M.R.O. 1—77,006—8-6-37.

(1) Number of pages 16.

(2) Date of repair 13.9.40

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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1523-1524 Press Mis.

86 B-86,C.

Dated 6-9- 1876.

9/10

Not to be folded or roughly handled

No. 86-B. Read the following letter from R. W. LODWICK, Esq., Accountant-General, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Fort St. George, 22nd August 1874, No. 287 :—

Book Department.

With reference to G.O., Financial Department, No. 1086, dated 29th June 1874, I have the honor 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 1874.

From D. TEAGIAH, Esq., Officiating Assistant to the Accountant-General, to R. W. LODWICK, Esq., Accountant-General, dated Madras, 22nd August 1874.

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 30th June 1874, 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 Cancelled deposits or deposits which were withdrawn since the date of last audit were checked with the authorities under which the withdrawals were allowed.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 23rd July 1874 :—

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			
Saint 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 Funds)	22,000	0	0			
Mysore Invested Surplus Account or Mysore Trust Fund.	40,23,400	0	0			
562½ Bank of Madras Shares, the property of Government.	5,62,500	0	0			
				59,57,600	0	0

High Court Deposits.

Causes...	30,81,300	0	0			
Estates being marriage settlements	7,400	0	0			
Official Assignee...	1,75,000	0	0			
Official Trustee	5,11,400	0	0			
Do. and Registrar, High Court, Original Side ...	66,300	0	0			
				38,41,400	0	0
Carried forward				97,99,000	0	0

				Rs.	A.	P.
			Brought forward ...	97,99,000	0	0
Deposits for Contractors and for Appointments.						
Accountant-General's Department			1,34,700	0	0	
Commissariat Department, Madras			75,000	0	0	
Do. do. Out-stations			47,600	0	0	
Superintendent of Stamps			5,500	0	0	
Do. of Stationery			4,800	0	0	
Do. of Gun-Carriage Manufactory...			4,000	0	0	
Do. of 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			500	0	0	
Principal Inspector-General, Indian Medical Department.			17,000	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 ...			1,03,000	0	0	
				4,32,700	0	0
Court of Wards...				27,02,300	0	0
Service Funds.—Civil Service...				106,88,700	0	0
Administrator-General				12,36,800	0	0
Total value of Deposits on behalf of Government				248,59,000	0	0
Deposits by the Public...				64,44,045	6	1
Bank of Madras.						
Government Securities, being the property of the Bank of Madras...			20,07,700	0	0	
Head Cashkeeper'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	
				20,77,700	0	0
Grand Total				333,81,245	6	1

There is, besides, a sealed packet said to contain a Government Promissory Note for Sicca Rupees 2,03,900, or Government Rupees 2,17,153-8-0, belonging to His Highness the Rajah of Coorg.

4. The value of the deposits, as above detailed, exceeds that of the previous year by Rupees 26,16,200, 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.
Regimental Cart Funds Deposits	500	0	0			
Mysore Invested Surplus Account	11,00,100	0	0			
High Court Official Trustee and Official Assignee	1,39,500	0	0			
Contractors and Appointments	54,500	0	0			
Court of Wards	4,09,600	0	0			
Service Funds	5,50,000	0	0			
Administrator-General's Deposits	3,86,900	0	0			
Bank's property...	11,38,900	0	0			
				37,80,000	0	0
Carried forward				37,80,000	0	0

				Rs.	A.	P.
			Brought forward ...	37,80,000	0	0
Falling off.						
High Court Cases			68,600	0	0	
Deposits by the Public			95,200	0	0	
Government Reserve			10,00,000	0	0	
				11,63,800	0	0
Net Improvement...				26,16,200	0	0

5. The Promissory Notes held under the head of Government Reserve were retransferred to the Bank in September 1873 under a resolution passed by the Board of Directors. Hence the disappearance of this item from the books of the Bank for the year under report.

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

Bank's own Property.

4 per Cent., 1835-36, Government Rupees	10,500		
1842-43	55,600		
1854-55	15,500		
1865	2,12,200		
		2,93,800	
4½ per Cent., 15 years, 1870		6,15,000	
,, 10 ,, 1871		46,000	
,, 7 ,, 1872		6,54,700	
5 per Cent., 10 ,, Debenture		27,000	
5½ per Cent. of 1859-60		3,71,200	
Total ...		20,07,700	

At the rates prevailing on the 23rd July 1874 their market value was Rupees 21,42,915-12-0. They are debited in the Bank's books at Rupees 21,18,856-5-0, their cost price.

