M.R.O. 1—77,000—8-6-37.

(1) Number of pages 24.

(2) Date of repair 16·10·39.

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 615 Press / Mis.

56-57.

Dated 15-12- 1869.

13/14

56-57

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 15th December 1869.

No. 56. Read the following letter from the Accountant-General, to the Chief Secretary to Government, Fort Saint George, dated Fort Saint George, 19th November 1869, No. 261.

Book Department.]

I have the honour to submit the report of my Assistant, Mr. Mackey, who was deputed to audit the accounts of the Government Savings' Bank for the past official year, together with a Balance Sheet showing the financial position of the Bank on the 31st March last.

2. It is satisfactory to observe that the receipts on account of deposits exceed those of the preceding year by upwards of a lac-and-a-half of rupees, and that the balance due to depositors on 31st March last was Rupees 15,58,084-14-10, against Rupees 13,32,936-15-10 at the close of the previous year.

3. The state of the cash balances during the past year was not such as to warrant the further investment of 2½ lacs in Government Securities authorized by Government in their Proceedings of the 13th January 1869. One lac was, however, invested, and I hope shortly to be able to instruct the Secretary of the Bank to complete the full investment sanctioned.

4. I beg that the Government will be pleased to sanction the payment of the usual fee of Rupees 300 to Mr. Mackey for his audit, which is a very laborious one.

From J. MACKEY, Esq., Acting First Assistant to the Accountant-General, to the Accountant-General, Madras, dated 13th November 1869.

I have the honour to submit a report upon the accounts of the Government Savings' Bank for the year 1868-69, and enclose a Balance Sheet marked A, showing the position of the Bank on 31st March 1869, the balance due to depositors being Rupees 15,58,084-14-10; this is an increase of Rupees 2,25,147-15-0 on the previous year's balance.

2. The whole of the Presidency Cash Book has been checked item by item with the vouchers and also the several Ledgers into which the items therein comprised have been posted, and all found in order. The Mofussil Cash Book and Ledgers have also been checked by taking a certain proportion of the entries in every month promiscuously, and found correct.

3. I have examined the Government Promissory Notes in deposit with the Bank of Madras, belonging to the Government, as also on other accounts and found all correct. The several investments are as follow:—

	Rs.
Five non-transferable four per cent. Treasury Notes, the property of sundry persons aggregating	3,500
Chart Fund of the 4th Regiment N. I., eighteen Notes aggregating	9,500
Sepoys Military Fund, the property of the 11th Regiment N. I., one bond for ...	1,000
Total...	14,000

One hundred and nine Government Promissory Notes of the four per cent. Loan, the property of Government, being the investments made from time to time out of the balance due to depositiors aggregating 9,09,300

4. The investments on Government account show an increase of one lac, being a portion of the sum of 2½ lacs sanctioned by Government in their Order, No. 23, dated 13th January 1869, the balance of 1½ lacs has still to be invested when the state of the general cash balances will permit.

5. The cost of the Bank to Government is composed of the following items :—

	Rs.	A.	P.	Rs.	A.	P.
Interest paid to depositors for the year under review				48,222	12	10
Allowance to the Bank of Madras for conducting the duties of the Savings' Bank at 500 is ... ... per month	6,000	0	0			
Add contingencies	1,242	13	0			
				7,242	13	0
Total...				55,465	9	10
Against this may be placed the interest realized by Government during the year of				30,572	4	0
The gain to Government by interest is, however, more favourable than appears by the figures above given, as all the paper has been purchased at various rates of discount, the earlier investments of about six lacs at about an average of, say, eight to nine per cent. discount, while the more recent purchases have obtained only about five per cent. ; not having before me the several purchase Memorandums received from the Bank of Madras, I am unable to quote the exact figures, or show exactly what interest beyond four per cent. the investments yield. I believe, however, it may be assumed to be not far short of 4½ per cent. against the rate of 3¾ paid to depositors. Taking the actual investment as it now stands of 9,09,300 at four per cent., the interest will be				36,372	0	0
Add estimated gain by discount of, say, half per cent. is				4,546	8	0
Shows ... ... against a charge of Rupees 55,465-9-10, which also shows the necessity for making further investments when funds are available to do so. Even purchasing four per cent. paper at par is a gain to Government of a quarter per cent., being the difference between the interest of the paper and the rate paid to depositors. The current rate for four per cent. paper is about 5 to 5½ discount. To make the Bank entirely self-supporting the investments should aggregate 13,86,625, or 4,77,325 in excess of the present sum.				40,918	8	0
6. The amount received from depositors during the year is				8,63,352	1	11
and paid only				6,86,426	15	9
Difference...				1,76,925	2	2

which sum might safely be invested, or, say, 1½ lac in round figures.

