
Cash Credits undrawn	4,21,398	1	10
Government Balance	75,96,997	4	2
Total...	125,66,624	6	7
One-fourth...	31,41,656	1	8
Drafts since last Return.			
	RS.	A.	P.
On Bank of Bengal.....	49,286	8	5
Bank of Bombay.	34,950	1	0
Do. of England.	55,747	9	4
Total...	1,39,984	2	9

Abstract of Investment bearing Interest.

Description.	Government Securities.			Government Bills.			Private Bills.			Loans.			Cash Credits.			Total.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Balance 6th July 1867.....	14,88,416	7	0	...	...	...	6,59,407	12	4	28,39,542	1	11	4,08,435	13	5	53,95,802	2	8
Since invested...	9,533	0	0	...	...	...	40,695	6	7	5,28,504	1	3	.....	...	...	.....	...	...
Together.	14,97,949	7	0	...	...	...	7,00,103	2	11	33,68,046	3	2	.....	...	...	.....	...	...
Since realized...	17,778	6	0	...	...	...	76,687	7	3	6,45,038	15	11	.....	...	...	.....	...	...
Balance...	14,80,171	1	0	...	...	...	6,23,415	11	8	27,23,007	3	3	3,73,651	14	2	52,00,245	14	1

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

(Signed) J. McIVER,
Secretary and Treasurer.

From J. MACKEY, Esq., Acting 1st Assistant Accountant General, to the Chief Secretary t Government, Fort Saint George ; dated Fort Saint George, 29th October 1867.

I have the honor, with reference to the Order of Government marginally noted, and in contin uation of my letter, dated 8th August 1867, t report that I have examined the accounts of th Savings' Bank for the year ended 31st Marc 1867, and found all in order.

No. 274, dated 14th June 1867, Financial Department.

2. Enclosed is a copy of the balance sheet, showing as due to depositors on the 31st Marc 1867 a sum of Rupees 11,35,243-8-7. This shows an increase over the balance on 30th Apri 1866 of Rupees 1,41,049-11-11. The number of accounts has increased from 4930 to 5530, show ing an increase of 600.

3. All the Promissory Notes have been carefully examined and found correct. Enclosed is list in detail, showing the descriptions of the securities, viz. :—

1*st.*—The Investment belonging to the Government, all in the 4 per cent. Loan, aggregating Rupees 6,59,300, but costing only Rupees 6,00,058-0-3.

2*nd.*—Non-transferable 4 per cent. Treasury Notes belonging to private individuals, aggregating Rupees 3500.

3*rd.*—The Investments made on account of Regimental Cart Funds up to date, aggregating Rupees 11,500.

4. As the number of depositors has so largely increased, and the balance due to them has increased also, I would beg to suggest that a further sum of 1½ lakhs of Rupees be invested in 4 per cent. Government Bonds. This will make the total sum to be invested 7½ lakhs, and the increase will simply be in proportion to the existing capital of, in round figures, Rupees 11,35,000. The former or existing investment of 6 lakhs was made with a capital of 9 lakhs.

5. The gain to Government on the existing investment is nearly Rs. 4000 per annum, after allowing for the interest on capital sunk, as the following figures will show :—

Present investment in 4 per cent. Bonds is Rupees 6,59,300, and yields interest annually of..... Rupees 26,372

Capital sunk to make this purchase Rupees 6,00,058-0-3, upon which 3¾ per cent. interest has to be paid..... „ 22,502

Profit..... 3,870

which goes towards meeting in part the present annual cost of the Government Savings' Bank establishment, viz., 6000. It follows, therefore, that a further investment implies further profit.

6. If this proposal is approved of, I would further suggest that the investment be made gradually from time to time, and that a fair and moderate limit be fixed by the Accountant General as the price up to which the Bank may go in making the purchase ; as, otherwise, if it is known that Government is in the market, a considerable rise in the value of paper will take place. Present quotation for 4 per cent. stock is 9 to 10 discount, and I believe rising.

7. I beg to acknowledge with thanks the assistance I have received in this examination from P. Soobroyloo, the Accountant of the Savings' Bank, whose Books* are will kept, as also to Mr. J. Fletcher, for his courtesy and list of Bonds. The examination has occupied some time, as every entry has been examined both in the Cash Books and Ledgers, and, not wishing to interfere with the hours of Banking business, the audit has chiefly been made in the evenings after 4 P. M. In future, if not inconvenient to the Secretary of the Bank, I suggest that the auditor attend monthly, and proceed with the work as the Books are posted up. This will enable the report to be submitted in a fortnight after the Books are closed.

*2 Cash Books and 20 Ledgers.

Dr. Account Current of the Government Savings' Bank, Civil Branch, for the official year 1866-67. *Cr.*

	Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.	Rs.	A.	P.
Balance due to depositors on the 30th April 1866, as per Abstract published in the *Fort Saint George Gazette*, of the 20th November 1866, page 814.....				9,94,193	12	8	Withdrawals made by depositors during the year 1866-67.....	4,74,430	10	2			
							Balance due to depositors on the 31st March 1867.	11,35,243	8	7			
											16,09,674	2	9
Deposits received during the year 1866-67.....	5,82,426	13	7										
Interest allowed during the year 1866-67.....	33,053	8	6										
				6,15,480	6	1							
Total...				16,09,674	2	9	Total...				16,09,674	2	9

N. B.—Number of Accounts in open credit in the Government Savings' Bank Ledgers of 1866-67 :—

	Rs.
Accounts remaining on the 1st May 1866.....	4,930
Add new accounts, as per Ledger.....	978
	5,908
Deduct closed accounts, as per Ledger.....	378
Average number of accounts remaining on the 31st March 1867.....	5,530

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

BANK OF MADRAS,
21*st October* 1867.

(Signed) J. McIVER,
Secretary and Treasurer.

Examined and found correct.

(Signed) J. MACKEY,
Auditor.

Particulars of Investments on account of Savings' Bank Balances in the custody of the Bank.

