M.R.O. 1—77, 66—8-8-37.

(1) Number of pages 12

(2) Date of repair 1 4 4 0

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1556 Press ~~Mis.~~ Original

226-227.

Dated 25-10 1873

20/21

Not to be folded or roughly handled

No. 226. Read the following letter from R. W. LODWICK, Esq., Accountant-General, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Fort St. George, 25th September 1873, No. 331 :—

Book Department.

With reference to G.O., Financial, No. 926, dated 3rd July 1873, I have the honour to submit, herewith, the report of my Assistant, Mr. D. Teagiah, on the audit of the accounts of the Bank of Madras for the year ended 30th June last.

From D. TEAGIAH, Esq., Assistant to the Accountant-General, to R. W. LODWICK, Esq., Accountant-General, dated Madras, 23rd September 1873.

I have the honour to submit the following report of my audit of the accounts of the Bank of Madras for the year ended the 30th June 1873, which I conducted, as directed, in conjunction with Mr. C. L. O'Brien, the Auditor on behalf of the Bank.

2. The registers of simple deposits, or of deposits lodged with the Bank by the public and by officers of Government for safe custody, were examined and found to correspond with existing deposits. Cancelled deposits or deposits which were withdrawn since the date of last audit were checked with the authorities under which the withdrawals were allowed. All the entries recorded in the registers were found to be correct and in order.

3. The following memorandum shows the value of Government Securities and other stock in the custody of the Bank on behalf of the Government and the public, and the investments made by the Bank for its own benefit up to the 26th July 1873 :—

Government Deposits.

	Rs.	A.	P.	Rs.	A.	P.
Agency including a deposit of the Rani Zemindar of Ramnad	5,800	0	0			
Educational	4,85,000	0	0			
St. Mary's Church and other Bequests	3,66,200	0	0			
Lawrence Asylum	4,89,200	0	0			
Savings' Bank (deposits of minors and others)	3,500	0	0			
Do. (Regimental Cart Fund) ...	21,500	0	0			
Mysore Invested Surplus Account or Mysore Trust Fund	29,23,300	0	0			
562½ Bank of Madras Shares, the property of Government	5,62,500	0	0			
				48,57,000	0	0

High Court Deposits.

Causes...	31,49,900	0	0			
Estates, being marriage settlements...	7,400	0	0			
Official Assignee	1,22,100	0	0			
Official Trustee	4,24,800	0	0			
Do. and Registrar, High Court, Original Side	66,300	0	0			
				37,70,500	0	0

Deposits for Contractors and for Appointments.

	Rs.	A.	P.			
Accountant-General's Department ...	1,51,400	0	0			
Commissariat Department, Madras...	1,02,600	0	0			
Do. out-stations	36,200	0	0			
Superintendent of Stamps	2,000	0	0			
Do. Stationery	4,800	0	0			
				2,97,000	0	0
Carried forward ...				89,24,500	0	0

				RS.	A.	P.
		Brought forward ...		89,24,500	0	0
Superintendent of Gun Carriage Manufactory	9,800	0	0			
Do. Gun Powder do. ...	12,300	0	0			
Do. Lying-in Hospital..	500	0	0			
Director of Telegraphs	1,000	0	0			
Inspector-General of Ordnance and Magazines	500	0	0			
Commissary of Ordnance	1,500	0	0			
Principal Inspector-General, Indian Medical Department	14,000	0	0			
Military Accountant	8,000	0	0			
Executive Engineer, Presidency ...	4,000	0	0			
Principal, Civil Engineering College...	4,000	0	0			
Supervisor, Government Printing Establishment	2,100	0	0			
Barrack Master, Presidency	500	0	0			
Postmaster-General, Madras	1,000	0	0			
Money Order Department, Madras ...	1,000	0	0			
Court of Small Causes	18,000	0	0			
Collector of Madras on account of Monegar Choultry	3,000	0	0			
				3,78,200	0	0
Court of Wards				22,92,700	0	0
Service Funds—Civil Service				101,38,700	0	0
Administrator-General				8,49,900	0	0
Total value of deposits on behalf of Government				222,87,000	0	0
Deposits by the public				65,39,245	6	1
Bank of Madras.						
Government Reserve				10,00,000	0	0
Government Securities, being the property of the Bank of Madras, No. 2 Account	8,68,800	0	0			
Head Cash-keeper's Security as per fixed Deposit Receipt for	50,000	0	0			
Deputy do. do. as per do. for ...	15,000	0	0			
Assistant do. do. as per do. for ...	5,000	0	0			
				9,38,800	0	0
Grand Total ...				307,65,045	6	1

4. The value of the deposits, as above detailed, exceeds that of previous year by Rupees 34,13,195, which is the result of improvement in some deposits and of falling off in others, as shown below :—

Improvement.

	RS.	A.	P.	RS.	A.	P.
Mysore Invested Surplus Account ...	4,00,000	0	0			
High Court—Causes, Official Trustee, and Official Assignee	6,01,500	0	0			
Contractors and Appointments	39,500	0	0			
Court of Wards	3,02,500	0	0			
Service Funds	4,50,000	0	0			
Deposits by the public	8,88,895	0	0			
Government Reserve	10,00,000	0	0			
Bank Property	5,88,400	0	0			
				42,70,795	0	0
Falling off.						
Educational Funds Deposits	30,000	0	0			
Regimental Cart Fund do.	32,500	0	0			
Investment on account of Savings' Bank balances...	6,64,000	0	0			
Administrator-General's Deposits ...	1,31,100	0	0			
				8,57,600	0	0
Net Improvement ...				34,13,195	0	0

Proceedings of the Madras Government, Financial Department,
25th October 1873.

5. The item of Government Reserve is a portion of the cash balance of the Government which has been invested by the Bank in Government Securities for its own benefit. The securities held on account of Savings' Bank balances were, during the year under report, withdrawn from the Bank by this Office and forwarded to the Comptroller-General with other securities appertaining to further investments made on the same account, all to the value of Rupees 14,64,000, with reference to G.O., No. 696, dated the 17th May 1873.

