M.R.O. 1—77,606—8-6-37.

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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 523 Press ~~Mrs.~~

24-25.

Dated 4-10- 1871.

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24-25

Not to be folded or roughly handled

No. 24. Read the following letter from the Officiating Accountant-General, to the Chief Secretary to Government, Fort St. George, dated Fort St. George, 25th September 1871, No. 263:—

Book Department.

In continuation of Mr. Lushington's letter, No. 157, dated 5th September 1870, I have the honour to submit to you for the information of Government, the report of the Assistant to the Accountant-General on the accounts of the Bank of Madras for the year ended 30th June last.

2. Adverting to the remark in the 2nd paragraph of the order of Government, No. 433, dated 16th October last, I would observe that the system in which the accounts are at present kept, as explained by Mr. Kissun Sing, does not admit of the exact allocation of the Profits of the Bank between the Head Office and the several Branches. I beg, however, to annex a statement showing, according to the Bank Books, the "Profit and Loss" of the Branches from date of establishment to the 30th June last; this statement was prepared, under the order of the Directors, for the information of the shareholders attending the last General Meeting, but I may remark that the losses anticipated at two or three of the Branch Banks will reduce to some considerable extent the favourable result shown therein.

3. The following Branch Banks have been inspected by Officers of this Department since the submission of Mr. Lushington's report in September 1870:

	Bangalore.		Guntoor.
	Berhampore.		Masulipatam.
	Bimlipatam.		Ootacamund.
	Cocanada.		
Alleppy.	Colombo.	Negapatam.	4. The Branches mentioned in the
Bellary.	Kandy.	Trichinopoly.	margin require inspection in the course
Calicut.	Madura.	Tuticorin.	of the ensuing year.
Cochin.	Mangalore.		

Statement of Profit and Loss at Branches from date of establishment to 30th June 1871.

Date of Establishment.		Branch.	Profit.			Loss.		
			Rs.	A.	P.	Rs.	A.	P.
May	1862.	Cochin	4,89,411	13	0	51,872	2	6
October ...	1863.	Calicut	2,71,680	6	3	204	0	0
January ...	1864.	Cocanada	3,40,402	10	1	39,921	1	10
July	1864.	Bangalore	1,27,674	1	2	5,159	3	0
July	1865.	Bimlipatam	1,52,962	12	9	21	13	0
August ...	1865.	Bellary	1,37,754	13	5	3,700	0	0
September ...	1866.	Ootacamund	24,893	7	3	2,518	10	2
January ...	1867.	Tuticorin	1,19,297	12	10	26	6	5
July	1867.	Colombo...	3,19,890	4	8	90,661	13	8
August ...	1867.	Trichinopoly	63,989	9	5	.....	...	...
April... ...	1868.	Negapatam	1,93,587	9	8	.....	...	...
May	1868.	Alleppy	1,13,819	15	5	.....	...	...
August ...	1868.	Kandy	23,309	9	4	.....	...	...
September ...	1868.	Berhampore	84,319	4	4	.....	...	...
March... ...	1869.	Guntoor...	23,535	9	9	2,750	15	11
October ...	1869.	Mangalore	14,841	2	10	.....	...	...
December ...	1870.	Masulipatam	2,984	4	0	.....	...	...
April	1871.	Madura	395	6	6	.....	...	...
		Total...	25,04,750	8	8	1,96,836	2	6
		Profit Rupees...	.....	23,07,914	6	2		

From Mr. D. KISSUN SING, Assistant to the Accountant-General, to the Officiating Accountant-General, Madras, dated 15th September 1871.

I have the honour to submit the following report on the Audit of the Accounts of the Bank of Madras for the year ended 30th June 1871. The Audit was made conjointly with Mr. C. L. O'Brien, the Auditor nominated by the Bank Directors.

2. The loan and cash credit Registers were first examined and the securities on which sums were advanced were carefully checked on 22nd of July; these advances stood as under—

Loans.

	Rs.	A.	P.
On Government Securities	8,66,554	6	9
On Jewels	1,03,728	8	0
On Fixed Deposit Receipts	15,200	0	0
On Gold Mohurs	3,700	0	0
Total...	9,89,182	14	9

Cash Credits.

Drawn	2,01,376	13	0
Undrawn	1,49,833	3	0
Total...	3,51,210	0	0

3. The Registers in which are recorded the Deposits for safe custody lodged by the Public and Government Officials were next examined, with the existing Deposits and with the authorities under which Deposits were withdrawn since last audit. All have been found correct and in order.