No.	C 000310/7670	of 1835-36	Co.'s Rs.....	28,300				
,,	001112/29769	of 1842-43	,, ...	1,00,000				
,,	001113/29227	of	,, ,, ...	50,000	No.	17146	of 1854-55 Co.'s Rs.....	5,000
,,	001114/29293	of	,, ,, ...	1,00,000	,,	17065	of ,, ,, ...	4,500
,,	001087/18002	of	,, ,, ...	7,000	,,	44565	of ,, ,, ...	3,000
,,	002120/29222	of	,, ,, ...	18,100	,,	23913	of ,, ,, ...	3,000
,,	001815/42494	of 1854-55	,, ...	1,00,000	,,	26431	of ,, ,, ...	3,000
,,	001816/39911	of	,, ,, ...	15,100	,,	41256	of ,, ,, ...	3,000
,,	001821/25234	of	,, ,, ...	10,000	,,	27912	of ,, ,, ...	2,500
,,	001829/33577	of	,, ,, ...	5,000	,,	43460	of ,, ,, ...	2,500
,,	001836/40270	of	,, ,, ...	5,000	,,	29702	of ,, ,, ...	2,000
,,	001826/33567	of	,, ,, ...	4,000	,,	27206	of ,, ,, ...	2,000
,,	001827/33568	of	,, ,, ...	4,000	,,	9391	of ,, ,, ...	2,000
,,	001830/36015	of	,, ,, ...	4,000	,,	3095	of ,, ,, ...	2,000
,,	001831/37924	of	,, ,, ...	3,000	,,	43459	of ,, ,, ...	1,500
,,	001822/26434	of	,, ,, ...	3,000	,,	10591	of 14162 of 1854-55 Co.'s Rs.	1,500
,,	001828/33575	of	,, ,, ...	2,000	,,	34189	of 1854-55 Co.'s Rs... ...	1,500
,,	001837/1775	of	,, ,, ...	2,000	,,	39966	of ,, ,, ...	1,000
,,	003018/42838	of	,, ,, ...	1,500	,,	39628	of ,, ,, ...	1,000
,,	003017/42831	of	,, ,, ...	1,500	,,	39627	of ,, ,, ...	1,000
,,	001825/33563	of	,, ,, ...	1,500	,,	39626	of ,, ,, ...	1,000
,,	001835/39519	of	,, ,, ...	1,000	,,	4900	of ,, ,, ...	1,000
,,	001833/38431	of	,, ,, ...	1,000	,,	3296	of ,, ,, ...	1,000
,,	001834/39508	of	,, ,, ...	1,000	,,	2997	of ,, ,, ...	1,000
,,	001820/4862	of	,, ,, ...	1,000	,,	3301	of ,, ,, ...	1,000
,,	001818/4854	of	,, ,, ...	1,000	,,	9676	of ,, ,, ...	1,000
,,	001819/4857	of	,, ,, ...	1,000	,,	2996	of ,, ,, ...	1,000
,,	001817/3314	of	,, ,, ...	1,000	,,	26438	of ,, ,, ...	1,000
,,	001832/37932	of	,, ,, ...	1,000	,,	26437	of ,, ,, ...	1,000
,,	001823/29979	of	,, ,, ...	1,000	,,	41257	of ,, ,, ...	1,000
,,	001824/32728	of	,, ,, ...	500	,,	13038	of ,, ,, ...	1,000
,,	004741/2414	of	,, ,, ...	5,000	,,	20199	of ,, ,, ...	1,000
,,	004742/25238	of	,, ,, ...	5,000	,,	13495	of ,, ,, ...	1,000
,,	004740/25235	of	,, ,, ...	5,000	,,	13497	of ,, ,, ...	1,000
,,	004743/34065	of	,, ,, ...	4,000	,,	40928	of ,, ,, ...	1,000
,,	004744/7446	of	,, ,, ...	2,500	,,	39596	of ,, ,, ...	1,000
,,	004745/6307	of	,, ,, ...	2,000	,,	39586	of ,, ,, ...	500
,,	004756/6310	of	,, ,, ...	1,000	,,	19916	of ,, ,, ...	500
,,	004755/6308	of	,, ,, ...	1,000	,,	19598	of ,, ,, ...	500
,,	004746/9063	of	,, ,, ...	1,000	,,	17068	of ,, ,, ...	500
,,	004754/20951	of	,, ,, ...	1,000	,,	10243	of ,, ,, ...	500
,,	004753/2212	of	,, ,, ...	1,000	,,	12123	of ,, ,, ...	500
,,	004750/26370	of	,, ,, ...	1,000	,,	12121	of ,, ,, ...	1,000
,,	004751/26369	of	,, ,, ...	1,000	,,	22780	of ,, ,, ...	1,000
,,	004752/25368	of	,, ,, ...	1,000	,,	2770	of ,, ,, ...	500
,,	004758/41667	of	,, ,, ...	1,000	,,	22779	of ,, ,, ...	500
,,	004757/26501	of	,, ,, ...	1,000	,,	000616	of 1865-66 G. Rs.....	500
,,	004749/41304	of	,, ,, ...	1,000	,,	001510	of ,, ,, ...	66,200
,,	004748/3308	of	,, ,, ...	1,000	,,	3266	of ,, ,, ...	1,700
,,	004747/3309	of	,, ,, ...	1,000	,,	3277	of ,, ,, ...	9,800
,,	004760/21330	of	,, ,, ...	500	,,	000506	of ,, ,, ...	4,000
,,	004759/11723	of	,, ,, ...	600			,, ,, ...	2.000
			Carried forward...	5,12,100			Total...	6,59,300
			Brought forward Rs.	5,12,100				

Savings' Bank Deposits in the custody of the Bank on behalf of Minors and others.
Four per cent. Treasury Notes.

					RS.	
No. 19 of 1857-58, dated 1st September 1857...					500	Naigue Shaik Sillar, F. Company, 29th Regiment, M. N. I., No. 288.
,, 33 of	do.	do.	do.	...	500	Gunner Dennis Gorman, D. Company, 2nd Battalion, Artillery.
,, 2 of	do.	do.	do.	...	500	Key Serjeant George Fowler.
,, 3 of	do.	do.	do.	...	500	
,, 47 of 1857-58, dated 24th March 1858. ...					1,500	
					3,500	

Savings' Bank Deposits in the custody of the Bank, on account of "Regimental Cart Funds" to 31st March 1867.
Four per cent. Treasury Notes.

					RS.	
No. 1 of 1866-67, dated 16th February 1867 ...					500	Officer Commanding 22nd Regiment M. N. I.
,, 2 of	do.	19th	do.	...	500	Do. 2nd do.

Savings' Bank Deposits in the custody of the Bank, on account of "Regimental Cart Funds," since 1st April 1867.
Four per cent. Treasury Notes.