6. The following is a list of the loans in which the Bank has invested its own property and the Government Reserve :—

		Bank's own property. RS.	Govt. Reserve. RS.
Four per cent. Sicca, 1832-33		1,38,100	...
Four per cent. Company's, 1835-36 ...	6,000		
,, 1842-43 ...	30,800		
,, 1854-55 ...	14,000		
,, 1865 ...	16,400		
		67,200	1,00,000
Four-and-a-half per cent., 15 years, 1870		1,32,900	3,00,000
,, 10 ,, 1871		44,000	.....
,, 7 ,, 1872		2,41,600	4,00,000
Five per cent., 10 ,, Debenture ...		8,000	.....
,, 15 ,, ,, ...		3,000	.....
Five-and-a-half per cent. of 1859-60		2,34,000	2,00,000
Total ...		8,68,800	10,00,000

At the rates prevailing on the 25th July 1873 their market values were Rupees 9,38,335-8-11 and 10,69,500 = 20,07,835-8-11. They are debited in the Bank's books at Rupees 20,07,003-12-0, their cost price.

7. While on the subject of simple deposits, it may not be out of place to bring to notice a sealed packet which was deposited by this office for safe custody under orders of Government of date the 21st November 1854, No. 447, and which is said to contain a Government Promissory Note, No. 1733, of the loan of 1832-33, for Sicca Rupees 2,03,900, or Government Rupees 2,17,153-8-0, belonging to His Highness Veer Rajender Wodier, Rajah of Coorg.

8. There is also the deposit of an Indemnity Bond of Messrs. Parry and Co. for Rupees 25,000 on account of Mr. G. A. Harris, late Civil and Session Judge of Chittoor, while on leave to Europe in 1862. Mr. Harris is no more in the service, having retired in 1866. It seems, therefore, that the deposit may be cancelled by returning the Indemnity Bond to Messrs. Parry and Co.

9. In the examination of the Loan and Cash Credit Registers the securities on which advances were made were carefully checked. The balances of loans standing on the 17th July 1873, on which date they were finally examined, were—

	RS.	A.	P.
On Government Securities	15,84,659	15	2
On Jewels	9,178	8	0
On Gold Mohurs and Sovereigns	2,800	0	0
Together Rupees ...	15,96,638	7	2
And of cash credits drawn ...	1,31,375	2	9
And undrawn ...	4,55,497	13	9
Together Rupees ...	5,86,873	0	6

10. The amount shown against jewels includes also an *outstanding* balance of Rupees 3,778-8-0, for which there is no security. The fact is that two separate loans of Rupees 24,500 and 3,000 (= 27,500) were made to a party upon the security of two separate sets of jewels which were valued by the Bank's Appraiser at Rupees 33,776 and 4,000, respectively; but repayment not forthcoming at due dates, the jewels were sold, and the proceeds fetched for them were only Rupees 21,821-8-0 + 1,900 = Rupees 23,721-8-9, leaving Rupees 3,778-8-0 yet to be realized.

11. The cash balance as it stood on the evening of Saturday the 26th July was examined on the morning of Monday the 28th idem. The number of bags was counted and five per cent. of them weighed.

12. In the afternoon the Currency Notes on hand were counted. The following table exhibits the balance of cash and notes of the different denominations as found on examination, and afterwards agreed with the balance in the General Ledger of the Bank :—

Particulars.	With Secretary.	With Cash-keeper.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Currency Notes, Rupees 5 each.	....	1,270 0 0	1,270 0 0
,, 10 ,,	3,000 0 0	10,610 0 0	13,610 0 0
,, 20 ,,	2,000 0 0	20,140 0 0	22,140 0 0
,, 50 ,,	25,000 0 0	44,000 0 0	69,000 0 0
,, 100 ,,	100,000 0 0	98,600 0 0	1,98,600 0 0
,, 500 ,,	2,50,000 0 0	1,20,000 0 0	3,70,000 0 0
,, 1,000 ,,	14,00,000 0 0	3,99,000 0 0	17,99,000 0 0
,, 10,000 ,,	42,50,000 0 0	....	42,50,000 0 0
	60,30,000 0 0	6,93,620 0 0	67,23,620 0 0
Cash, whole Rupees ...	48,00,000 0 0	45,000 0 0	48,45,000 0 0
Small silver	2,25,000 0 0	46,000 0 0	2,71,000 0 0
Uncurrent silver ...	....	10,000 0 0	10,000 0 0
Copper	8,56,010 0 0	700 0 0	8,56,710 0 0
Sundries	....	3,484 7 4	3,484 7 4
	58,81,010 0 0	1,05,184 7 4	59,86,194 7 4
Total ...	119,11,010 0 0	7,98,804 7 4	127,09,814 7 4
Cheques ...	....	....	5,062 2 6
Grand Total ...	....	....	127,14,876 9 10

Of this, Rupees 115,59,582-12-0 represent the Government balance with the Bank on the 26th July 1873.

13. I take this opportunity to state that the floor of the place in which the bulk of the copper coins is stored requires asphalting on account of its dampness and the roof re-plastering, as the old plaster is falling to pieces.

14. The bills discounted at the Head Office of the Bank were compared with the registers and found to agree with the entries therein. Those discounted at the Head Office were, up to the 26th July 1873, to the extent of Rupees 5,86,660-15-0, of which Rupees 13,669-7-4 represented the amount of past due bills. The discounts at the branches were, up to the 19th July, to the amount of Rupees 34,93,098-9-9, of which past due bills were to the value of Rupees 5,28,271, the largest of the outstandings being at Alleppy, Cochin, and Negapatam.

15. On the 26th July the balance of private bills received for—

	RS. A. P.
Collection was	5,52,652 8 6
Of bills receivable	3,38,862 7 0
Of Bank Post Bills	12,816 12 7

16. Annexed to this report is the balance sheet of the General Ledger of the Bank for the 26th July 1873. The balances shown therein were all checked with the entries in the General Ledger.

17. During the year under report the branches of the Bank at Madura, Masulipatam, and Trichinopoly were closed. There are thus at present fifteen branches.

Proceedings of the Madras Government, Financial Department,
25th October 1873.