4. The value of Government Securities and Bank shares lodged on

	Rs.	A.	P.
behalf of Government and the several Funds, &c., amounted to	2,12,46,500	0	0
by General Public to	63,56,376	6	1
and by the Bank of Madras on its own accounts	11,60,600	0	0
In all Rupees...	2,87,63,476	6	1

as per following particulars.

Government Deposits.

	Rs.	A.	P.	Rs.	A.	P.
Agency, including a Deposit of Rani Zemindar of Ramnad				5,800	0	0
Educational				5,15,000	0	0
St. Mary's Church and other Bequests				3,66,200	0	0
Savings' Bank (Deposits of Minors and others)				3,500	0	0
Do. Regimental Cart Funds				46,000	0	0
Do. Investments of Savings' Bank Balances				11,59,400	0	0
Mysore Invested Surplus Account, or, as it was formerly called, Mysore Trust Fund				25,23,300	0	0
562½ Bank of Madras Shares, the Property of Government				5,62,500	0	0

High Court.

	Rs.	A.	P.	Rs.	A.	P.
Causes	26,57,700	0	0			
Estates being marriage settlement	7,400	0	0			
Official Assignee	89,800	0	0			
				27,54,900	0	0
Official Trustee	2,65,800	0	0			
Do. do. and Registrar, High Court, Original Side	66,300	0	0			
				3,32,100	0	0

Proceedings of the Madras Government, Financial Department,
4th October 1871.

For Contracts and Appointments.

	Rs.	A.	P.	Rs.	A.	P.
Accountant-General's Department	1,24,100	0	0			
Commissariat Department, Madras	91,800	0	0			
Do. out stations	34,100	0	0			
Superintendent of Stamps	2,500	0	0			
Do. Stationery	4,500	0	0			
Do. Gun Carriage Manufactory	4,100	0	0			
Do. Lying-in Hospital	500	0	0			
Directors of Telegraphs	1,000	0	0			
Inspector-General of Ordnance and Magazines	500	0	0			
Commissary of Ordnance	1,300	0	0			
Principal Inspector-General Indian Medical Department	11,500	0	0			
Military Accountant	4,000	0	0			
Executive Engineer, Presidency	13,200	0	0			
Principal Civil Engineering College	4,000	0	0			
Supervisor Government Printing Establishment	2,100	0	0			
Barrack Master, Presidency	2,500	0	0			
Postmaster General, Madras	8,500	0	0			
Controller Money Order Department	1,000	0	0			
Judges of Court of Small Causes	18,000	0	0			
Collector of Madras Monegar Choultry	1,08,000	0	0			
Paper Currency Department	13,000	0	0			
				4,50,200	0	0
Court of Wards				21,27,400	0	0

Service Funds.

	Rs.	A.	P.
Civil Service	94,38,700	0	0
Administrator-General	9,61,500	0	0
Deposits by the Public	63,56,376	6	1

Bank of Madras.

	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Head Cash-keeper's Security	50,000	0	0						
Assistant do.	10,000	0	0						
				60,000	0	0			
Government Securities the property of Bank of Madras No. 2 Account				11,00,600	0	0			
							11,60,600	0	0
Total Rupees...							287,63,476	6	1

In addition to the above there is a sealed Packet with the Bank said to contain a Sicca Note for Rupees 2,03,900 or Company's Rupees 2,17,153-8-0 deposited by Government.

5. The value of Deposits, as above detailed, is less by Rupees 41,26,902-1-0 than what it was in the previous year. The great care, exactitude, and neatness with which the extensive transactions in the matter of Deposits are recorded in the various Books reflect very great credit on Mr. Fletcher and his invaluable assistant C. Ruthna Moodelliar.

6. The cash as it stood on the evening of Saturday the 22nd July last, was examined on the morning of Monday the 24th idem by counting the bags and weighing a per-centage thereof as usual, and the following statement shows what was then on hand.

Particulars.	With Secretary.		With Cashkeeper.		Total.
		Rs. A. P.		Rs. A. P.	Rs. A. P.
Notes.....Rupees 10	300	3,000 0 0	914	9,140 0 0	12,140 0 0
,, ... ,, 20	700	14,000 0 0	802	16,040 0 0	30,040 0 0
,, ... ,, 50	500	25,000 0 0	684	34,200 0 0	59,200 0 0
,, ... ,, 100	1,000	1,00,000 0 0	818	81,800 0 0	1,81,800 0 0
,, ... ,, 500	2,700	13,50,000 0 0	66	33,000 0 0	13,83,000 0 0
,, ... ,, 1,000	2,900	29,00,000 0 0	156	1,56,000 0 0	30,56,000 0 0
Total...	.....	43,92,000 0 0	...	3,30,180 0 0	47,22,180 0 0
	Bags.				
Silver	2,125	42,50,000 0 0	30	60,000 0 0	43,10,000 0 0
Small Coins	305	5,05,000 0 0	12	14,000 0 0	5,19,000 0 0
Copper	30,144	8,88,700 0 0	1	....	8,88,700 0 0
Sundries	1	....	...	2,228 11 8	2,228 11 8
Cheque	.....	....	...	....	55,082 12 5
Total...	.....	100,35,700 0 0	...	4,06,408 11 8	104,97,191 8 1