					RS.	
No. 3 of 1866-67, dated 6th May 1867.....					1,500	Officer Commanding 7th Regiment, M. N. I.
,, 4 of	do.	do.	....		500	Do. 3rd Regiment L. I.
,, 5 of	do.	do.	... .		500	Do. 22nd do. N. I.
,, 6 of	do.	do.	....		500	Do. 2nd do. do.
,, 7 of	do.	do.	.....		2,000	Do. 31st do. L. I.
,, 8 of	do.	dated 20th	do.	.....	500	
,, 9 of 1867-68, dated 16th July 1867... ...					1,500	Do. 7th do. N. I.
,, 10 of	do.	do.	do.	.....	500	Do. 2nd do. do.
,, 11 of	do.	do.	do.	.....	500	Do. 22nd do. do.
,, 13 of	do.	dated 24th	September	1867.	500	Do. 31st do. do.
,, 14 of	do.	10th	October	,,	500	Do. 2nd do. do.
,, 15 of	do.	10th	,,	,,	500	Do. 3rd do. do.
,, 16 of	do.	12th	,,	,,	500	Do. 36th do. do.
,, 17 of	do.	12th	,,	,,	500	Do. 22nd do. do.
					11,500	

No. 50. Order thereon, 18th November 1867, No. 514.

The Governor in Council considers the half-yearly audit of the accounts of the Bank of Madras, as reported in the foregoing letter, very satisfactory. The Branch Banks, of which there are eight now established, are represented as in a flourishing condition. The net profits, for the half-year ending 30th June 1867, derived from these branch establishments, is Rupees 1,38,303-10-11, being upwards of Rupees 2,76,000 per annum after paying all expenses; and there is reason to expect a still larger gain when the Branches proposed at Colombo and Tuticorin are in operation.

2. The Accountant General will be requested to report on the suggestion contained in paragraph 22 of the Auditor's report for an annual audit of the Branch accounts.

3. The question of the necessity of a Branch Office in the vicinity of the business part of the town for the receipt and issue of Currency Notes is under the consideration of the Head Commissioner of the Department of Issue of Paper Currency.

4. The condition of the Savings' Bank, as shown in the Auditor's report, is also satisfactory. The Governor in Council sanctions the proposal made in paragraph 4 of the Auditor's report, that a further sum of 1½ lakhs of Rupees be invested in 4 per cent. Government Bonds. The Accountant General will be so good as to report on the proposal contained in paragraph 6 of the Auditor's report, and will ascertain from the Secretary to the Madras Bank if there is any objection to the course suggested, that the Auditor of the Savings' Bank should attend monthly and proceed with the audit as the books are posted up. A remuneration of Rupees (300) three hundred is sanctioned for the audit of the Savings' Bank Accounts.

(True Extract).

Chief Secretary.

To the Accountant General.
,, Directors of the Bank of Madras.
,, Commissioner of the Department of Issue of Paper Currency.
,, Examiner of Claims.

Exd. J. H. Burns.

No. 247

Fort Saint George
Accountr. Genls. Offce
30th. October 1867

From

J. Lushington Esquire
Accountant General

To The Chief Secretary
to Government
Financial Department

Sir,

Adverting to the orders of the Supreme* and Local Governments noted in the margin, I have the honor to submit for the consideration and orders of the Right Honorable the Governor in Council the Reports of my Assistant who was deputed by me to audit the accounts of the Bank of Madras and the Government Savings Bank, and to request the sanction of Government for the further investment on account of the latter Institution of one and a half lac of Rupees in Government Paper of the 4 % Loan, in accordance with the suggestion of the Auditor in the 4th para of his Report.

2. In submitting these Reports, I consider it only due to my Assistant to mention that in consequence of the heavy pressure of business in this Office he was obliged to conduct the Audit of the Savings Banks accounts, which is a very laborious one, almost wholly

very loose
today
submitting

* Letter from the Finl. Secretary to the Govt. of India to the Madras Govt. No. 1546 dated 21st March 1867 recorded in the Madras Govt. Order No. 168 dated 15th April 1867 Financial Department.

+ No. 20 dft 16 Jan 1867

out of the usual Office hours, and I hope therefore that the Government will see fit to give him some remuneration for this Extra duty, especially as the fee which has always hitherto been given for the audit of the Madras Bank's Accounts has also now been withdrawn under the orders of the Government of India above quoted. The fee granted by this Government to Mr. d'Silva for the audit of the previous year's Accounts of the Savings' Bank was Rupees 500.—

I have the honor to be
Sir,
Your most obedient servant
E. Lushington
Accountant General

Compd. I.D.H.
Cpd. Authd. Varrant

* Rupees 500.

Finance 1867 Despatch
No 45
Read
The Accountant General
The Chief Secretary
to Government
Financial Dept.
11th
Dated 30 October 1867
Rec'd 5th

No 2247
Extract
No 5251

Forwarding Proposals for audit of the Madras Savings' Bank Accounts and Savings' Bank Certificates and requesting sanction to Rupees 1½ Lakh being an increase on the 4% Loan amounted in the 4% Loan recommending the Auditor for a Remuneration -

Comp. 16th Jany 68 - 24-25
5 Oct 68 1-8
13 Oct 68 15-16
24 January 68 10-61

To
The Honble R. S. Ellis. C.B.
Chief Secretary to Government
Fort Saint George.

Sir,

† No. 274 dated 11th June 1867 Finl. Dept.

I have the honor with reference to the order of Government marginally noted, and in continuation of my letter dated 8th August 1867 to report that I have examined the accounts of the Savings Bank for the year ended 31st March 1867 and found all in order.-

2 Enclosed is a copy of the Balance sheet, shewing as due to depositors on the 31st March 1867 a sum of Rupees 11,35,243-8-7- This shews an increase over the balance on 30th April 1866 of Rupees 1,41,049-11-11- The number of accounts has increased from 4,930 to 5530, shewing an increase of 600.-

3 All the Promissory Notes have been carefully examined and found correct- Enclosed is a list in detail, shewing the descriptions of the securities, viz.t

1st The Investiment belonging to the Government all in the 4% Loan aggregating Rs. 6,59,300 but costing only Rs. 6,60,058-0-3-

Now

2d Now transferable 4% Treasury Notes belonging to private individuals aggregating Rupees 3,500.

3d The Investments made on account of Regimental Cart Funds up to date, aggregating Rupees 11,500.

4 As the number of depositors has so largely increased, and the balance due to them has increased also, I would beg to suggest that a further sum of 1½ lacs of rupees be invested in 4% Government Bonds. This will make the total sum to be invested 7½ lacs, and the increase will simply be in proportion to the existing Capital of in round figures Rs. 1135,000. The former or existing investment of 6 lacs was made with a capital of 9 lacs.