7. From the Balance Sheet of the past and previous years it will be observed that there has been a steady yearly increase of deposits, it would be interesting to trace the cause of this development, which cannot, in my opinion, be altogether attributed to what may be called compulsory deposits, viz., deposits made by Contractors in the Public Works Department, Commissariat, and other Departments ; to obtain reliable information on this point, a careful analysis of each individual account would be necessary, which, as there are now 6818 accounts, would involve much labour. I believe a fair proportion of the Mofussil deposits appertain to private Soldiers in Native Infantry Regiments.

8. The records of the Bank show as deposited in the

	Rs.	A.	P.
Presidency	3,34,173	4	5
In the Mofussil	5,29,178	13	6
	8,63,352	1	11

or an average per month of 71,946 divided thus :—

Average Presidency deposits excluding fractions	27,847	0	0
Average Mofussil do. do.	44,098	0	0

while the withdrawals are as under :—

Presidency	3,13,556	11	11	Av. 26,129
Mofussil	3,72,870	3	10	Av. 31,072
	6,86,426	15	9	

In the months of June, July, September, December, and January, the deposits at the Presidency exceeded the average above given, while in the Mofussil, the months are July, August, September, October, December, and February, and for withdrawals the average in Presidency is exceeded in the following months, April, June, September, and February, and in the Mofussil, August, September, November, December, and March. In September the largest amount of deposits were received in the Presidency, being Rupees 38,208-3-1, and in the Mofussil, July was the month showing Rupees 61,794-12-5, while the largest withdrawals show at Presidency in April 32,197 14 9
At Mofussil in December 45,282 12 8

9. In conclusion I beg to acknowledge with thanks the assistance rendered to me in this examination by Soobroyloo Naidoo, the principal Accountant in the Savings, Bank, and who supervises all the accounts in connexion with his Department, and the uniform courtesy of the Bank Officers generally.

A. *Cr.*

Dr. Account-Current of the Government Savings' Bank, Civil Branch, for the Official year 1868-69.

	Rs.	A.	P.	Rs.	A.	P.		Rs.	A.	P.	Rs.	A.	P.
Balance due to depositors on the 31st March 1868, as per Abstract published in the *Fort Saint George Gazette* of the 18th December 1868, page 943	.....	...	...	13,32,936	15	10	Withdrawals made by depositors during the year 1868-69	6,86,426	15	9			
Deposits received during the year 1868-69	8,63,352	1	11				Balance due to depositors on the 31st March 1869...	15,58,084	14	10	22,44,511	14	7
Interest allowed during the year 1868-69	48,222	12	10	9,11,574	14	9							
Total ...	.....	...	...	22,44,511	14	7	Total ...	.....	...	...	22,44,511	14	7

N.B.—Number of accounts in open credit in the Government Savings' Bank Ledgers of 1868-69.

Accounts remaining on the 31st March 1868	6,222	
Add new accounts as per Ledgers	1,229	
		7,451
Deduct closed accounts as per Ledgers		633
Average number of accounts remaining on the 31st March 1869 ...		6,818

(Signed) J. McIVER,
Secretary and Treasurer.

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

Examined and found correct.
(Signed) J. MACKEY,
Auditor.

BANK OF MADRAS,
31*st March* 1869.

Proceedings of the Madras Government, Financial Department, 15th December 1869. 5

ORDER THEREON, 15th December 1869, No. 615.

No. 57. The Balance Sheet of the Government Savings' Bank for the official year 1868-69, received with the foregoing letter and report, shows that the balance due to depositors on the 31st March 1868 was Rupees 13,32,936-15-10 ; the deposits during the year, Rupees 8,63,352-1-10, and the interest allowed, Rupees 48,222-12-10, amounting together to Rupees 22,44,511-14-7.

2. The amount withdrawn was Rupees 6,86,426-15-9, and there remained on the 31st March 1869 a balance of Rupees 15,58,084-14-10, or Rupees 2,25,147-15-0 in excess of the balance* at the close of the official year 1867-68. There was also an increase of 596 in the number of depositors.

* Rupees 13,32,936-15-10.

3. The Government concur with the Accountant-General in considering these results to be satisfactory, and authorize the further investment, as soon as it can be made, of a lac-and-a-half of rupees.

4. Authority is also granted to the payment to Mr. Mackey of a sum of Rupees (300) three hundred for the audit of the Savings' Banks' accounts.

(True Extract.)

Chief Secretary.