18. The net profits of the Bank and its branches for the year ended 30th June 1873 amounted to Rupees 4,48,673-6-11, * being at the rate of about Rupees 7-15-7½, or nearly eight per cent. of the Bank's capital. Out of this amount, only Rupees 2,53,125† were allotted as the dividend payable to the proprietors, which is at the rate of 4½ per cent. per annum, leaving a remainder of Rupees 1,95,548-6-11. This sum and Rupees 6,250-13-8 out of the balance of profits of the previous year (which amounted to Rupees 8,366-5-8 and is now reduced to Rupees 2,115-8-0), making together Rupees 2,01,799-4-7, were appropriated by writing off Rupees 1,88,565-2-5 as the ascertained losses on past due bills, and by adding Rupees 13,234-2-2 to the Special Reserve Fund of the previous year, which stood at Rupees 2,63,552-0-1, and is now increased to Rupees 2,76,786-2-3. The Reserve Fund proper stood at the same figure, Rupees 4,00,000, on the 30th June 1873 as on the same date in the previous year. The Profit and Loss Account of the Bank for the year under report is accordingly as follows :—

* For the first half-year ... ... RS. 1,53,910 A. 0 P. 1
For the second do. 2,79,763 6 10
Together ... 4,48,673 6 11

† For the first half-year at five per cent. per annum ... ... RS. 1,40,625 A. 0 P. 0
For the second half-year at four per cent. per annum 1,12,500 0 0
Together for the two half-years ... 2,53,125 0 0

	RS. A. P.		RS. A. P.
Dividend for the entire year.	2,53,125 0 0	Balance of profits brought forward	8,366 5 8
Ascertained losses on past due bills written off ...	1,88,565 2 5	Reserve Fund	4,00,000 0 0
Reserve Fund	4,00,000 0 0	Special Reserve Fund ...	2,63,552 0 1
Special Reserve Fund ...	2,76,786 2 3	Net Profits	4,48,673 6 11
Balance of profits carried forward	2,115 8 0		
Total ...	11,20,591 12 8	Total ...	11,20,591 12 8

19. In the Profit and Loss Account appended to the Bank's Report, the Special Reserve Fund brought forward and the amount of ascertained losses written off are stated at Rupees 2,61,786-2-3 and 1,86,799-4-7, respectively, instead of Rupees 2,63,552-0-1 and 1,88,565-2-5 as stated in this report. The difference on both sides is Rupees 1,765-13-10, and arises from the circumstance of the Bank having taken the figures for the second half-year ended 30th June 1873 instead of for the entire year. The Special Reserve Fund set apart on the 30th June 1872 was Rupees 2,63,552-0-1—*vide* paragraph 4 of the Bank's Report for that year. The amount, however, was carried to the head "Doubtful Bill Account" in the Bank's books, and during the first half ended 31st December 1872 of the year under review, this head received a debit of Rupees 14,574-11-3 and a credit of Rupees 12,808-13-5, or a net debit of Rupees 1,765-13-10, whereby the original amount at credit of the head was reduced to Rupees 2,61,786-2-3, which was treated in the accounts of the second half-year as the Special Reserve Fund.

20. The amount received as dividend and credited in the accounts of this office on account of the 562½ Bank shares held by this Government is for the—

	RS. A. P.
First half-year	14,062 8 0
And for the second half-year	11,250 0 0
Together ...	25,312 8 0

being less than the dividend received for the preceding year by Rupees 2,812-8-0.

21. In conclusion, I beg to acknowledge with thanks the courtesy displayed by the officers of the Bank and the readiness with which they supplied any information I required in connexion with my audit.

BALANCE of the General Ledger of the Bank of Madras on 26th July 1873.

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	4,00,000 0 0	
		Special do.	2,76,786 2 3	
				6,76,786 2 3
		Unclaimed Dividends	20,887 8 0	
		Dividend Account	7,885 0 0	
				28,772 8 0
		Profit and Loss—		
		Interest Account	2,608 3 10	
		Commission	2,102 7 11	
		Exchange	2,365 10 6	
		Profit and Loss Account	2,115 8 0	
				9,191 14 3
	1,295 4 2	Charges.		
	25,346 10 1	Adjusting Account of Interest.		
26,641 14 3				
		Dead Stock—		
	50,000 0 0	Bank Premises.		
	12,040 8 10	Furnishings.		
	26,020 10 2	Stationery and Engraving.		
	3,853 1 0	Stamp Account.		
	1,429 13 2	Government Contingent Account.		
93,344 1 2				
		INVESTMENTS.		
	1,33,159 8 6	Cash Credit Accounts.....(*Dr.*)		
	16,41,332 14 2	Loan Accounts.		
	5,72,991 7 8	Bills Discounted.		
	13,669 7 4	Do. Past Due.		
	10,69,500 0 0	Government Securities, No. 1.		
	9,37,503 12 0	Do. do. ,, 2.		
43,68,157 1 8				
	47,650 10 0	Bank of England.		
	4,38,643 9 5	New Bank of Bombay (Ld.), No. 2.		
	12,52,789 12 5	Bank of Bengal, No. 2.		
	....	Suspense Account.....(*Dr.*)		
17,39,083 15 10				
		LODGEMENTS.		
		Cash Credit Accounts ... ...(*Cr.*)	1,95,776 14 2	
		Current Accounts	28,33,490 11 4	
		Deposit Receipts	11,11,689 6 6	
		New Bank of Bombay (Ld.), No. 1.	1,63,034 15 7	
		Bank of Bengal, No. 1	63,088 1 10	
		Unclaimed Balances	17,805 14 11	
		Suspense Account ... ... (*Cr.*)	4,385 12 3	
				43,89,271 12 7
		Government of Fort St. George ...	....	1,15,59,582 12 0
		Bills for Collection	....	5,52,652 8 6
5,52,652 8 6	....	Private Bills lodged.		
8,38,862 7 0	....	Bills receivable.		
		Bank Post Bills...	....	12,816 12 7
		Bank of Madras Notes.		
		BRANCH ACCOUNTS.		
	2,25,437 13 2	Alleppey.		
	35,034 9 11	Bangalore.		
	8,27,338 10 10	Bimlipatam.		
	....	Berhampore	1,08,439 11 2	
	....	Bellary	7,38,557 1 3	
	4,45,085 8 2	Cochin.		
	....	Calicut	1,89,446 9 11	
	17,18,570 10 5	Colombo.		
	17,485 13 10	Cocanada.		
	82,757 1 2	Guntoor.		
	4,46,281 14 10	Kandy.		
	....	Negapatam	4,57,568 14 0	
	....	Ootacamund	14,551 15 5	
	4,47,708 6 2	Tuticorin.		
	6,407 8 7	Trichinopoly.		
	2,76,911 14 7	Mangalore.		
				15,03,564 3 9
45,29,019 15 8				
1,27,14,876 9 10	....	General Account of Cash.		
		Total ...	....	2,43,63,638 9 11
2,43,63,638 9 11	....			