5 The gain to Government on the existing Investment is nearly 4,000 per annum after allowing for the Interest on capital sunk, as the following figures will shew Present Investment in 4% Bonds is Rs. 659,300 and yields Interest annually of Rs. ——— 26,372

Capital Sunk to make this purchase Rs. 600,058-0-3 upon which 3¾ % Interest has to be paid ——— 22,502

Profit 3,870

which goes towards meeting in part the present annual cost of the Government Savings Bank establishment viz. 6,000. It follows therefore that a further Investment implies further profit.

6 If this proposal is approved of, I would further suggest that the Investment be made gradually from time to time, and that a fair and moderate limit be fixed by the Accountant General as the price up to which the Bank may go in making the purchase; as otherwise if it is known that Government is in the Market, a considerable rise in the value of Paper will take place. Present quotation for 4% Stock is 9c 10 discount and I believe rising.

7 I beg to acknowledge with thanks the assistance I have received in this examination from P. Soobroyloo the Accountant of the Savings Bank whose Books are well kept, as also to Mr. J. Fletcher for his courtesy and list of Bonds.

7 2 Cash Books & 20 Ledgers.

The examination has occupied some time as every entry has been examined both in the Cash books and Ledgers, and not wishing to interfere with the hours of Banking business, the audit has chiefly been made in the evenings after 4 P. M. In future if not inconvenient to the Secretary of the Bank I suggest that the Auditor attend

attend monthly, and proceed with the
work as the Books are posted up, this
will enable the Report to be submitted
in a fortnight after the Books are closed.

3

I have the honor to be

Sir,

Your most Obed.t Servt.

Fort Saint George
29.th October 1867

Ag.t Asst. Acct.t Genl.

2/25

To

The Honble R. S. Ellis C.B.

Acting Chief Secretary

to the Government

of Madras

Sir,

In compliance with the order of Government marginally noted, I have the honor to report that, I have examined the accounts of the Bank of Madras in conjunction with Mr. A Cammiade, the Auditor selected by the shareholders, and the results of my examination will be found in the following observations.-

2 All the securities deposited on account of Loans, and Cash credits have been carefully examined item by item and found correct and the margins ample. The amount so advanced on 13th July was.

Loans ———	2773007-2-10
Cash Credits ———	795050
—Do.- undrawn ———	421398-1-10

All

No 274 dated
24th June 1867
Fin. Dept.

From
J. Maclean Esqre
Sub Secretary to Govt
To The Honble R. S. Ellis
C.B.
Chief Secretary

Dated
Madras .... 29th October 67
Rec.d

2. Enclosures

Auditor's Report on the
Savings Bank Accounts
for 1866-67.-

Rec.d 18th Nov.r 1867
Ans.d

3 All the Government Securities, Bank Stock, and shares in other public companies, held in deposit at the Bank, whether on account of the Government or private individuals, and all the other miscellaneous items contained in the Deposit Registers of the Bank, have been minutely verified entry by entry, and each security examined, and found to correspond with the Register. All entries which required to be cancelled have been so treated, upon production of written authority from the owners of the property withdrawn. The Promissory Notes of the Government of India which have been verified appertain to the following Accounts.

Police Funds		
Metropolitan — 65,000		
Mofussil — 289,600	354,600	
Saint Mary's Church & other bequests	366,200	
High Court		
Causes — 266,200		
Estates, being marriage settlements — 23,800	269,2000	
Official Trustee 66,600		
Official Assignee 83,300 — 149,900	284,1900	
Carried forward	3562700	

Brought forward			3562700
Service Funds			
Civil	74,61,500		
Medical	6005700		
	134,67,200		
Secretary of State (late Military Funds)	7829400	21296600	
Other Funds & Investments			
Educational Building Fund	100,000		
Mysore Trust Fund	3323,300		
Waste lands Invested Fund	133,700		
Regimental Cart Fund	6500	4463500	
Govt. Investment of Savings' Bank balances	659300		
Govt. Savings' Bank Deposits of minors and others	6300	665600	26475700
For Contracts & Appointments			
Civil			
Accountant General's dept.	121800		
Superintendent of Stamps	22700		
Superintendent Govt. Printing Estab't	2100		
Controller Money order dept.	1000		
	147600		
Postal			
Post Master Genl Madras 8500			
—— Do. — Madras — 500	9000		
Director of Telegraphs	1000		
Principal Civil Engineering College	4000	161600	
Military			
Commissariat dept. Madras	180400		
Do. at outstations 74200	254600		
Supt. & Agent Army Clothing	12300		
Inspector General, Ordnance and Magazines	500		
Commissary of Ordnance	9300		
Carried forward	276700	161600	29988400

Brought forward	276,700	161,600	29988,400
Superintendent of Stationery	14,600		
Barrack Master Presidency	1,500		
Principal Inspector Genl Medical Department	5,500		
		298,300	
		459,900	
Public Works Departt. Executive Engineer Presidency		10,000	
		469,900	
Other Deposits.			
Court of Wards	1716,900		
Administrator General	712,400		
Estates unclaimed for 15 years.	1,000		
Agency including a deposit of the Zemindar of Ramnad	5,800		
	2436,100		
Security lodged by the Cash Keeper of the Bank of Madras	50,100		
		2486,200	
			2956,100
Deposits by the Public			6168,348-14-0
			39112,848-14-0
Add 562½ shares of the Bank of Madras, the property of Government being one-tenth of the whole number of shares			6187,50-0-0
		Total	39731,598-14-0

4 Of the last item, I was only able to verify 375 shares, the rest being contained in a sealed packet, which I suggest be opened, as although sent to the Bank for security sealed, it was not, I believe, intended by the Accountant General that they should be treated differently from the 375 shares formerly lodged. It is the duty

duty of the Auditor to see that each share is in deposit.

5 On Monday the 15th July the Cash was verified, being the closing balance of the previous Saturday evening which stood including Cheques outstanding at 93,01,432-14-11, accounted for thus

	with Secretary			with Cash Keeper			Total
Notes 10	4,100	41,000		1214	12,140		53,140
20	3950	79,000		809	16,180		95,180
50	3,600	180,000		591	29,550		209,550
100	2,900	290,000		923	92,300		382,300
500	710	3,55,000		106	53,000		408,000
1000	410	4,00,000		79	79,000		479,000
Total		1345,000			282,170		1627,170
Silver		5950,000					
Small Do.		395,000			51688 12 4		7656,708 12 4
Copper		1260,020					
							9283,878 12 4
Cheques outstanding							17,554 2 7
		8950,020			333,858 12 4		9301,432 14 11

of the Copper Rupees 698,450 is at the Mint, as there is not sufficient room in the Bank vaults for the whole. The Mint Master's receipt was produced for the deficiency. The verification of the Cash was made in ordinary manner, and tested as usual in the manner described in previous reports.