7. 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 3rd July 1874, on which date they were finally examined, were—

	Rs.	A.	P.
On Government Securities	11,23,230	14	8
On Jewels	4,511	3	5
On Gold Mohurs and Sovereigns	3,705	3	10
Together ...	11,31,447	5	11
And of Cash Credits drawn	79,431	5	0
And undrawn	3,31,878	11	0
Together ...	4,11,310	0	0

8. The Cash Balance as it stood on the evening of Saturday the 18th July was examined on the morning of Monday the 20th idem. The number of bags was counted, and five per cent. of them weighed. The Currency Notes on hand were also counted.

9. 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 Cashkeeper.	Total.
		RS. A. P.	RS. A. P.
Currency Notes... ... ... RS. 5 each	...	3,565 0 0	3,565 0 0
Do. ... ... 10 ,,	...	7,430 0 0	7,430 0 0
Do. ... ... 20 ,,	...	12,220 0 0	12,220 0 0
Do. ... ... 50 ,,	...	19,850 0 0	19,850 0 0
Do. ... ... 100 ,,	...	58,900 0 0	58,900 0 0
Do. ... ... 500 ,,	4,00,000	68,500 0 0	4,68,500 0 0
Do. ... ... 1,000 ,,	7,50,000	87,000 0 0	8,37,000 0 0
Do. ... ... 10,000 ,,	4,50,000	... ...	4,50,000 0 0
	16,00,000	2,57,465 0 0	18,57,465 0 0
Cash, whole Rupees	25,00,000	13,000 0 0	25,13,000 0 0
Small Silver	3,40,000	7,500 0 0	3,47,500 0 0
Copper	3,73,370	910 0 0	3,74,280 0 0
Sundries	...	2,216 11 7	2,216 11 7
	32,13,370	23,626 11 7	32,36,996 11 7
Total ...	48,13,370	2,81,091 11 7	50,94,461 11 7
Cheques	...	... ...	10,501 13 3
Grand Total ...	...	... ...	51,04,963 8 10

Of this, Rupees 34,35,429-15-8 represent the Government balance with the Bank on the 18th July 1874.

10. Since the date of my last report, the Copper-Coins-room has been thoroughly repaired, and the arrangement in it is all that can be desired.

11. The bills discounted at the Head Office of the Bank were compared with the Registers and found to agree with the entries therein. The discounts at the Head Office were, up to the 11th July 1874, to the extent of Rupees 4,91,135-10-7, of which Rupees 14,846-10-0 represented the amount of past due bills outstanding. The discounts at the Branches were (up to the 4th July in the case of Berhampore and Guntoor, and up to the 11th July in the case of the other Branches) to the amount of Rupees 28,20,883-13-10, of which past due bills were to the value of Rupees 2,98,356-9-11, after deducting Rupees 96,248-4-8 written off at 30th June 1874. The amount past due at each of the Branches is as stated below :—

	RS.	A.	P.
Cochin	81,012	3	10
Calicut	496	6	6
Coconada	2,401	11	6
Bangalore	2,361	6	0
Tuticorin	970	6	0
Colombo	4,780	13	4
Negapatam	86,265	5	3
Alleppy	90,631	15	0
Berhampore	12,534	11	9
Mangalore	2,000	0	0
Trichinopoly	5,404	2	3
	2,88,859	1	5
Add—			
Past due loans at Negapatam	9,497	8	6
Total ...	2,98,356	9	11

12. On the 11th July, the balance of private bills received for collection was Rupees 11,77,488 15 3,
Of Bills receivable ... ... 1,99,461 14 5, and
Of Bank Post Bills ... ... 42,131 3 9.

13. Annexed to this report is the balance-sheet of the General Ledger of the Bank for the 18th July 1874. The balances shown therein were all checked with the entries in the General Ledger.