Of this cash balance, the sum of Rupees 70,84,842-5-4 was the amount at credit of the Government of Fort Saint George.

7. The bills discounted at Head Office were compared with the Registers and found to correspond with the entries therein. On the 22nd July last these amounted to—

	Rs.	A.	P.
At Head Office...	5,45,752	2	9
At Branches	42,25,623	3	8
Total...	47,71,375	6	5

8. The sum represented by past due Bills on the same date was—

	Rs.	A.	P.
At Head Office...	12,157	14	5
At Branches	8,17,373	2	0
Total...	8,29,531	0	5

9. The balances exhibited in the balance sheet annexed to this report were all checked with the entries in the General Ledger.

10. Since the last report two Branch Banks, one at Masulipatam and another at Madura, have been opened; so that the number of Branches is now eighteen.

11. The net profits of the Bank and its Branches for the year ended 30th June 1871 amounted to Rupees 4,38,235-5-1, as particularized below :—

	Rs.	A.	P.
For half year ended 31st December 1870	2,16,430	14	4
Do 30th June 1871	2,21,804	6	9
Total...	4,38,235	5	1

From the above sum, Rupees 75,000, set asile to meet probable losses of the Bank, especially at two of its Branches, have been added to the Reserve Fund, which now amounts to Rupees 6,37,500.

Proceedings of the Madras Government, Financial Department,
4th October 1871.

12. With reference to the remark in paragraph 2 of Government Order, dated 19th October last, No. 433, Financial Department, that the amount of profits realized from the Branch Banks during the year ended 30th June 1870 was not shown, I regret that I am unable to give them for the past year also. The reason is the same as that which I learn prevented them from being shown in the former report, viz., that the allocation of the net Profits of the Institution between the Head Office and the several Branches cannot be made as the accounts of the Bank are at present kept. To arrive at the information referred to, it would be necessary to charge the several Branches with interest on the sums advanced to them by Head Office, and by means of which they carry on their operations, and to distribute among them the cost of Inspecting Establishment and other expenses incurred on their account. To do which the Officiating Secretary and Treasurer informs me would entail a great amount of labour on Head Office.

13. The dividends appertaining to the 562½ Government shares in the Bank were—

	Rs.	A.	P.
For half year ended 31st December 1870	19,687	8	0
Do. 30th June 1871	16,875	0	0
Total...	36,562	8	0

14. The Public Securities held by the Bank on its own account on the 27th July 1871 amounted to Rupees 8,00,200, as particularized below. They actually cost the Bank Rupees 8,52,414-6-11, and at the current market rate represent a value of Rupees 8,58,774-12-0.

			Rs. A. P.	Rs. A. P.
4 Per cent. Loan of 1828-29 for Sicca Rupees ...			200 0 0	
Do.	of 1832-33 for	do. ...	32,100 0 0	
Do.	of 1835-36 for	Company Rupees.	19,800 0 0	
Do.	of 1842-43 for	do. ...	21,900 0 0	
Do.	of 1854-55 for	do. ...	25,900 0 0	
Do.	of 1865	for Government ...	3,01,600 0 0	
				4,01,500 0 0
4½ Do.	of 1870	for Government Rupees		9,700 0 0
5 Do.	of 1854-55	for Company Rupees.	5,800 0 0	
Do.	of 1856-57	for do. ...	2,47,800 0 0	
				2,53,600 0 0
5 Years.				
5 Per cent. Debentures of 1st June 1867 for Company Rupees ...				3,000 0 0
5½ Do. Loan	of 1859-60	for do. ...		3,01,400 0 0
				9,69,200 0 0
Deduct 4 per cent. paper sold to Chief Commissioner of Mysore to be adjusted on receipt of new consolidated Notes				1,69,000 0 0
Rupees...				8,00,200 0 0

Besides the above, Government Securities to the extent of Rupees 3,09,400 have been purchased, but have not yet been brought to account.