J.

6 I have examined the private Bills discounted by the Bank and find they correspond with the entries in the Bill Register. The total amount at the Head Office is Rupees 623415-11-8.-

7 The Government Balance on 13th. July was Rupees 75.96.997-4-2 Composed as follows excluding fractions of a rupee.

Balance as G Account rendered		75.96.997
Less — Bank's Maximum		25.00.000
		50.96.997 √
Single Rupees	34,41,892	
Half Rupees	1,70,000	
Quarter Rupees	1,10,000	
Double Annas	1,15,000	
Copper Half Annas	669.990	
Quarter Annas	507.960	
Single Pice	82,070	
Uncurrent Silver	49	
— Do. — Copper	36	50.96.997

8 The Bank Directors have invested on their own account in Government Securities known as "No. 2 Account" a sum of Rupees 19.79.600, costing as noted in the books of the Bank 2036229-3-. but as the market value of Government Bonds has since risen, the value may at present rates be estimated at R. 20,46,392

These

These figures do not correspond with the Balance Sheet which shews on the 13th. July a sum of Rupees 14,80,171-1-. as invested which is explained by the fact of the difference having been invested subsequent to that date. The Bonds composing the No. 2 account have been verified, and the particulars are as under Viz:

4% Loan of	1835/36 —	37,400	
	1842/43 —	184,500	
	1854/55 —	130,500	
	1865/66 —	170,600	523,000 √
5% Loan	1854/55 —	54,200	
	1856/7 —	72,000	
		126,200 √	
New Debenture Bonds			
for 5 years		100,000	
10 — Do. —		100,000	
15 — Do. —		125,000	325,000 √ 451,200 √
5% Loan			699900
3%			5,500
			1679,600 √
with the Bank of Bombay		100,000	
— Do. — Bengal		200,000	300,000 √
Total			1979,600 √

9 The following accounts have been compared with the Ledger entries, and all found to correspond, vide Balance Sheet marked A Enclosed.

Reserved Surplus Fund
Dividend Account
Unclaimed Dividends
Interest Account
Commission
Exchange
Charges
Dead Stock

10 Under Section 6 of the new agree=ment between the Government and the Directors, the maximum has been raised to Rs. 2,50,000 and the minimum to Rs. 2,00,000. The former limits were Rs. 1,50,000 and Rs. 1,00,000 respectively.-

11 I find the following sums due by other Banks excluding the Branches of the Bank of Madras.

Bank of England	31,842-13-2	
Oriental Bank Colombo	2,47,488-15-4	
Bank of Bombay Rs.	3,06,191-3-10	
—Do.— Bengal	44,972-3-7	1,23,2495-3-7

and due to other Banks, exclusive of Branches.

Bank of Bombay Rs. 1	22,437-5-6	
—do.— Hyderabad	8546-15-5	
Bank of Bengal Rs. 1	406,888-3-11	437,872-8-10
difference		794,622-10-9

12 The Government contingent account exhibits a debtor balance of Rupees 13,446-15-7 this is chiefly on account of packing charges for specie.

13 The issue and payment of Currency notes by the Bank ~~—~~ ceased from 1st March on which date the Currency Commissioner at the Mint with the Assistant Commissioner Mr. Trevor has taken up that duty. The Currency Commissioners reserve of Bullion hitherto kept at Bank (under his own custody) has also been removed on the 24th July to the Mint vaults when all the Currency.

Currency balances are now kept.-

14 I am not aware whether the Bank will accommodate their constituents or the public generally by cashing Currency Notes, but they are not bound to do so under the recent agreement, and it is certainly highly inconvenient for the public to be obliged under these circumstances to send so far as the Mint, before cash can be demanded for a Government Currency note.- It would be a most convenient arrangement if the Currency Commissioner had a branch of his office established in the vicinity of the business part of the town for the receipt and issue of Currency Notes.

15 This subject is noticed as the transfer of the Currency department to the Mint has taken place since the last Audit.

16 Branch Banks.- Since the last Audit 2 new Branches have been established viz. at Tuticorin in Work, and one at Colombo just about to commence operations, but not actually opened so far as I know at the date of this examination. Another branch is contemplated at Trichinopoly, and will I believe shortly commence work. There are 8 Branches now established Viz.

Cochin
Calicut
Cocanada
Bangalore,

Bangalore
Bimlipatam
Bellary
Ootacamand
Juticorin

and all appear to be in a flourishing condition.-

17 The net profits for the half year ending 30th. June 1867 of the above 8 Branches is 138,308-10-11, this is upwards of 27½ per annum after paying all expenses, including salaries and charges of every kind. This it must be admitted is a very gratifying result for the shareholders. The next division of profits will doubtless shew a still larger gain, as the Colombo and Trichinopoly Branches will then be in operation, and the young Branches at Juticorin and Ootacamund will have had time to expand, and extend their transactions..

18 The following sums represent the amounts due by Branches to the head office.

Bimlipatam	4,39,888-14-5
Bellary	42,535-13-"
Cochin	314,750-12-8
Calicut	2,19,121-12-2
Cocanada	387,748-11-2
Colombo	1,281-6-6
Juticorin	841,271-5-7
	22,46,598-11-6

The

The undermentioned Branches have a credit balance, Viz: owing by the head Office to them.

Bangalore	59,751-8-4
Ootacamund	70,979-4-3
	1,30,730-12-7

19 The transfer of the Government Treasury balances at the following stations Calicut, Bellary, Ootacamund, Cocanada and Juticorin to the Branch Banks has undoubtedly been of great assistance to the head Office, as the Branches are thus enabled to work with less of the shareholders capital.-

20 In Bangalore no transfer of Government balances has been made, though why that Military station should be treated differently from Bellary in this respect I am unable to state. Her Majesty's Treasury at Bangalore has nothing to do with the Mysore or Rajah's Treasury at the same station, though both are in charge of the same Treasury Officer and in the same building; the transfer of the Bangalore Treasury could easily be made.