ABSTRACT of GENERAL ACCOUNT of CASH.

Particulars.	With Secretary.	With Cash-keeper.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Specie	58,81,010 0 0	1,05,184 7 4	59,86,194 7 4
Cheques	....	....	5,062 2 6
Total Cash ...	58,81,010 0 0	1,05,184 7 4	59,91,256 9 10
RS.			
Currency Notes 5	....	1,270 0 0	1,270 0 0
Do. 10	3,000 0 0	10,610 0 0	13,610 0 0
Do. 20	2,000 0 0	20,140 0 0	22,140 0 0
Do. 50	25,000 0 0	44,000 0 0	69,000 0 0
Do. 100	1,00,000 0 0	98,600 0 0	1,98,600 0 0
Do. 500	2,50,000 0 0	1,20,000 0 0	3,70,000 0 0
Do. 1,000	14,00,000 0 0	3,99,000 0 0	17,99,000 0 0
Do. 10,000	42,50,000 0 0	....	42,50,000 0 0
Balance ...	1,19,11,010 0 0	7,98,804 7 4	1,27,14,876 9 10

LIABILITIES payable on Demand.

	RS. A. P.
Bank Post Bills	12,816 12 7
Dividends	28,772 8 0
Deposits	43,89,271 12 7
Cash Credits undrawn	4,03,713 7 6
Government Balance	1,15,59,582 12 0
Total ...	1,63,94,157 4 8
One-fourth ...	40,98,539 5 2

DRAFTS since last Return.

	RS. A. P.
On Bank of England	1,857 0 0
New Bank of Bombay (Ld.)	2,13,298 12 0
Bank of Bengal	1,000 0 0
Total ...	2,16,155 12 0

ABSTRACT of Investments bearing Interest.

	Government Securities, Nos. 1 and 2.	Private Bills.	Loans.	Cash Credits.	Totals.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Balances on 19th	20,10,816 4 0	6,56,413 4 0	15,93,948 1 5	1,23,346 12 11	43,84,524 6 4
Since invested	5,225 0 0	44,659 2 2	62,451 5 2	....	....
Together ...	20,16,041 4 0	7,01,072 6 2	16,56,399 6 7	....	....
Since realized	9,037 8 0	1,14,411 7 2	15,066 8 5	....	....
Balance ...	20,07,003 12 0	5,86,660 15 0	16,41,332 14 2	1,33,159 8 6	43,68,157 1 8

(Signed) W. T. HOLMES,
Acting Accountant.

No. 227. ORDER THEREON, 25th October 1873, No. 1556.

The Accountant-General submits, with his letter above recorded, the report on the audit of the accounts of the Bank of Madras for the year ending 30th June 1873.

2. The report shows that the aggregate value of deposits on behalf of

Government was	Rs.	222,87,000	0 0
By the public...	,,	65,39,245	6 1
Total ...		288,26,245	6 1
By the Bank of Madras—			
Government Reserve	Rs. 10,00,000		
Government Securities and the property of the Bank ...	,, 9,38,800		
		19,38,800	0 0
Total ...		307,65,045	6 1

This exceeds the deposits during the preceding year by Rupees 34,13,195.

3. The balances of loans, on 17th July 1873, on Government and other securities, amounted to Rupees 15,96,638-7-2, and the cash credits to Rupees 5,86,873-0-6.

4. It is stated that there is an *outstanding* balance of Rupees 3,778-8-0, for which the Bank holds no security. The Directors will be requested to explain whether there is any prospect of the amount being realized.

5. The amount of cash and notes in hand were as follow :—

	RS.	A.	P.
Cash	59,86,194	7	4
Notes	67,23,620	0	0
Cheques	5,062	2	6
Total ...	127,14,876	9	10

Of this sum, Rupees 115,59,582-12-0 was the Government balance with the Bank on the 26th July.

6. The bills discounted at the Head Office, up to 26th July 1873, amounted to Rupees 5,86,660-15-0. At the branches to Rupees 34,93,090-9-9.

7. The largest outstandings are stated to be at Alleppy, Cochin, and Negapatam, but the precise outstanding at each Bank should have been noted in the report.

8. The net profits of the Bank and its branches for the half-year amounted to Rupees 4,48,673-6-11, being nearly eight per cent. on the Bank's capital. Of this, Rupees 2,53,125 were allotted to pay off dividends at four-and-a-half per cent. per annum, and the balance (Rupees 1,95,548-6-11) with Rupees 6,250-13-8 from the balance of last year, amounting together to Rupees 2,01,799-4-7, were appropriated as follows :—

	RS.	A.	P.
Written off as the ascertained losses on Past Due Bills ...	1,88,565	2	5
Added to Reserve Fund...	13,234	2	2
Total ...	2,01,799	4	7

Proceedings of the Madras Government, Financial Department,
25th October 1873.

9. The dividend on the 562½ Bank shares held by Government amounted to Rupees 11,250, or Rupees 2,812-8-0 less than the dividend* of the preceding half-year.

* Rupees 14,062-8-0.

10. Copy of these Proceedings will be furnished to Mr. R. Taylor, who has been deputed to ascertain the condition of the Bank and its branches.

11. The Indemnity Bond of Messrs. Parry and Co. for Rupees 25,000, referred to in paragraph 8 of the report, will be returned to that Firm.

(True Extract.)

Chief Secretary.

To the Accountant-General.
,, Directors of the Bank of Madras.
To R. Taylor, Esq.

Exd. J. Wright.

Govt. of Madras.

FINANCIAL.

To

The ACCOUNTANT-GENERAL, &c., &c., &c.

Dated October, 25th.

Read.

G.O., 25th October 1873, No. 1556.

OCTOBER.
Nos. 226-227.