14. During the year under report, no Branches of the Bank were either closed or newly opened.

15. The net profits of the Bank and its Branches for the year ended 30th June 1874 amounted to Rupees 5,52,870-15-10, * being at the rate of about Rupees 9-13-3 or a little less than Rupees 10 per cent. of the Bank's Capital. Out of this amount, only Rupees 3,65,625† were allotted as the dividend payable to the Proprietors, which is at the rate of 6½ per cent. per annum, leaving a remainder of Rupees 1,87,245-15-10. Of this sum, Rupees 1,53,116-3-9 and Rupees 2,115-8-0, being the balance of profits of the previous year, as also Rupees 72,245-10-0 out of the Special Reserve Fund of that year (which amounted to Rupees 2,76,786-2-3 and is now reduced to Rupees 2,04,540-7-3), making together Rupees 2,27,477-5-9, were appropriated by writing off the ascertained losses to that extent on past due bills. The Reserve Fund proper stood at the same figure, Rupees 4,00,000, on the 30th June 1874. 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 :—

	RS.	A.	P.
* For the 1st half-year	2,20,444	5	5
For the 2nd half-year	3,32,426	10	5
Together ...	5,52,870	15	10

	RS
† For the 1st half-year, at 5 per cent. per annum	1,40,625
For the 2nd half-year, at 8 per cent. per annum	2,25,000
Together for the two half-years ...	3,65,625

	RS.	A.	P.		RS.	A.	P.
Dividend for the entire year	3,65,625	0	0	Balance of profits brought forward	2,115	8	0
Ascertained losses on past due bills written off ...	2,27,477	5	9	Reserve Fund	4,00,000	0	0
Reserve Fund	4,00,000	0	0	Special Reserve Fund ...	2,76,786	2	3
Special Reserve Fund ...	2,04,540	7	3	Net profits	5,52,870	15	10
Balance of profits carried forward	34,129	13	1				
Total ...	12,31,772	10	1	Total ...	12,31,772	10	1

The following are the particulars of the amounts written off at the Head Office and Branches :—

Bills discounted and past due.	Written off. 31st December 1873.			30th June 1874.			Total.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Head Office	5,739	11	10	16,670	0	0	22,409	11	10
Cochin	34,494	4	1	11,614	2	11	46,108	7	0
Ootacamund	...	...	...	123	15	9	123	15	9
Tuticorin	...	...	...	600	0	0	600	0	0
Negapatam	54,156	7	3	45,295	2	0	99,451	9	3
Alleppy	16,453	10	10	38,082	7	7	54,536	2	5
Kandy	574	5	10	...	...	...	574	5	10
Berhampore	52	13	4	501	15	0	554	12	4
Trichinopoly	1,409	9	0	30	9	5	1,440	2	5
	1,12,880	14	2	1,12,918	4	8	2,25,799	2	10
Loans Past Due.									
Bimlipatam	1,088	2	11	...	...	...	1,088	2	11
Negapatam	590	0	0	...	...	...	590	0	0
Total ...	1,14,559	1	1	1,12,918	4	8	2,27,477	5	9

16. 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—

	Rs.	A.	P.	
For the first half-year	14,062	8	0	0, and
For the second half-year	22,500	0	0	
Together ...	36,562	8	0	
being more than the dividend received for the preceding year by Rupees	11,250	0	0	

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

Proceedings of the Madras Government, Financial Department,
9th September 1874.

76

BALANCE of the General Ledger of the Bank of Madras on 18th July 1874.