21 Under para 2 of the Government Order marginally noted the Government informed the Directors of the Madras

No. 155
dated 5th April
1867

Banks

Bank that the Mysore Treasury is not under their control. I venture to point out that the word "Mysore" is probably the cause of misconception, the "Mysore" or Rajah's Treasury is undoubtedly under the Government of India, and its balance could not therefore be transferred to the Bank of Madras, but the Bangalore Treasury is H. M. Treasury under the control of the Accountant General just as any Collectors Treasury is, and consequently under the control of the Madras Government.. Monthly accounts from the Bangalore Treasury are rendered to the Accountant General, and the Treasury Officer is subordinate to that Officer in Financial matters.

22 The control and supervision of the Branches is one of the most if not the most important work devolving upon the Directors, and I venture to suggest that the Government should have an annual audit of the Branch accounts. The examination of the Bank accounts may then be considered as complete. There can be no difficulty in this matter as the Accountant General has now to depute an Officer of his establishmen to examine the Currency accounts at the Station

Stations of Calicut, Vizagapatam and Trichinopoly, a little extension of time would enable the same Auditor to visit the Branch Bank establishments at those and other stations..

23 In conclusion I beg to express my thanks to the Secretary, Deputy Secretary, and other heads of departments for their courtesy, and assistance. It is superfluous to mention that the books under the supervision of Mr. Franck the Deputy Secretary are faultlessly kept..

I have the honor to be,

Sir

Your most Obdt. Servt.

Madras
8th August 1867

Actg 1st Asst Accountant General.

From
A. Blackley Esqr.
Asst. Comptroller of Stamps
To
The Honble R. J. Ellis C.B.
Chief Secretary
to Government
Dated
8th Augt. 1855
No. 2

1 Enclosure

Auditor's Report on
the Accounts of the
Bank of Calcutta

20th 18" March 1855

R. Ellis Esqr

Particulars of Investments on accounts of Savings Bank Balances in the custody of the Bank.

Brought forwd. Rs. 71.000

No. 000310 / C 7670	1835/36	Co Rupees	28.300
No. 001112 / 29769	1842/43	Co Rupees	100.000
001113 / 29227	"		50.000
001114 / 29293	"		100.000
001087 / 180021	"		7.000
002120 / 29222	"		18.100
001815 / 42494	1854/55	Co Rupees	100.000
001816 / 39911	"		15.100
001821 / 25234	"		10.000
001829 / 33577	"		5.000
001836 / 40270	"		5.000
001826 / 33567	"		4.000
001827 / 33568	"		4.000
001830 / 36010	"		4.000
001831 / 37924	"		3.000
001822 / 26434	"		3.000
001828 / 33575	"		2.000
001837 / 1775	"		2.000
003018 / 428381	"		1.500
003017 / 428431	"		1500
001825 / 33563	"		1500
001835 / 39519	"		1.000
001833 / 38431	"		1.000
001834 / 39508	"		1.000
001820 / 4862	"		1.000
001818 / 4854	"		1000
001819 / 4857	"		1000
Carr forwd Rs.			471.000

No. 001817 / 33114	1854/55	Co Rupees	1.000
001832 / 379321	"		1.000
001823 / 29979	"		1.000
001824 / 32728	"		500
004741 / 24114	"		5.000
004742 / 252381	"		5.000
004740 / 252351	"		5.000
004743 / 340651	"		4.000
004744 / 7446	"		2500
004745 / 6307	"		2.000
004756 / 63101	"		1.000
004755 / 6308	"		1.000
004746 / 9063	"		1.000
004754 / 20951	"		1.000
004753 / 2242	"		1.000
004750 / 26370	"		1.000
004751 / 26369	"		1.000
004752 / 26368	"		1.000
004758 / 41667	"		1.000
004757 / 26501	"		1.000
004749 / 41234	"		1.000
004748 / 3308	"		1.000
004747 / 3309	"		1.000
004760 / 21330	"		500
004759 / 11723	"		600
17146	"		5000
17065	"		450
Carr forwd Rupees			521.600

B/forw^d Rup^s. 521600

N.44565 ✓	1854/55	C.Rup^s.	3.000	✓
23913 ✓	"		3.000	✓
26431 ✓	"		3.000	✓
41256 ✓	"		3.000	✓
27912 ✓	"		2.500	✓
43460 ✓	"		2.500	✓
29702 ✓	"		2.000	✓
27206 ✓	"		2.000	✓
9391 ✓	"		2.000	✓
3095 ✓	"		2.000	✓
43459 ✓	"		1.500	✓
10591 ✓ 14162 ✓	"		1.500	✓
34189 ✓	"		1.500	✓
39966 ✓	"		1.000	✓
39628 ✓	"		1.000	✓
39627 ✓	"		1.000	✓
39626 ✓	"		1.000	✓
4900 ✓	"		1.000	✓
3296 ✓	"		1.000	✓
2997 ✓	"		1.000	✓
3301 ✓	"		1.000	✓
9676 ✓	"		1.000	✓
2996 ✓	"		1.000	✓
26438 ✓	"		1.000	✓
Carried forth Rs.			5.62.100.	

B/forw^d Rup^s 562100

N.26437 ✓	1854/55	C.Rup^s.	1.000	✓
41257 ✓	"		1.000	✓
13038 ✓	"		1.000	✓
20199 ✓	"		1.000	✓
13495 ✓	"		1.000	✓
13497 ✓	"		1.000	✓
40928 ✓	"		1.000	✓
39596 ✓	"		500	✓
39586 ✓	"		500	✓
19916 ✓	"		500	✓
19598 ✓	"		500	✓
17068 ✓	"		500	✓
10243 ✓	"		500	✓
12123 ✓	"		1.000	✓
12121 ✓	"		1.000	✓
22780 ✓			500	✓
2770 ✓	"		500	✓
22779 ✓	"		500	✓
N 000616 ✓	1865/66	C.Rup^s.	66.200	✓
001510 ✓	"		1.700	✓
3266 ✓	"		9.800	✓
3277 ✓	"		4.000	✓
000506 ✓	"		2.000	✓
Rs.			6.59.300	

14

41

Savings Bank Deposits in the custody of the Bank on behalf of Minors and others

4% Treasury Notes

N. 19 ✓ — 1857/58 ✓ 1st Sept^r 57 Rup^s. 500. } Naique Shaik Sillar E. Company 29th Reg^t M.N.I. ✓ 289

33 ✓ — " — " — " — 500. } Gunner Dennis Gorman D. Company 2d Batt^n Artillery

2 ✓ — " — " — " — 500 } Key Serj^t George Fowler
3 ✓ — " — " — " — 500 }
47 ✓ — 1857/58 ✓ 24th Mar: 58 ✓ " — 1500 }
K. 3500

Ditto — 4% "Regimental Carts Funds" to 31st March 1867.

