

RESERVE BANK OF INDIA

REPORT
OF THE
CENTRAL BOARD OF DIRECTORS
FOR THE YEAR ENDED THE 31st DECEMBER 1937.

1938.

**Report of the Central Board of Directors
of the Reserve Bank of India**

For the year 1st January-31st December 1937.

In accordance with section 14 of the Reserve Bank of India Act, 1934, the Central Board of Directors presents herewith to the Shareholders the Annual Report and the Accounts of the Bank for the year ended the 31st December 1937.

ANNUAL ACCOUNTS.

After payment of expenses of administration and provision for sundry liabilities and contingencies, the net profit amounts to Rs. 27,91,200-0-0

Of this amount, the sum of Rs. 17,50,000-0-0 will be utilised for payment to shareholders of a dividend at the rate of $3\frac{1}{2}$ per cent. per annum being the cumulative rate fixed by the Governor-General in Council in accordance with section 47 of the Reserve Bank of India Act, 1934,

leaving a surplus of Rs. 10,41,200-0-0
for payment to the Governor-General in Council in accordance with the said section.

The accounts of the Bank have been audited by Messrs. S. B. Billimoria & Co. of Bombay, Mr. P. K. Ghosh of Calcutta and Messrs. Sastri and Shah of Madras who were duly elected as auditors of the Bank for the year under review by the shareholders at their meeting held on the 8th February 1937 in accordance with section 50 (1) of the Reserve Bank of India Act, 1934.

Messrs. S. B. Billimoria & Co., Mr. P. K. Ghosh and Messrs. Sastri and Shah, being eligible, offer themselves for reappointment.

Constitution of the Central Board.

Sir James B. Taylor, Kt., C.I.E., former Senior Deputy Governor of the Bank, succeeded Sir Osborne A. Smith, K.C.S.I., K.C.I.E., Kt., as Governor from the 1st July 1937.

In accordance with sub-section (3) of section 15 of the Act, the Governor-General in Council in May 1937 nominated Mr. Satya Paul **Virmani** from the Delhi Register and Mr. C. R. Srinivasan from the Madras Register as Directors of the Central Board in the vacancies caused respectively by the resignation of Sir Sundar Singh Majithia, K.C.I.E., and the death of Dewan Bahadur Sir M. Ramachandra Rao, Kt. In the same month Mr. R. P. Masani resigned and Mr. Kasturbhai Lalbhai was duly elected by the Local Board in Bombay in the vacancy. Mr. J. W. Kelly, C.I.E., the Controller of the Currency, proceeded on leave preparatory to retirement with effect from the 1st October and Mr. A. J. Raisman, C.S.I., C.I.E., I.C.S., was nominated in his place by the Central Government in terms of clause (d) of sub-section (1) of section 8 of the Act.

Under the statutory obligations imposed on the Bank by sub-section 4 of section 15 of the Act, lots to decide the

register from amongst those which were still represented by nominated Directors were drawn in August and the Madras and Rangoon registers, which comprise one register for the purposes of this section, were selected and Mr. C. R. Srinivasan and U. Po Byaw, the Directors who had represented the two areas on the nomination of the Governor-General in Council, were elected to the two vacancies and assumed office in January 1938.

During the year under report, 6 meetings of the Central Meetings of the Board were held, of which two were held in the Central Board and its Committee. Calcutta, two in Bombay, one in Delhi and one in Madras. The Committee of the Central Board met 30 times in Bombay and 20 times in Calcutta.

As stated above there were two Local Board elections during the year, one in the Madras (Southern) Local Boards. area and one in the Burma (Rangoon) area in November, preliminary to the election of Directors for those areas and the new Members of the Local Boards assumed office in December.

The accompanying tables show the distribution of the Distribution of Bank's shares on the 1st April 1935, the 31st shares between the various areas. December 1936 and the 31st December 1937.