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..	... ...	3,94,540 7 8
		Unclaimed Dividends	16,113 12 0	
		Dividend Account	16,060 0 0	
				32,173 12 0
		Profit and Loss—		
	713 1 5	Interest Account.		
		Commission	869 3 7	
		Exchange	2,627 1 7	
		Profit and Loss Account... ...	34,129 13 1	
				37,626 2 3
	753 14 3	Charges.		
	33,084 11 1	Adjusting Account of Interest.		
34,551 10 9		*Dead Stock—*		
	50,000 0 0	Bank Premises.		
	11,577 1 3	Furnishings.		
	22,200 10 10	Stationery and Engraving.		
	3,575 2 0	Stamp Account.		
	22,605 4 10	Government Contingent Account.		
1,09,953 2 11		INVESTMENTS.		
	81,228 8 2	Cash Credit Accounts.....(*Dr.*)		
	10,95,270 7 11	Loan Accounts.		
	4,32,816 5 4	Bills Discounted.		
	14,846 10 0	Do. Past Due.		
	20,54,029 5 0	Government Securities.		
	... ...	Bullion.		
36,78,191 4 5	53,893 15 4	Bank of England.		
	1,63,557 9 9	New Bank of Bombay (Ld.), No. 2.		
	4,82,761 10 10	Bank of Bengal, No. 2.		
	... ...	Suspense Account.....(*Dr.*)		
7,00,213 3 11		LODGEMENTS.		
		Cash Credit Accounts ... ..(*Cr.*)	4,72,660 6 2	
		Current Accounts	27,57,633 13 11	
		Deposit Receipts	7,91,863 3 9	
		New Bank of Bombay, (Ld.), No. 1.	96,080 4 3	
		Bank of Bengal, No. 1	1,16,285 2 4	
		Unclaimed Balances	24,744 2 2	
		Suspense Account ... ...(*Cr.*)	4,269 0 4	
				42,63,536 0 11
		Government of Fort St. George ...	... ...	34,35,429 15 8
		Bills for Collection	... ...	11,77,308 13 10
11,77,308 13 10	... ...	Private Bills Lodged.		
2,13,561 14 5	... ...	Bills Receivable.		
		Bank Post Bills	... ...	38,054 13 9
		Bank of Madras Notes.		
		BRANCH ACCOUNTS.		
	1,08,202 10 5	Alleppy.		
	2,18,363 0 9	Berhampore.		
	4,64,496 1 4	Bimlipatam.		
	98,410 9 3	Bangalore.		
	... ...	Bellary	2,65,272 11 2	
	3,36,589 3 11	Cochin.		
	33,683 7 2	Calicut.		
	15,42,303 3 11	Colombo.		
	3,19,783 7 11	Coconada.		
	6,04,523 10 9	Guntoor.		
	3,23,898 2 7	Kandy.		
	... ...	Negapatam	26,704 9 1	
	... ...	Ootacamund	53,624 6 6	
	1,20,824 6 1	Tuticorin.		
	4,592 0 3	Trichinopoly.		
	3,69,853 1 0	Mangalore.		
				3,45,601 10 9
45,40,523 1 4				
51,04,963 8 10	... ...	General Account of Cash.		
1,55,59,271 12 5	... ...	Total ...		1,55,59,271 12 5

ABSTRACT of GENERAL ACCOUNT of CASH.

Particulars.	With Secretary.	With Cashkeeper.	Total.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
Specie	32,13,370 0 0	23,626 11 7	32,36,996 11 7
Cheques	... ...	... ...	10,501 13 3
Total Cash ...	32,13,370 0 0	23,626 11 7	32,47,498 8 10
	Rs.		
Currency Notes	5	3,565 0 0	3,565 0 0
Do.	10	7,430 0 0	7,430 0 0
Do	20	12,220 0 0	12,220 0 0
Do.	50	19,850 0 0	19,850 0 0
Do.	100	58,900 0 0	58,900 0 0
Do.	500 4,00,000 0 0	68,500 0 0	4,68,500 0 0
Do.	1,000 7,50,000 0 0	87,000 0 0	8,37,000 0 0
Do.	10,000 4,50,000 0 0	... ...	4,50,000 0 0
Balance ...	48,13,370 0 0	2,81,091 11 7	51,04,963 8 10

LIABILITIES payable on Demand.

	Rs. A. P.
Bank Post Bills	38,054 13 9
Dividends	32,173 12 0
Deposits	42,63,536 0 11
Cash Credits undrawn	2,78,611 7 10
Government Balance	34,35,429 15 8
Total ...	80,47,806 2 2
One-fourth ...	20,11,951 8 6

DRAFTS since last Return.