Bank of Madras.—Report on the audit of the accounts of the Bank for the year ending 30th June 1873, reviewed.

From

D. Teagiah Esq^re

Ass^t. to the Account^t. General

To

R. W. Lodwick Esq^re

Accountant-General

Madras

Sir,

I have the honor to submit the following report of my Audit of the Accounts of the Bank of Madras for the year ended the 30^th. June/73 which I conducted, as directed in conjunction with Mr. C. J. O'Brien, the Auditor on behalf of the Bank.

2 The Registers of Simple Deposits or of Deposits lodged with the Bank by the Public and by Officers of Government for safe Custody were examined and found to correspond with existing Deposits. Cancelled Deposits or Deposits which were withdrawn since the date of last Audit were checked with the Authorities under which the withdrawals were allowed. All the entries recorded in the Registers were found to be correct and in order.-

The

3 The following Memorandum shows the value of Government Securities and other Stock in the custody of the Bank on behalf of the Government and the Public, and the investments made by the Bank for its own benefit upto the 26th July '73.-

Government Deposits

Agency including a Deposit of the Rani Zemindar of Ramnad	5,800	" "
Educational	485,000	" "
Saint Mary's Church & other Bequests	366,200	" "
Lawrence Asylums	489,200	" "
Savings Bank (Deposits of Minors & others)	3,500	" "
Do Regimental Cart Funds	21,500	" "
Mysore Invested Surplus Account or Mysore Trust Fund	2923,300	" "
562½ Bank of Madras Shares the property of Government	562,500	" "
	4857,000	" "

High Court Deposits

Causes	3119,900	" "
Estates - being marriage settlements	7,400	" "
Official Assignee	122,100	" "
Official Trustee	424,800	" "
Do Do & Registrar High Court - Original side	66,300	" "
	3770,500	" "
Carried forward	8627,500	" "

Brought forward - 8627,500 " "

Deposits for Contractors & for Appointments

Accountant Generals Department	151,400	" "
Commissariat Department - Madras	102,600	" "
Do Do - Out-Stations	36,700	" "
Superintendent of Stamps	2,000	" "
Do - Stationery	4,800	" "
Do - Gun Carriage manufactory	9,800	" "
Do - Gun Powder Do	12,300	" "
Do - Dying in Hospital	500	" "
Director of Telegraphs	1,000	" "
Inspector General of Ordnance and Magazines	500	" "
Commissary of Ordnance	1,500	" "
Principal Inspector General Indian Medical Departt.	14,000	" "
Military Accountant	8,000	" "
Executive Engineer Presidency	4,000	" "
Principal, Civil Engineering College	4,000	" "
Superintendent, Government Printing Establishment	2,100	" "
Barrack Master, Presidency	500	" "
Post Master General, Madras	1,000	" "
Money Order Department, Madras	1,000	" "
Court of Small Causes	18,000	" "
Collector of Madras on account of Monegar Choultry	3,000	" "
	378,200	" "
Court of Wards	2792,700	" "
Service Funds - Civil Service	1013,800	" "
Administrator General	849,900	" "
Total Value of Deposits on behalf of Government	22287,000	" "
Deposits by the Public	6539,245	6 1
Carried forward	28826,245	6 1

Brought forward - 28826245 6 1

Bank of Madras

Government Reserve	1000000	" "
Government Securities, being the property of the Bank of Madras, No. 2 Account	868800	" "
Head Cash-keeper's Security as per Fixed Deposit Receipt for	50000	" "
Deputy-do-do as per do for	15000	" "
Assistant-do-do as per do for	5000	" "
	938800	" "
Grand Total	30765045	6 1

4 The value of the Deposits as above detailed exceeds that of the previous year by Rupees 34,13,195-"-" which is the result of improvement in some Deposits and of falling off in others as shewn below.

Improvement			
Mysore Invested surplus account	400000	" "	
High Court- Causes, Official Trustee & Official Assignee	601500	" "	
Contractors and Appointments	39500	" "	
Court of Wards	302500	" "	
Service Funds	450000	" "	
Deposits by the Public	888895	" "	
Government Reserve	1000000	" "	
Bank Property	588400	" "	4270795 " "
Falling off			
Educational Funds Deposits	30000	" "	
Regimental Cart Fund do	32500	" "	
Investment on account of Savings Bank Balances	664000	" "	
Administrator General's Deposits	131100	" "	
			857600 " "
Net Improvement			3413195 " "

5 The item of Government Reserve is a portion of the Cash Balance of the Government which has been invested by the Bank in Government Securities for its own benefit. The Securities held on account of Savings Bank Balances, were during the year under report withdrawn from the Bank by this Office and forwarded to the Comptroller General with other Securities appertaining to further investments made on the same account, all to the value of Rs. 1464000, with reference to G. O. No. 696 dated the 17th May '73.

6 The following is a list of the Loans in which the Bank has invested its own property and the Government Reserve.

		Bank's Own Property	Govt. Reserve
4% Sicca 1832-33		188100	
4% Company's 1835-36	6000		
1842-43	30800		
1854-55	14000		
1865	16400	67200	100000
4½% 15 years 1870		132900	300000
16 " 1871		44000	"
7 " 1872		241600	400000
5% 10 " Debenture		8000	"
15 " do		3000	"
5½% of 1859-60		234000	200000
		868800	1000000

At the rates prevailing on the 25th July '73, their

their market values were 9,38,335-8-11 and 1,69,500-"-" = 2,07,835-8-11. They are debited in the Bank's Books at Rs. 2,07,003-12-" their cost-price.-

7 While on the subject of simple Deposits, it may not be out of place to bring to notice a sealed packet which was deposited by this Office for safe Custody under Orders of Government of date the 21st November 1854 No. 447, and which is said to contain a Government Promissory Note No. 1733 of the loan of 1832-33 for Sicca Rupees 2,03,900 or Government Rupees 2,17,153-8-" belonging to His Highness Veer Rajender Wodier, Rajah of Coorg.

8 There is also the deposit of an Indemnity Bond of Messrs. Parry & Co. for Rupees 25,000 on account of Wm. G. A. Harris, late Civil and Sessions Judge of Chittoor, while on leave to Europe in 1862. Mr. Harris is no more in the service, having retired in 1866. It seems therefore that the deposit may be cancelled by returning the Indemnity Bond to Messrs. Parry & Co.