	Distribution of Shares on the 1st April 1936.	Distribution of Shares on the 31st December 1936.	Distribution of Shares on the 31st December 1937.
Bombay	1,40,000	1,89,838	2,01,448
Calcutta	1,45,000	1,31,423	1,25,216
Delhi	1,15,000	97,314	93,919
Madras	70,000	61,217	60,221
Rangoon	30,000	20,208	19,196

	Number of Shareholders on the 1st April 1936.	Number of Shareholders on the 31st December 1936.	Number of Shareholders on the 31st December 1937.
Bombay	28,000	22,342	21,467
Calcutta	23,890	15,571	14,525
Delhi	23,000	16,744	16,669
Madras	14,000	9,702	9,142
Rangoon	3,157	1,914	1,767
Total	92,047	66,273	62,570
Average number of shares held by each Shareholder.	1st April 1936.	31st December 1936.	31st December 1937.
	5.4	7.5	8.0

It will be noticed that the total number of shareholders has declined considerably since the inception of the Bank in April 1935. Under section 14 (3) of the Reserve Bank of India Act, 1934, each shareholder has one vote for each five shares subject to a maximum of ten votes so that if this tendency continues blocks of shares might become concentrated in the hands of a few holders, with the effect of restricting the electorate and the risk of detracting from the representative character of the directorate chosen by it. We therefore reported the position to Government with the suggestion that they might consider the limitation of the shares that a holder may register in his name on our books to a maximum of 200 shares. We also reported certain drafting flaws of a minor nature in the wording of the Act with the suggestion that they might be remedied by legislation.

The construction of the Bank's own buildings is progressing satisfactorily and in Rangoon and Bombay the **Bank's Premises.** new premises are expected to be complete about

the end of 1938. The construction of the Lahore premises has been delayed but the building is expected to be ready within a period of two years.

In terms of sections 22, 24 and 26 (1) of our Act, the Bank **will** issue to the public by stages its own **Bank Notes.** notes of the denominations of **Rs.5, Rs.10, Rs.100, Rs.1,000 and Rs.10,000.** The five and ten rupee notes are under issue and a press communique giving a detailed description of the new notes has been issued for the information of the public. Notes of the denominations of **Rs.50 and Rs.500** will not be issued, though the Government of India notes of these denominations will continue to be legal tender. With regard to notes of the higher denominations, the Master, Security Printing, Nasik, has a **sufficient** stock of the currency note paper of the existing pattern to meet the immediate indents of the Bank so that these are not likely to be issued earlier than June or July 1938, because it is not the intention that our notes should be put into circulation until all available stocks of existing patterns of Government of India currency notes have been exhausted. As regards the Burma notes, it is expected that the lower denominations will be ready for issue about the end of March 1938.

Inauguration of provincial autonomy: Separation of provincial balances.

With the inauguration of provincial autonomy on the 1st April 1937, as was indicated in last year's Report the Provinces had to open separate banking accounts with the Reserve Bank. With the co-operation of the authorities of the Central and Provincial Governments the change-over in respect of the **classification** of public accounts was effected smoothly. In order to afford the new autonomous provinces the experience necessary to frame their ways and means requirements as accurately **as** possible it was decided that, for the financial year 1937-38, the Central Government

would remain responsible for their financial needs and it was accordingly provided by the Bank that provinces need not observe the limits as to the minimum balances to be kept by them with it until the 1st April 1938. From April of this year, therefore, the Central Government will cease to provide for the ways and means requirements of provinces and the latter will have to make their arrangements direct with the Reserve Bank.

Another result of the separation of provincial balances was the first borrowing programme of the autonomous provinces which was announced on the 24th August when loans aggregating Rs.460 lakhs were issued by five provincial governments; Madras Rs.150 lakhs, the United Provinces Rs.100 lakhs, the Punjab Rs.100 lakhs, the North West Frontier Province Rs.60 lakhs and the Central Provinces and Berar Rs. 50 lakhs. The loans were offered on uniform terms, *viz.*, 3 per cent. at 99 redeemable at par on September 1, 1952, and were opened for public subscription on the 31st August 1937. General market conditions at the time of the issue were favourable and the loans were over-subscribed in respect of the Madras, U. P. and Punjab loans, while the C. P. and N. W. F. P. loans were also fully subscribed after the transfer of options from the other loans. Applications for the latter loans were allotted in full while in the case of Madras, the U. P. and the Punjab loans, applications up to Rs.1,000 received full allotment while others were allotted in the following proportions with a minimum allotment of Rs.1,000 :