To the Accountant-General.
" Directors of the Bank of Madras.

Ed. J. Wright.

Govt. of {1869} Madras.

FINANCIAL.

To

THE ACCOUNTANT-GENERAL.

&c., &c., &c.

Dated December, 15th.

Read.

Encl.

G. O., 15th December 1869, No. 615.

DECEMBER.
Nos. 56-57.

Reviewing the Audit Report on the Accounts of the Government Savings' Bank for the year 1868-69.

27

From

J. Macken Esqre
Ag 1st Asst to the Accountt General
Madras.

To

F. Lushington Esqre
Accountt General
Madras.

Sir,

I have the honor to submit a report upon the accounts of the Government Savings Bank for the year 1868-69, and enclose a balance sheet marked A showing the position of the Bank on 31st March 1869, the balance due to depositors being Rs 1588,03,4.4.

This is an increase of Rs 225147. 15. 4 on the previous years balance.

2. The whole of the Presidency Cash book has been checked item by item with the vouchers and also the General Ledgers into which the items therein comprised have been posted, and all found in order. The Mofussil Cash book and Ledgers have also been checked by taking a certain proportion of the entries in every month promiscuously, and found correct.

3. I have examined the Government Promissory notes in deposit with the Bank of Madras, belonging to the

D A & A G. Office
Recd 17
Amsd 11 1869

Government, as also on other accounts and found all correct. The General investments are as follow.

5. Non transferable 4 % Treasury Notes the property of Sundry persons aggregating — Rupees ——— 3,500.

Cart Fund of the 4th Regt. N.I. 18 Notes aggregating — Rs 9,500.

Sepoys Military Fund, the property of the 11th Regt. N.I. One hand for ——— Rs 1000.

Rs — 14,000.

109 Government Promissory Notes of the 4 % Loan, the property of Govt. being the investments made from time to time out of the balance due to Depositors aggregating Rs 109,300.

4. The investments on Government account shew an increase of one lac being a portion of the sum of 2½ lacs sanctioned by Government in their Order No 23, dated 13th January 1869, the balance of 1½ lacs has still to be invested when the state of the General Cash balances will permit.

5. The cost of the Bank to Government is composed of the following items.

Interest paid to depositors for the year under review. Rs 48,222. 12. 10.

Allowance to the Bank of Madras for conducting the duties of the Saving Bank @ 500 is ——— Per month. 6,000. " "

Add Contingencies. 1242. 13. " — 7,242. 13. "

55,465. 9. 10.

Against this may be placed the interest realized by Government during the year — 30,572. 4. "

The Gain to Government by Interest is however more favorable than appears by the figures above given, as all the paper has been purchased at various rates of discount, the earlier investments of about 6 lacs at about an average of say 8 to 9 % discount, while the more recent purchases have obtained only about 5 %; not having before me the several purchase memos received from the Bank of Madras, I am unable to quote the exact figures or shew exactly what Interest beyond 4% the investments yield. I believe however it may be assumed to be not far short of 4½ % as against the rate of 3¾ paid to Depositors. Taking the actual investment as it now stands

of

Government

of 909,300 at 4 fo, the Interest will be 36,372.
Add estimated Gain by discount
of say 1/2 fo is _____ 4,546 8.
Shews. _____ 40,918. 8.
against a charge of Rupees 55,465.9.10.
which also shews the necessity for
making further investments when
funds are available to do so. Every
purchasing 4 fo paper at par is a
Gain to Government of 1/4 fo. being the
difference between the Interest of the
paper and the rate paid to depositors.
The current rate for 4 fo paper is about
5 to 5 1/2 discount. To make the Bank
entirely self supporting the investments
should aggregate 13,86,625 - or 4,77,325, in
excess of the present sum.

6. The amount received from
Depositors during the year is Rs 8,63,352. 1. 11.
and paid only ... Rs 6,86,476. 15. 9.
Difference. 1,76,975. 2. 2.
which sum might safely be invested
or say 1 1/2 lac in round figures.

7. From the balance Sheet of the
past and previous years it will be
observed, that there has been a steady
yearly increase of deposits, it would
be interesting to trace the cause of this
development, which cannot in my
opinion be altogether attributed to what
may be called Compulsory deposits, viz.

Deposits made by Contractors in
the P. W. D., Commissariat, and other
Departments; to obtain reliable
information on this point, a careful
analysis of each individual account
would be necessary, which as there
are now 6,818 accounts would involve
much labor. I obtained a fair pro-
portion of the Mofussil deposits
appertain to private Soldiers in
Native Infantry Regiments.