In

9 In the examination of the Loan and Cash Credit Registers, the Securities on which advances were made were carefully checked. The balances of Loans standing on the 17th July 1873, on which date they were finally examined, were.

On Government Securities —— 15,84,659-15-2
On Jewels —— 9,178-8-"
On Gold Mohurs & Sovereigns —— 2,800-"-"
together Rs. 15,96,638-7-2

and of Cash Credits - Drawn —— 13,1,375-2-9
& Undrawn —— 4,55,497-13-9
together Rs. 5,86,873-"-6

10 The amount shewn against Jewels includes also an outstanding balance of Rupees 3,778-8-" for which there is no security. The fact is that two separate loans of Rupees 24,500 & 3,000 (= 27,500) were made to a party upon the security of two separate sets of Jewels which were valued by the Bank's Appraiser at Rupees 33,776 & 4,000 respectively; but repayment not forthcoming at due dates, the Jewels were sold, and the proceeds fetched for them were only Rupees 21,821-8-" + 1,900-"-" = Rupees 23,721-8-", leaving Rupees 3,778-8-" yet to be realized.

11 The Cash Balance as it stood on the evening of Saturday the 26th July was examined on the morning of Monday the

28th

28th idem. The number of bags was counted and 5 per Cent of them weighed.

12 In the afternoon the Currency Notes on hand were counted. The following table exhibits the balance of Cash and Notes of the different denominations as found on examination and afterwards agreed with the balance in the General Ledger of the Bank.

Particulars	With Secretary	With Cash-keeper	Total
Currency Notes - Rupees 5 each	" " "	1270 " "	1270 " "
10 "	3000 " "	10610 " "	13610 " "
20 "	2000 " "	20140 " "	22140 " "
50 "	25000 " "	44000 " "	69000 " "
100 "	100000 " "	98600 " "	198600 " "
500 "	250000 " "	120000 " "	370000 " "
1000 "	1400000 " "	399000 " "	1799000 " "
10000 "	4250000 " "	" " "	4250000 " "
	6030000 " "	693620 " "	6723620 " "
Cash - Whole Rupees	4800000 " "	45000 " "	4845000 " "
Small Silver	225000 " "	46000 " "	271000 " "
Uncurrent Silver	" " "	10000 " "	10000 " "
Copper	856010 " "	700 " "	856710 " "
Sundries	" " "	34847 4	34847 4
	5881010 " "	105184 7 4	5986194 7 4
Total	11911010 " "	798804 7 4	12709814 7 4
Cheques	" " "	" " "	50622 6
Grand Total			12711876 9 10

of this, Rupees 11,59,582-12-" represent the Government balance with the Bank on the 26th July 1873.

13 I take this opportunity to state that the floor of the place in which the bulk of the Copper Coins is stored requires asphalting on account of its dampness, and the roof re-plastering, as the old plaster is falling to pieces.

14 The Bills discounted at the Head Office of the Bank were compared with the Registers and found to agree with the entries therein. Those discounted at the Head Office were upto the 26th July 1873 to the extent of Rupees 58,6660-15-", of which Rupees 13,669-7-4 represented the amount of past due Bills. The discounts at the Branches were upto the 19th July to the amount of Rupees 34,93,098-9-9, of which past-due bills were to the value of Rupees 5,28,271, the largest of the outstandings being at Alleppy, Cochin and Negapatam.

15 On the 26th July, the balance of Private Bills received for collection was

Rupees	5,52,652-8-6,
of Bills receivable	3,38,862-7-",
of Bank Post-Bills	12,816-12-7-

16 Annexed to this Report is the Balance Sheet of the General Ledger of the Bank for the 26th July/73. The balances shewn therein were all checked with the entries in the General Ledger.

17 During the year under report, the Branches of the Bank at Madura, Masulipatam and Trichinopoly were closed. There are thus at present 15 Branches.

18 The net profits of the Bank and its Branches for the year ended 30th June/73 amounted to Rupees 448,673-6-11 being × at the rate of about Rs. 7-15-7½ or nearly 8 per cent of the Bank's Capital. Out of this amount, only Rupees 253,125-"-" were allotted as the Dividend payable to the Proprietors, which is at the rate of 4½ per cent per annum, leaving a remainder of Rupees 195,548-6-11. This sum and Rupees 6,250-13-8 out of the balance of profits of the previous year (which amounted to Rupees 8,366-5-8 and is now reduced to Rupees 2,115-8-"), making together Rs. 201,799-4-7, were appropriated by writing off Rs. 188,565-2-5 as the ascertained losses on Past Due Bills and

× For the 1st half year 168,910-"-1
For the 2nd — Do. — 279,763-6-10
together 448,673-6-11

* For the 1st half year — 126,562-"-"
For the 2nd — Do. — 126,562-"-"
4½ per Annum — 112,500-"-"
together for the Year 253,125-"-"

and by adding Rs. 13,234-2-2 to the Special Reserve Fund of the previous year which stood at Rs. 263,552-"-1 and is now increased to Rs. 276,786-2-3. The Reserve Fund proper stood at the same figure Rs. 400,000 on the 30th June/73 as on the same date in the previous year. The Profit & Loss Account of the Bank for the year under report is accordingly as follows:

Dividend for the Entire year	253,125-"-"	Balance of Profits brought forward	8,366-5-8
Ascertained Losses on Past Due Bills written off	188,565-2-5	Reserve Fund	400,000-"-"
Reserve Fund	400,000-"-"	Special Reserve Fund	263,552-"-1
Special Reserve Fund	276,786-2-3	Net Profits	448,673-6-11
Balance of Profits carried forward	2,115-8-"		
Total Rupees	1,120,591-12-8	Total Rupees	1,120,591-12-8

19 In the Profit and Loss Account appended to the Bank's Report, the Special Reserve Fund brought forward and the amount of ascertained Losses written off are stated at Rupees 261,786-2-3 and 186,799-4-7 respectively, instead of Rupees 263,552-"-1 and 188,565-2-5 as stated in this Report. The difference on both sides is

is Rupees 1,765-13-10, and arises from the circumstance of the Bank having taken the figures for the second half year ended 30th June /73 instead of for the entire year. The special Reserve Fund set apart on the 30th June /72 was Rupees 2,63,552--1, vide para 4 of the Bank's Report for that year. The amount however was carried to the Head "Doubtful Bill Account" in the Bank's Books, and during the first half ended 31st December 1872 of the year under review, this head received a debit of Rupees 14,574-11-3 and a credit of Rupees 12,808-13-5, or a net debit of Rupees 1,765-13-10, whereby the original amount at credit of the head was reduced to Rupees 2,61,786-2-3 which was treated in the Accounts of the second half year as the special Reserve Fund.