Madras	. .	30	per cent.
u. P.	. .	50	„
Punjab	. .	25	„

**Separation of
Burma.** Burma was separated from India from the 1st April 1937 and a separate agreement was entered into by the Bank with the new Burma Government on the lines of the Agreement entered into with the Secretary of State for India in 1935. The new financial arrangements consequent on the separation have worked smoothly. Under the India and Burma (Burma Monetary Arrangements) Order, 1937, the Bank continues to be responsible for the management of the currency of Burma. Currency notes of the Government of Burma are now no longer legal tender in India and to enable them to be distinguished from India notes, the latter were surcharged as an interim measure. Distinctive designs of Bank notes for circulation in Burma are under preparation and as already mentioned we hope to be able to issue the first of the new notes by the end of March 1938. The Government of Burma also borrowed from the Indian market through Treasury Bills, the first auction being held on the 7th September when tenders for Rs.30 lakhs of 4 months Treasury Bills were invited through the Bank's offices at Calcutta and Rangoon. The total amount of Burma Treasury Bills sold to the public during the year amounted to Rs.90 lakhs at an average rate of Re.0-12-8 per cent. per annum. Of this total Rs.9.75 lakhs were sold to applicants in Burma.

**Agricultural
Credit Department.** The development of the Agricultural Credit Department continued during the year. After the publication of the preliminary report containing a general survey of agricultural finance the Department undertook special studies of particular problems of agricultural credit and in this connection the Officer-in-Charge travelled widely during the year in almost all the provinces and some of the important States. He also visited Burma. The results of some of his investigations have been published in the form of two bulletins which have been generally well received. Bulletins on several other important topics connected with

agricultural credit are under preparation and will be issued shortly. The Deputy Governor and the Officer-in-Charge also attended various co-operative conferences. The Department has placed its services at the disposal of provinces and States which have asked for its advice on matters like the flotation of debentures, the formation of sinking funds and the expansion of business for land mortgage banks, the resuscitation of co-operative societies with frozen assets, etc. Expressions of appreciation have been received from those who have had recourse to it and it is hoped that it will play an increasingly useful role as it is more widely utilized for consultation. The staff of the department has been considerably augmented, and a library and a statistical and information section have been added.

The statistical section during the year compiled the first "Report on Currency and Finance for the years 1935-36 and 1936-37" based on the framework of the annual Currency Reports previously prepared by the Controller of the Currency. The publication of the Currency Report was discontinued by Government when the Reserve Bank took over the control of currency and credit in April 1935, but we resumed it this year in response to numerous requests for its revival for purposes of statistical continuity.

In connection with the Statutory obligations imposed on the Reserve Bank under section 55 (1) (a) of the Reserve Bank of India Act, 1934, the Bank addressed a circular letter to all scheduled banks and representative indigenous bankers on the 6th May 1937 with a view to eliciting their opinion on the possibilities of linking the indigenous banker with the Reserve Bank. In the light of the replies the Bank formulated a draft scheme in August 1937 for the direct linking of private bankers based on the recommendations of the Central Banking Inquiry Committee and the regulations relating to banking companies incorporated