8. The records of the Bank shew
as deposited in the Presidency Rs 3,34,173. 4. 5.
in the Mofussil ..... 5,29,178. 13. 6.
8,63,352. 1. 11.

or an average per month of 71,946
divided thus:—
Average Presidency deposits ex-
-cluding fractions. — 27,847.
Average Mofussil do — 44,098.
while the withdrawals are as under.
Presidency. 3,13,556. 11. 11. Av: 26,129
Mofussil. . 3,72,870. 3. 10. Av: 31,072.
6,86,476. 15. 9.

In the months of June, July, September,
December and January the deposits
at the Presidency exceeded the average
above given, while in the Mofussil, the
months are July, August, September,
October, December and February, and

for

Government

withdrawals the average in Presidency is exceeded in the following months, April, June, September and February, and in the Mofussil, August, September, November, December and March. In September the largest amount of deposits were received in the Presidency, being Rs 38,208. 3. 1. and in the Mofussil, July was the month shewing Rs 61,794. 12. 5. while the largest withdrawals shew at Presidency in April . . . . . 32,197. 14. 9. At Mofussil in December. 45,282. 17. 8.

9. In conclusion I beg to acknowledge with thanks the assistance rendered to me in this examination by Soobroyloo Naidoo, the principal Accountant in the Savings Bank, and who supervises all the accounts in connection with his department and the uniform courtesy of the Bank Officers generally.

I have the honor to be
Sir,
Your most Obed.t Servt

13th November 1869.

Ag 1st Asst Acct Genl.

No. 71—28-4-69—1,000.

Book Department.

No. 261

Fort Saint George,
Accountant General's Office,
19th November 1869.

From The Accountant General,
to the Government of Madras.

To The Chief Secretary to Government

Sir,

I have the honor to submit the Report of my Assistant Mr. Mackay who was deputed to audit the accounts of the Government Savings Banks for the past official year, together with a Balance Sheet showing the financial position of the Banks on the 31st March last.

It is satisfactory to observe that the receipts on account of deposits exceed those of the preceding year by upwards of a lac and a half of rupees, and that the balance due to depositors on 31st March last was Rupees 155,8084-14-10 against Rupees 13,32,936-15-10 at the close of the previous year.

The state of the Cash balances during the past year was not such as to warrant the further investment of 2½ lacs in Government

Prot: 13 Jan 1869 Nos 37-38

From 15 Dec 1869

Fin 1 — 1869 — Department

From
The Accountant General
To
The Chief Secretary
to Government.

Dated 19
Rec'd 22 November 1869.

No 261

Enc:

No 628

Submitting report on the audit of the accounts of the Government Savings Bank.

c 214/11
R 13/12

56

Government Securities authorised by Govern-
=ment in their Proceedings of the 13th Jany 1869.
One lac was however invested, and I hope
shortly to be able to instruct the Secretary of
the Bank to complete the full investment
sanctioned.-

I beg that the Government will
be pleased to sanction the payment of the
usual fee of Rupees 300 to Mr Mackey
for his audit which is a very laborious
one.-

I have the honor to be,
Sir
Your most Obdt Servt
F Cunningham
Accountant General.

Comps 1876

Rec'd 15th Dec. 1869

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Accountant General. (No. E. 19th Nov. 1869 - No. 261.)

Order thereon 15th November 1869. No. 615.

The balance sheet of the Government Savings' Bank for the official year 1868-69, received with the foregoing letter and report, shows that the Balance due to depositors on the 31st March 1868 was Rs 1332.936-15-10. The deposits during the year, Rs 863352-1-2 and the interest allowed Rs 48.222-12-10, amounting together to Rs 2244.511-14-0.

2 The amount withdrawn was Rs 686426-15-

and there remained on the 31st March 1867 a balance of Rs 15,56,084-14-10 or Rs 2,25,147-15-0 in excess of the balance at the close of the official year 1867-68. There was also an increase of 8,596 in the number of depositors.

3. The Government concur with the Accountant General in considering these results to be satisfactory, and authorize the further investment, as soon as it can be made, of a lakh and a half of Rupees.

4. Authority is also granted to the payment to Mr Mackay of a sum of Rs (300) three hundred for the audit of the Savings' Banks' accounts.

* Rs 13,32,936-15-10.

To the Accountant General.
" - Director of the Bank
of Madras.

dated 21/12/70

Govt. of {1869} Madras.

Financial

To

The Accountant Genl.
&c.

F No. 434 of 70

Dated Decr 15 } 1869, No. 615.
Recd.

Nos. 56 & 57.

Reviewing the audit Report on the accounts of the Govt. Savings' Banks for the Year 1868-69.