20 The amount received as Dividend and credited in the Accounts of this Office on account of the 562½ Bank Shares held by this Government is for the 1st half year

year _____ Rs. 14,062-8-0

and for the second half

year _____ " 11,250-0-0

together Rs. 25,312-8-0

being less than the dividend received for the preceding year by Rs. 2,812-8-0.

21 In conclusion, I beg to acknowledge with thanks the courtesy displayed by the Officers of the Bank and the readiness with which they supplied any information I required in connexion with my Audit.

I have the honor to be

Sir

Your most Obed.t Servt

Madras
23d September
1873

Accountant General's Office
Recd. 23 9 1873
Answd. ___

Asst. to the Accty Genl.

Compd. JAH

ALANCE of the GENERAL LEDGER of the BANK OF MADRAS, on 26 July, 1873.

BALANCES. Dr	TITLES OF ACCOUNTS.	BALANCES. Cr
	PROPRIETORS' ACCOUNTS.	
	Capital Stock.	56.25.000
	Special Reserved Surplus Fund. 4.00.000 / 2.76.786 2 3	6.76.786 2 3
	Unclaimed Dividends. 20.887 8	
	Dividend Account. 7.885	28.772 8
	PROFIT AND LOSS—	
	Interest Account. 2.608.3 10	
	Commission. 2.102 7 11	
	Exchange. 2.365 10 6	
	Profit and Loss Account. 2.115 8	9.191 14 3
1.295 4 2 / 25.346 10 1 = 6.641 14 3	Charges. / Adjusting Account of Interest	
	DEAD STOCK—	
50.000	Bank Premises.	
12.040 8 10	Furnishings.	
26.020 10 2	Stationery and Engraving.	
3.853 1	Stamp Account.	
1.429 13 2 = 93.344 1 2	Government Contingent a/c.	
	INVESTMENTS.	
133.159 8 6	Cash Credit Accounts.....(Dr.)	
161.332 4 2	Loan Accounts.	
57.991 7 8	Bills Discounted.	
13669 7 4	Do. Past Due.	
10.69.800	Government Securities. No 1	
9.37.503 12 = 43.68.157 1 8	Do. ~~Bullion.~~ Do. 2	
47.650 10	Bank of England.	
438.643 9 5	New Bank of Bombay, Ltd. No. 2.	
12.52.789 13 5 = 17.39.083 15 10	Bank of Bengal No. 2. / Suspense Account.....(Dr.)	
	LODGEMENTS.	
	Cash Credit Accounts.....(Cr.)	195.776 14 2
	Current Accounts.	28.33.490 11 4
	Deposit Receipts.	11.11.689 6 6
	New Bank of Bombay, Ltd. No 1.	1.63.034 15 7
	Bank of Bengal, No. 1.	63.088 1 10
	Unclaimed Balances.	17.805 14 11
	Suspense Account.....(Cr.) 4.385 12 6	43.89.271 12 7
	Government of Fort St. George.	115.59.582 12
	Bills for Collection.	5.52.652 8 6
5.52.652 8 6	Private Bills Lodged.	
3.38.862 7	Bills Receivable.	
	Bank Post Bills.	12.816 12 7
	Bank of Madras Notes.	
71.18.712 5	Forward	228.54.074 6 2

BALANCE of the GENERAL LEDGER of the BANK OF MADRAS, on 26 July, 1873

BALANCES. Dr.	TITLES OF ACCOUNTS.	BALANCES. Cr.
71.18.742 . 5	Brought Forward.....	228.54.074 6
	BRANCH ACCOUNTS.	
2.25.457 13 2	Alleppey.	
35.034 9 11	Bangalore.	
8.27.338 10 10	Bimlipatam.	
	Berhampore.	1.08.439 11 2
	Bellary.	7.38.557 1 6
4.45.085 8 2	Cochin.	
	Calicut.	1.89.446 9 11
17.18.570 10 5	Colombo.	
17.485 13 10	Coconada.	
82.757 1 2	Guntoor.	
4.46.281 14 10	Kandy.	
	Negapatam.	4.57.568 14
	Ootacamund.	14.551 15 5 — 15.08.564 3 9
4.47.708 6 2	Tuticorin.	
6.407 8 7	Trichinopoly.	
45.29.019 15 8 — 2.76.911 14 7	Mangalore	
127.14.876 9 10	GENERAL ACCOUNT OF CASH.	
243.62.638 9 11	TOTAL.....	243.62.638 9 11

ABSTRACT OF GENERAL ACCOUNT OF CASH.

Particulars.	With Secretary.	With Cash-keeper.	TOTAL.
Specie.....	58.81.010 .	1.05.184 7 4	59.86.194 7 4
Cheques			5.062 2 6
TOTAL CASH			
5	58.81.010 .	1.05.184 7 4	59.91.256 9 10
Currency Notes Rs. 10.....	3.000 .	10.810 .	13.810 .
20.....	2.000 .	20.140 .	22.140 .
50.....	25.000 .	44.000 .	69.000 .
100.....	1.00.000 .	98.600 .	1.98.600 .
500.....	2.50.000 .	1.20.000 .	3.70.000 .
1000.....	14.00.000 .	3.99.000 .	17.99.000 .
10.000 .	42.50.000 .		42.50.000 .
BALANCE	119.11.010 .	7.98.804 7 4	127.14.876 9 10

LIABILITIES PAYABLE ON DEMAND.

Bank Post Bills	12.816 12 7
Dividends	28.772 8 .
Deposits	43.89.271 12 7
Cash Credits undrawn ...	4.03.716 7 6
Government Balance ...	115.59.582 12 .
TOTAL	163.94.157 4 8
One Fourth	40.98.539 5 2

DRAFTS SINCE LAST RETURN.