4% Treasury Notes

N. 1 ✓ — 1866/67 ✓ 16th Feby 67 Rup^s ✓ 500. } Officer Commanding 22d Regiment M.N.I.

2 ✓ — " ✓ " 19th " — " ✓ 500. — with — 2 — " —

Ditto — Ditto — Since 1st April 1867.

4% Treasury Notes

N. 3 ✓ — 1866/67 ✓ 6th May 67 Rup^s ✓ 1500 } Officer Commanding 7th Regiment M.N.I.

4 ✓ — " — " — ✓ 500. — " 3d Regiment L.I.
5 ✓ — " — " — ✓ 500. — " 22 — " N.I.
6 ✓ — " — " — ✓ 500. — " 2 — " — "
7 ✓ — " — " — ✓ 2.000 } — " 31st " — L.I.
8 ✓ — " ✓ 20th " — ✓ 500 }
9 ✓ — 1867/68 ✓ 16th July 67 Rup^s ✓ 1500. — " 7th — " N.I.
10 ✓ — " — " — ✓ 500. — " 2 — " — "
11 ✓ — " — " — ✓ 500 — " 22 — " — "
13 ✓ — " — " 24th Sept^r 67 R^s ✓ 500. — " 31st — " — "
14 ✓ — " — " 10th Oct^r 67 R^s ✓ 500. — " 2 — " — "
15 ✓ — " — " 10th " — R^s ✓ 500 — " 3 — " — "
16 ✓ — " — " 12th " — R^s ✓ 500. — " 36th — " — "
17 ✓ — " — " 12th " — R^s ✓ 500 — " 22 — " — "

Rup^s 11.500

Dr. Account Current of the Government Savings Bank, Civil Branch for the Official year 1866/67 — 6v

Balance due to Depositors on the 30th April 1866. as per Abstract published in the Fort St. George Gazette of the 20th November 1866 page 814	9.94.193.12.8 v	Withdrawals made by Depositors during the year 1866-67	4.74.430.10.2 v
Deposits received during the year 1866-67.	582.126.13.7 v	Balance due to Depositors on the 31st March 1867	11.35.24387 v
Interest allowed during the year 1866-67	33.053.8.6 v		
	615.180.6.1 v		
Total Rupees	16.09.674.2.9	Total Rupees	16.09.674.2.9

N.B.

Number of accounts in open Credit in the Government Savings Bank Ledgers of 1866-67.

Accounts remaining on the 1st May 1866	4930 v	
Add New Accounts as per Ledger	978 v	5.908 v
		378 v
Deduct closed accounts as per Ledger		5530 v
Average Number of Accounts Remaining on the 31st March 1867		

Bank of Madras
21st October 1867

S.

"

W. Elliott
Chief Accountant
Examined, and found Correct.
W. Murray
Auditor

J. W. Dent
Secretary & Treasurer

43

A

BALANCE of the GENERAL LEDGER of the BANK OF MADRAS, *on* 13 July 186

45

BALANCES. *Dr.*		TITLES OF ACCOUNTS.	BALANCES. *Cr.*	
		PROPRIETORS' ACCOUNTS.		
		Capital Stock.		5625000 . .
		Reserved Surplus Fund.		562500
		Unclaimed Dividends.	17303 12 .	
		Dividend Account.	26862 8 .	44166 4 .
		PROFIT AND LOSS—		
		viz. Interest Account.	1029391 11	
		Commission.	6769 10	
		Exchange Bengal.	2561 11 1	
		– Bombay.	18407 13 3	31939 12 1
		Profit and Loss Account.		
	1674 4 .	Charges.		
26846 9 .	25172 5 .	Adjusting Account of Interest.		
		DEAD STOCK—		
	69675	*viz.* Bank Premises.		
	9620 11 2	Furnishings.		
	13446 15 7	Stationery and Engraving.		
	2583 15 .	Stamps &c		
1 05 03 712 8	9711 2 8	Stationery & Engraving		
		INVESTMENTS.		
	373 65114 2	Cash Credit Accounts.....(Dr.)		
	2423 00733	Loan Accounts.		
		Bills Discounted—Government.		
	620 51558	Do. Private.		
37 20 07413 1	2 9006 .	Do. Past-Due.		
44 80 11711 .		Government Securities.		
	27 48875 .	Bank of Bengal.		
	31 84213 2	Bank of England.		
	506 19130	Bank of Bombay—No. 2.		
2 32 49857	44697237	Bank of Bengal.		
		Bangalore Branch.		
	439 88814 5	Suspense Account.....(Dr.)		59751 8 4
	342 63513 8	Bellary Branch.		
	314 75012 8	Cuddapah Branch.		
	219 71212 2	Calicut Branch.		
	387 74811 2	Cocanada Branch.		
	1 12416 6	Colombo Branch.		
22 46 52811 6	841 2715 7	Cuttack Branch.		
		Coimbatore Branch.		
		LODGEMENTS.		
		Cash Credit Accounts.....(Cr.)	34128810 7	70979 4 3 .
		Current Accounts.	3223 70941 0	
		Deposit Receipts.	487 69354	
		Bank of Bombay—No. 1.	2243 76555	
		Hyderabad	854 61555	
		Unclaimed Balances.	455 61	
		Suspense Account.....(Cr.)	56 8 6	
		Bank of Bengal Govt	406888 3 11	4495177 3 6
		Govt. of Fort St. George		7596994 2
		Bills for Collection.		132 14 . 9
132 14 . 9		– Government.		
3 82 739 11 11		– Private.		
		– Received		
		Bank Post Bills.		6845 9 1
		Bank of Madras Notes .....Rs. 10	1560	
		15	800	
		20	1380	
		25	1950	
		50	4100	
		100	8200	
		500	3000	
		1000	6000	
		~~3000~~	27040	
4656708 12 4		Specie	25000	2040 .
627170		Notes Written off		
9301 432 14 11	17554 2 7	Cheques on GENERAL ACCOUNT OF CASH.		
18627 540 14 2 .		TOTAL.		18627 540 14 2

Examined & Found Correct

WEEKLY GENERAL STATEMENT, 13 July 1867.