	Rs. A. P.
On Bank of England	17,913 7 4
New Bank of Bombay (Ld.)	2,07,651 13 10
Bank of Bengal	1,338 3 0
Total ...	2,26,903 8 2

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 11th instant.	19,42,524 7 0	4,91,135 10 7	10,92,337 11 6	74,477 13 9	36,00,475 10 10
Since invested.	1,99,994 12 0	39,702 11 10	47,618 6 1	... ...	... ...
Together ...	21,42,519 3 0	5,30,838 6 5	11,39,956 1 7	... ...	... ...
Since realized.	88,489 14 0	83,175 7 1	44,685 9 8	... ...	... ...
Balance ...	20,54,029 5 0	4,47,662 15 4	10,95,270 7 11	81,228 8 2	36,78,191 4 5

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

(Signed) T. E. FRANCK,
Dy. Secy. and Treasurer.

Proceedings of the Madras Government, Financial Department,
9th September 1874.

No. 86-C. ORDER THEREON, 9th September 1874, No. 1523—4.

To be recorded.

(True Extract.)

D. F. CARMICHAEL,
Acting Chief Secretary.

Erd. J. Wright.

Book Department.

No. 287

Fort Saint George,
Accountant General's Office,
22 August 1874.

From The ACCOUNTANT GENERAL
to the GOVERNMENT of MADRAS,

To The Acting Chief Secretary to Government

Sir,

With reference to G.O. Financial Depart. ment, No. 1086 dated 29th June 1874, I have the honor to submit herewith, the Report of my Assistant Mr. D. Seagiah, on the Audit of the Accounts of the Bank of Madras for the year ended 30th June 1874.

I have the honor to be
Sir
Your obedient Servant

W. Rodwell
Accountant General

Encl. as noted

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the Accountant General, Madras, dated 22nd August 1874. No. 287.

Order thereon

The Accountant General submits without remarks the report of the Assistant on the audit of the accounts of the Bank of Madras for the year ending the 30th June 1874.

2. The report shows that the total value of deposits amounted to Rs 333, 81, 245 - 6-1 of which Rs 248, 59, 500 were on behalf of Govt., Rs 64, 44, 045 - 6-1 by the Public, and Rs 20, 77, 700 by

Govt.

But I think it might be enquired into.

Govt

Financial Sept/74
No 2165
From
The Accountant General
To
The Chief Secy to Govt
Dated 8th Aug/74
No 287
Submitting audit report on the accounts of the Madras Bank for the year ends 30th June 1874
Recd 12th Sept/74
Recd 12th Sept/74

by the Bank. Besides these there is a deposit of a Govt. Promissory Note, in a sealed packet, for Sicca Rupees 2,03,900.

3. The value of the deposits is stated to exceed that of the year preceding by Rs 26,16,200.

4. The loans made by the Bank amounted on the 3rd July 1874 to Rs 11,31,445, chiefly on Govt. securities.

The cash credits, drawn and undrawn, amounted to Rs 4,11,310.

5. The cash balance, which was examined on the 20th July and found correct, amounted to Rs 51,04,963-8-10, of which Rs 34,35,429-15-8 were the Govt. balance.

6. The Bills discounted at the Bank of Madras amounted to Rs 4,91,135-10-7, of which Rs 14,846-10-11 were for "past due bills"

I do not understand the bills to be bad but the amount is considerably in excess of previous years.

Bills outstanding". The Bills discounted at the Branch Banks amounted to Rs 28,20,883-13-10, of which Rs 2,98,356-9-11 were for "past due bills".

7. The net profits of the Bank for the year amounted to Rs 5,52,870-15-10 or about Rs 10 per cent of the Bank's capital. Of this sum Rs 3,65,625 were assigned as dividend to the Proprietors, being equivalent to 6½ per cent per annum, leaving a balance of Rs 187,245-15-10. From this balance Rs 1,53,116-3-9 together with Rs 74,361-2 from the other sources mentioned, amounting together to Rs 2,27,477-5-9, were "written off" as the ascertained losses on "past due bills".

8. The Reserve fund stood at the same amount (Rs 4,00,000) as on the 30th June 1873.

9. The Govt. hope to receive a more satisfactory Report of the Accounts of the Bank for the current year.

To
The Directors of the
Bank of Madras.
Accountant General.
28/8/74

Financial Deptt

Govt. of {187/} Madras.

Proceedings of the Madras Govt.

Dated 9th Sept 187/, No.
Recd.

Nos. 86 B-86

Bank of Madras. Letter from Actg. General, submitting the report of his Assistant on the audit of the accounts of the Bank for the year ended 30th June 187/
Recorded 14 — 1873