15. In conclusion, I beg to acknowledge, with thanks, the promptitude and attention shown by the Officers of the Bank in complying with my request for information on all the various matters connected with this audit.

BALANCE of the General Ledger of the Bank of Madras on 22nd July 1871.

Balances.....*Dr.*			Titles of Accounts.	Balances.....*Cr.*		
RS. A. P.	RS. A. P.		PROPRIETORS' ACCOUNTS.	RS. A. P.	RS. A. P.	
			Capital Stock	....	56,25,000 0 0	
			Reserved Surplus Fund ...	....	6,37,500 0 0	
			Unclaimed Dividends ...	15,663 12 0		
			Dividend Account	14,145 0 0		
					29,808 12 0	
			Profit and Loss—			
	1,783 7 7		Interest Account.			
			Commission	1,367 15 4		
			Exchange	5,542 4 0		
			Profit and Loss Account ...	4,111 5 6		
					11,021 8 10	
	1,225 9 3		Charges.			
	....		Adjusting Account of Interest	....	35,097 13 8	
3,009 0 10						
			Dead Stock—			
	35,004 10 0		Bank Premises.			
	11,024 4 0		Furnishings.			
	20,096 4 10		Stationery and Engraving.			
	3,492 11 0		Stamp Account.			
	413 13 3		Government Contingent Account.			
70,031 11 1						
	2,01,376 13 0		Cash Credit Accounts.*(Dr).*			
	9,89,182 14 9		Loan Accounts.			
	5,45,752 2 9		Bills Discounted.			
	12,157 14 5		Do. Past Due.			
	8,45,536 12 11		Government Securities.			
	....		Bullion.			
25,94,006 9 10						
	70,086 7 6		Bank of England.			
	9,94,177 12 5		New Bank of Bombay, Ltd. No. 2			
	11,53,970 3 2		Bank of Bengal, No. 2.			
	1,663 8 8		Suspense Account ...*(Dr).*			
22,19,897 15 9						
			LODGEMENTS.			
			Cash Credit Accounts.*(Cr).*	84,533 7 8		
			Current Accounts	31,48,385 7 6		
			Deposit Receipts	27,41,111 11 11		
			New Bank of Bombay, Ltd. No. 1.	4,23,577 3 7		
			Bank of Bengal, No. 1. ...	4,61,554 7 3		
			Unclaimed Balances ...	9,250 14 4		
			Suspense Account ...*(Cr).*	....		
			Bank of Bombay (Hyderabad)	8 7 11		
					68,68,421 12 2	
			Govt. of Fort St. George ...	....	70,84,842 5 4	
			Bills for Collection	....	9,54,984 6 9	
9,54,984 6 9	....		Private Bills Lodged.			
5,16,635 7 0	....		Bills Receivable.			
			Bank Post Bills	....	47,368 10 2	
			Bank of Madras Notes.			
63,58,565 3 3	....		Total...	....	212,94,045 4 11	

Balance of the General Ledger of the Bank of Madras on 22nd July 1871.—*(Continued).*

Balances.....*Dr.*			Titles of Accounts.	Balances.....*Cr.*		
RS. A. P.	RS. A. P.		BRANCH ACCOUNTS.	RS. A. P.	RS. A. P.	
	28,018 7 11		Alleppy.			
			Bangalore	2,44,967 13 2		
	5,99,493 6 7		Bimlipatam.			
	4,69,691 12 9		Berhampore.			
			Bellary	3,29,312 7 3		
	4,65,337 9 11		Cochin.			
			Calicut	3,93,985 4 3		
	17,39,962 10 4		Colombo.			
	2,23,034 11 3		Coconada.			
	1,51,422 7 1		Guntoor.			
	2,57,495 15 10		Kandy.			
			Negapatam	1,06,085 11 0		
			Ootacamund	1,37,639 4 8		
	3,30,622 8 6		Tuticorin.			
			Trichinopoly	1,48,643 0 2		
					13,60,633 8 6	
	2,58,636 5 2		Masulipatam.			
	7,01,648 1 2		Mangalore.			
	5,73,558 1 7		Madura.			
57,98,922 2 1						
104,97,191 8 1	....		*General Account of Cash.*			
226,54,678 13 5			Total...		226,54,678 13 5	

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

(Signed) J. McIVER,
Secretary and Treasurer.

WEEKLY General Statement, 22nd July 1871.

Abstract of General Account of Cash.