ABSTRACT OF NOTES IN CIRCULATION.

Denomination.	10.	15.	20.	25.	50.	100.	500.	1000.	3000.	Total.
Balance of Account...										
On Hand										
In circulation										
Circulation										
Increase										
Decrease										

In General Treasury.....

ABSTRACT OF GENERAL ACCOUNT OF CASH.

Particulars	With Secretary.	With Cash-keeper.	Total.
Specie.....	76.05.020	51.688.12.4	76.56.708.12.4
Cheques.....		17.50.42.7	
Total Cash	76.05.020	51.688.12.4	76.56.708.12.4
Own Notes, Rs. 10	41000	12140	53140
15			
20	79000	16180	95180
25			
50	180.000	29550	209.550
100	290.000	92.300	382.300
500	355.000	53.000	408.000
1000	400.000	79.000	479.000
3000			
Balance	89.50.020	333.858.12.4	93.01.432.14.11

LIABILITIES, PAYABLE ON DEMAND.

Bank Post Bills.....	56.59.1
Circulation	40
Deposit.....	44.17.3.6
Dividends	4.166.4
Cash Credit Accts.	1.398.1.10
Govt. Balance	76.997.4.2
Total	93.01.432.14.11
One Fourth	3141.656.1.8

DRAFTS SINCE LAST RETURN.

On Bank of Bengal ...	49.286.8.5
Bank of Bombay...	34.950.1
Bank of England	55.747.9.4
Total	139.984.2.9

ABSTRACT OF INVESTMENT BEARING INTEREST.

Description.	Government Securities.	Government Bills.	Private Bills.	Loans.	Cash Credits.	Total.
Balance 6 July 67.	14.88.416.7.		6.59.407.12.4	28.39.542.1.11	4.08.435.13.5	53.95.802.2.8
Since invested.....	9.533..		40.695.6.7	52.850.4.1.3		
Together	14.97.949.7.		7.00.103.2.11	53.68.046.3.2		
Since realized	17.786.		76.687.7.3	6.45.088.15.11		
Balance	14.80.171.1.		623.415.11.8	27.23.007.3.3	3.73.651.14.2	52.00.245.14.1

Chief Accountant

Financial Department

15
47

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Accountant General, Madras (dated 30 October 1867 No 2471)

Order thereon 18th November 1867 No 3114.

I. The Governor in Council considers the half yearly audit of the accounts of the Bank of Madras as reported in the foregoing letter very satisfactory. The Branch Banks, of which three are eight in number established are represented as in a flourishing condition. The net profits for the half year ending 30th June 1867, derived from these branch establishments is Rs 1,38,308-10-11, being upwards of Rs 2,76,000 per annum, after paying all expenses and there is

N.

Ex of Claims

is reason to expect a still larger gain when the branches proposed at Colombo and Jaffna are in operation.

2. The Accountant General will be requested to report on the suggestion contained in para 22 of the Auditor's report for an annual audit of the branch accounts.

3 The question of the necessity for a branch office in the vicinity of the business part of the town for the receipt and issue of Currency Notes is under the consideration of the Head Commissioner of the Department of Issue of Paper Currency

~~The Governor in Council~~ ~~considers the expenditure~~ ~~as~~ ~~sanctioned by the Secretary of State~~ ~~in order~~ ~~having been satisfactory~~ and sanctions the proposal made in para 4 of the Auditors report that a further sum of 1½ lacs of Rupees be invested in 4 per cent Govt. Bonds. The Accountant

The condition of the Savings Bank as shown in the Auditors report is also satisfactory The Governor in Council

16
49

Accountant General will be so good as to report on the proposal contained in para 6 of the Auditors' report, and will ascertain from the Secretary to the Madras Bank if there is any objection to the course suggested that the auditor of the Savings Bank should attend monthly and proceed with the audit as the books are posted up. A remuneration of Rs 300/ three hundred is sanctioned for the audit of the Savings Bank Accounts

MLR

24 Dec

To the Accountant General.
Director of the Bank of Madras
Govt. for the Depart of Issue of Paper Currency
Ex of Claims

3
3
3
3
3

dispd 23/10

Accountant General will be so good as to report on the proposal contained in para 6 of the Auditor's report, and will ascertain from the Secretary to the Madras Bank if there is any objection to the course suggested that the Auditor of the Savings Bank should attend monthly and proceed with the audit as the books are posted up. entd A A

4. The Govt are unable to comply with the recommendation made in the 2d para of the letter of the Accountant General that a fee of 500 Rs should be awarded to Mr Assistant Bradley for his audit of the Govt Savings Banks accounts. It is observed that by the GO dated 16 January 1869 No 29, it was directed that in future the audit of the Savings Bank should be included in the half yearly audit of the accounts of the Bank of Madras and that the sum of Rs 1300 provided

† The Supt: Govt Agricultural Farm in Mr Auditor's letter No 1300 dd: included in Mr Budget for the Auditor's office in dated 16 March 1869 Mr Auditor in para 5 - on the 16 Land, Mr Secretary, but previous - Land Revenue Mr Auditor that this Charges for Mr Savings Bank - ordered that this should include Madras the Govt agreed to the suggestion that the Accountant General was also to Govt; in the future be asked to offer order - Mr Auditor Madras - No work of Patrick, Law Assistant to Mr Accountant General in Madras in addition to his own work of Auditor - in Madras - done out of office hours. "almost entirely Mr Patrick entitled to some remuneration" Accountant General to make suitable allowance to Mr Patrick

I think that some remuneration should be given for the audit of the Savings Bank accounts but not exceeding Rs. 300. to exceed. X

I would give Mr Patrick Rs 300 under the circumstances as a special case. C/S R.

Note I feel doubtful in case of this -

The sum of 1300 Rs which was entered in the Madras Budget was intended for the payment of the audit of both the Madras Banks accounts and the Savings Banks accounts - It was disallowed in Bengal with reference to Mr Madras Bank accounts but no notice was taken of the Savings Bank - Mr Bradley

provided in the Budget Esti-
mates of 1867/68 for the re-
muneration of the Auditors of
the Bank of Madras (which
audit includes that of the Savings
Bank) was retrenched by the
Govt of India - vide para 16 of
the letter of the Govt of India
dated 21 March 1867 No 1546.

To
The Accountant General
" Directors of the Bank of Madras

Finance 1867. Department.

No. 514

PROCEEDINGS OF GOVERNMENT.

F. S. 571-

Dated. 18th November 1867

F. S. 319/68

49-50