**Report on
Currency and
Finance for the
years 1936-36
and 1936-37.**

**Indigenous
Bankers.**

in the Indian Companies Act. As the replies showed that the indigenous bankers did not consider that it would suit them to submit to the condition which we considered necessary, we informed Government that we could not recommend any immediate legislation to amend the Reserve Bank Act in regard to the extension of its provision relating to scheduled banks to the private bankers, though, as mentioned in our Statutory Report the offer made in our letter of the 26th August 1937 is still open and we will be prepared to take the matter up with Government with a view to amending the Act, if the indigenous bankers are prepared to conform to our condition or suggest any other practical alternative. We are also considering whether it would be possible to develop open market operation in trade bills as this would give first class indigenous bankers closer relationship with us without the necessity of making any radical change in their present business methods. There are, however, many obvious difficulties in the way, not the least of which is the stamp duty on bills, which besides being very onerous at present money rates, is a severe handicap to our purpose. The Indian Banking Enquiry Committee (1930-31) recommended its reduction to a uniform level of two annas per thousand rupees and the Reserve Bank has been pressing the Central Government and through them the Provincial Government to carry out this suggestion and it is understood that it is receiving their immediate attention.

The Statutory report to the Government of India under section 55 (1) of the Act was submitted before the end of the year as prescribed by the Act. This report indicates the various directions in which in the opinion of the Board improvement might be made to enable the existing credit agencies to be of greater use to the agriculturist and the manner in which the Reserve Bank can render assistance. As it pointed out it was not to be expected that the Board should be able to put forward a final

Statutory
Report.

scheme within the short initial period of three years, and it does not consider its labours ended with this report. It is giving its continuous attention to these important problems and hopes to be able to make useful contributions towards their solution as it acquires experience by experiment.

Far reaching amendments to Indian Insurance legislation were taken in hand by the Central Legislature during the year under report. These concern the Reserve Bank inasmuch as since the abolition of the office of the Controller of the Currency in October 1937 it has become the agent for handling the securities which the companies have to deposit with Government under the Act, and these are being considerably extended both in amount and variety by the present legislation.

The Reserve Bank of India rate continued unchanged throughout the year at 3 per cent. at which it was fixed on the 28th November 1935. The money market was firmer in the beginning of 1937 than at the corresponding period of the previous year owing to increased industrial activity, the rise in commodity prices, and the accelerated demand for financing crop movements on account of the high level of exports. The interbank call rate in Bombay rose to about $1\frac{1}{2}$ per cent. though it remained at a lower level at Calcutta. The Reserve Bank helped to ease the situation by increasing its weekly purchases of sterling to £2 million besides effecting considerable intermediate purchases. The busy season of 1937 was particularly active and the usual seasonal trade activity was reinforced by a wave of speculative buying of shares, particularly in the metal and textile sections. The average note circulation in February was Rs.196.14 crores in comparison with Rs.168.73 crores in February 1936. The advances of the scheduled banks in April 1937 amounted to Rs.122.56 crores as compared with Rs.95.05 crores in the corresponding month in 1936. Clearing house returns in April 1937

were 85 per cent. larger than those in the corresponding month of the preceding year.

Thereafter a decline set in. Uneasiness as to the future price of gold and money rates led to a regression in the price of gilt-edged securities in the most important world markets which soon communicated itself to all sections of the share market and began to react on commodity prices. In India in the more speculative sections of the share market the fall amounted almost to a collapse, and though there were no spectacular failures, it was obvious that owing to the widespread character of the speculative movement losses to the smaller operators must have amounted to a considerable total. The result was an underlying feeling of nervousness which continued until the close of the year. Trade continued reasonably active throughout, and imports in particular as a result of the large export surpluses of the previous two years continued to increase, but these factors were not sufficient to offset the others, and short-term money began to ease rapidly and was practically unlendable even at $\frac{1}{4}$ per cent. over the major portion of the remainder of the year. At the beginning of the cold weather there was a further heavy slump in commodity prices, particularly cotton, as a result of the publication of the crop forecast of the United States and the outbreak of &no-Japanese hostilities. In consequence, the firmness in money rates which usually begins towards the end of the year did not materialise and the position at the end of the year was exceptionally easy with call money available over the end of the year at $\frac{1}{2}$ to 1 per cent. The average rate for Indian treasury bills was slightly higher for the year at Re.0-14-4 as compared with Re.0-11-4 for 1936. The low rates prevailing both in India and London again reacted on the profits of the Bank and to a greater extent than in the previous year since in April there expired the temporary proviso to section 33 (6) c of our Act which enabled us to hold British Government Sterling Securities maturing after five years. On the other hand the Governments

in India, both Central and Provincial, continued to reap advantage of low rates for their borrowing operations.