On Bank of England ...	1.857 .
New Bk. of Bombay, Ltd.	2.13.298 12 .
Bank of Bengal.....	1.000 .
TOTAL	2.16.155 12 .

ABSTRACT OF INVESTMENTS BEARING INTEREST.

	Government Securities.	Private Bills.	Loans.	Cash Credits.	TOTALS.
Balances on 19th.....	20.10.816 4 .	6.56.413 4 .	15.93.948 1 5	1.23.346 12 11	43.84.524 6 4
Since Invested	5.225 .	44.659 2 2	62.451 5 2		
Together.....	20.16.041 4 .	7.01.072 6 2	16.56.399 6 7		
Since Realized	9.037 8 .	1.14.411 7 2	15.066 8 5		
BALANCE	20.07.003 12 .	5.86.660 15 .	16.41.332 14 2	1.53.189 8 6	43.68.157 1 8

E. T. Smes
Ag. Accountant

Boats Department.

No. 331

31

Fort Saint George,
Accountant General's Office,
25th September 1873.

From The ACCOUNTANT GENERAL
to the GOVERNMENT of MADRAS,

To The Chief Secretary to Government

Sir,

With reference to Government Order Financial No. 926 dated 3rd July 1873, I have the honor to submit herewith the report of my Assistant Mr. D. Seegrieh, on the audit of the Accounts of the Bank of Madras, for the year ended 30th June last.

I have the honor to be
Sir
Your obedient servant

W. Broderick
Accountant General

Comptn. Rd

Financial Department. 33 10

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Accountant General, Madras, dated 25th Septr. 1873, No 331.

Copy received
Order thereon 25. October 73.
No 1556.

The Accountant General submits, with his letter above recorded, the Report on the audit of the accounts of the Bank of Madras for the year ending 30th June 1873.

2. The Report shows that the aggregate value of

1271
2434

4529

From the Accountant General
To the Govt. of Madras
Dated 25th Septr 1873
Rect. 29th Do
No 331

Transmits the report on the audit of the Bank of Madras for the year ended 30th June 1873.

Ordered, that a copy of the Report be forwarded to the Secretary to the Board of Revenue, Salt & Abkari Department, for information.

Ordered, that the Report be published in the Fort St. George Gazette.

To Secretary to Board of Revenue, Salt & Abkari Department.

To Fort St. George Gazette.

Ordered, that a copy of the Report be forwarded to the Secretary to the Board of Revenue, Salt & Abkari Department, for information.

Ordered, that the Report be published in the Fort St. George Gazette.

To Secretary to Board of Revenue, Salt & Abkari Department.

To Fort St. George Gazette.

Dated 25th Septr 1873

Rect. 29th Do

No 331

From the Accountant General

To the Govt. of Madras

Transmits the report on the audit of the Bank of Madras for the year ended 30th June 1873

of deposits on behalf of

Govt. was — Rs 222,87,000

By the Public — — 65,39,245-6-1

Rs 288,26,245=6-1

By the Bank of Madras

Govt. Reserve — 10,00,000

— Do. Securities & the property of the Bank — 9,38,800

19,38,800-0-0

Rs. 307,65,045-6-1

This exceeds the deposits during the preceding year by Rs 34,13,195.

3. The balances of loans, on 17th July 1873, on Govt and other securities amounted to Rs 15,96,638-7-2 and the cash credits to Rs 5,86,873-"-6.

4. It is stated that there is an outstanding balance of Rs 3,778-8-0 for which the Bank holds no security. The Directors will be requested to explain whether there is any prospect of the amount being realized.

5. The amount of cash and notes in hand were as follows:—

Cash — Rs 59,86,194-7-4
Notes — " 67,23,620-"-"
Cheques — — 5,062-2-6

Rs. 127,14,876-9-10

of this sum Rs 115,59,582-12-0 was the Govt balance with the

the Bank on the 26th. July.

6. The Bills discounted at the Head office up to 26th. July 1873, amounted to —— Rs. —— 5,86,660-15-0 At the branches to— 34,93,090-9-9.

7. The largest outstandings are stated to be at Alleppey, Cochin, and Negapatam, but the precise outstanding at each bank should have been noted in the report.

8. The net profits of the Bank and its branches

37 12

branches for the half year amounted to Rs 4,48,673-6-11, being nearly 8 per cent on the Bank's capital. Of this Rs 2,53,125 were allotted to pay off dividends at 4½ per cent per annum, and the balance (Rs 1,95,548-6-11) with Rs 6,250-13-8 from the balance of last year, amounting together to Rs 2,01,799-4-7 were appropriated as follows-

It is to-day Rs. 7 now 2½ lakh of the Rupee Bas 70 were put last year under a fund of Sub-head under this name - The Thy caused confusion - a mismatch which was put back to the Reserve Fund & this Sub-head not stated

Written off as the ascertained losses on Past Due Bills — Rs 188565-2-5

Added to Special Reserve fund- 13,234-2-2

Rs 2,01,799-4-7

The

9. The dividend on the 562½ Bank shares held by Govt amounted to Rs 11,250 or Rs 2812-8-0 less than the dividend × Rs 14,062-8-0 of the preceding half year.

10. His Excellency the Governor in Council does not consider the results of the working of the Bank of Madras and its branches during the half year ending 30th June 1873, to have been satisfactory & direct that a copy of these Proceedings be furnished to Mr R. Taylor who has been deputed to ascertain the condition of the Bank and its branches.

11. The Indemnity Bond of Messrs. Parry and Co for Rs 25,000, referred to in para 8 of the report, will be returned to that firm.

I. F.

To.

The Accountant General.
Directors of the Bank of Madras.
R. Taylor Esqre

dispd 4/11
3
1

I do not think a Money Loan audit quite the proper place for Land Remarks.

W.F.

3 enclosures
25-220

Govt. of {1873} Madras.

Financial

To

The Accountt. Genl.

Dated Oct. 25
Rec'd. } 1873, No. 1556.

Nos. 226. 227.

Bank of Madras. Report on the Audit of the Accts. of the Bank for the year ending 30 June 1873 (revised)