Particulars.	With Secretary.	With Cash-keeper.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Specie	56,43,700 0 0	76,228 11 8	57,19,928 11 8
Cheques ...	....	....	55,082 12 5
Total Cash...	56,43,700 0 0	76,228 11 8	57,75,011 8 1
RS.			
Currency Notes. ... 10	3,000 0 0	9,140 0 0	12,140 0 0
Do. .. 20	14,000 0 0	16,040 0 0	30,040 0 0
Do. ... 50	25,000 0 0	34,200 0 0	59,200 0 0
Do. ... 100	1,00,000 0 0	81,800 0 0	1,81,800 0 0
Do. ... 500	13,50,000 0 0	33,000 0 0	13,83,000 0 0
Do. ...1,000	29,00,000 0 0	1,56,000 0 0	30,56,000 0 0
Balance...	100,35,700 0 0	4,06,408 11 8	104,97,191 8 1

Liabilities payable on demand.

	RS. A. P.
Bank Post Bills ...	47,368 10 2
Dividends ...	29,808 12 0
Deposits ...	68,68,421 12 2
Cash Credits undrawn...	1,49,833 3 0
Government Balance ...	70,84,842 5 4
Total...	141,80,274 10 8
One-fourth.	35,45,068 10 8

Drafts since last Return.

	RS A. P.
On Bank of England..	142 4 0
New Bank of Bombay, Ltd.	1,78,000 0 0
Bank of Bengal...	26,052 0 0
Total...	2,04,194 4 0

ABSTRACT of Investments bearing Interest.

	Government Securities.	Private Bills.	Loans.	Cash Credits.	Totals.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Balances on 15th July 1871	9,25,490 6 11	5,34,475 12 5	10,33,704 2 9	1,99,091 8 3	26,92,761 14 4
Since invested...	....	68,194 1 8	25,765 10 5	....	....
Together.	9,25,490 6 11	6,02,669 14 1	10,59,469 13 2	....	....
Since realized...	79,953 10 0	44,759 12 11	70,286 14 5	....	....
Balance ..	8,45,536 12 11	5,57,910 1 2	9,89,182 14 9	2,01,376 13 0	25,94,006 9 10

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

(Signed) J. McIVER,
Secretary and Treasurer.

No. 25. ORDER THEREON, 4th October 1871, No. 523.

It is observed from the foregoing report of the Auditor of the Accounts of the Madras Bank for the twelve months ending the 30th June 1871, that the net profits of the Bank and its Branches, which are now eighteen in number, amounted to Rupees 4,38,235-5-1 against Rupees 6,26,081-14-5 for the twelve months ending the 30th June 1870, and Rupees 5,55,047-1-5 for the year 1869.

2. It is stated that it has been necessary to set aside Rupees 75,000 to meet probable losses of the Bank, especially at two of its Branches.

3. The Government would wish to be informed at which of the Branch Banks, and under what circumstances, these losses were incurred.

4. From the statement furnished by the Officiating Accountant-General it is observed that in May 1862 there was a loss of Rupees 51,872 at the Cochin Branch Bank, and in 1867 a loss of Rupees 90,661 at the Colombo Branch Bank. The Government request that information regarding these losses should also be furnished.

(True Extract.)
(Signed) R. S. ELLIS,
Chief Secretary.

Financial Department,

11 R

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Offg. Accountant General, Madras, dated 25th September 1871, No. 263

Order thereon. Cotacammund 4 Octr. 1871. No. 523

It is observed from the foregoing report of the Auditor of the accounts of the Madras Bank for the 12 months ending the 30th June 1871, that the net profits of the Bank and its branches which are now eighteen in number, amounted to Rs 4,38,235-5-1 against Rupees

By D
I should like to discuss this subject with the Chief Secretary & Colonel Longueville who is one of the Bank Directors.

Rupees 6,26,081-14-5
for the twelve months
ending the 30th June
1870, and Rs 5,55,047-1-5
for the year 1869.

2. It is stated that
it has been necessary
to set aside Rs 75,000
to meet probable loses
of the Bank, especially
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circumstances these loss
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furnished by the Offg.
Accountant General
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in May 1862 there
was a loss of Rs 51,872
at the Cochin Branch
Bank, and in 1867 a
loss of Rs 90,661 at the
Colombo Branch Bank.
The Govt expect that ~~&~~ information regarding
these loses should
also be furnished.

The ~~Secy & Treasurer~~ Directors of the
Bank of Madras.
Accountant General
} dispd on 3rd - 7/70

Secy State - 3.
& Bora - 1.

Govt. of {187 } Madras.

To The Directors of the
Bank of Madras,

Dated 4 Oct
Recd. } 1871, No. 523

Nos.

523
4.10.71

1.2-0.