Gilt-edged prices fell considerably in the early months of the year for the reasons already described. **I n d i a n Securities Market.** $3\frac{1}{2}$ per cent. Paper which was quoted about par at the beginning of the year fell to about Rs.91 in March 1937. Other securities fell in sympathy. With the commencement of the slack season, however, investment pressure began to make itself felt and there was a steady rise, the average price of $3\frac{1}{2}$ per cent. Paper rising to Rs.98-6-0 in December. The amendments to the Indian Insurance Act with their statutory provisions for increased investment in Government securities also provided a stimulating influence in the last quarter of the year. Though the international political situation was clouded by the Spanish and the Sino-Japanese Wars it had hardly any influence on the gilt-edged market. The recent Provincial Loans also remained steady, the Madras and U. P. loans being quoted at a slight premium and the others around the issue price.

The rise in commodity prices which had begun in the latter part of 1936 gathered further momentum during the period under report though there was a recession during the later part of the year. **C o m m o d i t y Prices.** The Calcutta index number of wholesale prices (July 1914=100) for all commodities rose from 94 in December 1936 to 105 in August 1937 but declined to 102 in December 1937. Among food articles, the price of cereals showed almost a continuous fall from 81 in January to 72 in December 1937 while pulses declined from 93 in January to 84 in March though they improved to 92 in December; other food articles however gradually improved from 113 to 136 during the same period. Tea rose from 130 in January to 151 in July but declined to 134 in December while sugar was steadier, rising by only one point between January and December. In the textile group, raw

cotton is conspicuous by its fall, having declined from 96 in January to 74 in December after reaching the peak of 107 in March, the decline being attributable to the record crop of 19 million bales in the United States of America. Cotton manufactures also declined from 118 to 111 during the period while rawjute appreciated from 51 in January to 63 in May, the index number standing at 50 in December. In the miscellaneous group metals and building materials recorded a considerable rise, the former gaining 27 points between January and December while the latter rose by 16 points during the same period.

The balance of trade in merchandise in favour of India and Burma in 1937 amounted to Rs.65.94 Exchange and Balance of Trade. crores as compared with Rs.60.63 crores in 1936. Though Burma has been separated from India the Reserve Bank of India is the central bank for both countries and the currencies of India and Burma are joint for external purposes. Gold exports declined from Rs.33.16 crores in 1936 to Rs.21.85 crores in 1937. Sterling exchange was steady throughout the year at 1s. 6-3/32d. but the surplus sterling available for sale to the Reserve Bank was considerably curtailed not only by the increase in imports and the dwindling in the export of gold, but also by remittance for the purchase of shares in the speculative movement at the beginning of the year and also for investment abroad, in view of the comparatively high prices prevailing for India gilt-edged securities throughout the latter part of the year. The Reserve Bank was able to purchase its requirements at 1s. 6-1/8d. by tender besides being able to purchase £2,762,000 by intermediates at 1s. 6-5/32d. The total amount of sterling purchased during the year was £33,916,000 as compared with £42,699,000 in 1936. This enabled us to meet Government's sterling requirements amounting to £31,013,000 and to increase the external reserves of the Issue Department by £6,747,400.

The total number of scheduled banks increased from 50 to 54 during the course of the year. The advantages of contact with the central bank position of the country are being increasingly recognised by the joint-stock banks and some of them increased their share capital apparently with the primary object of being included in our Schedule. The accompanying table compares the position of the scheduled banks on the 1st January 1937 and the 31st December 1937.

	As on 1-1-1937.	As on 31-U-1937.	Difference.
	Rs.	Rs.	Rs.
(i) Demand Liabilities in India and Burma	131,72,29,000	131,53,84,000	— 18,45,000
(ii) Time Liabilities in India and Burma.	102,23,32,000	110,76,99,000	+ 8,48,67,000
(iii) Cash in India and Burma	7,19,31,000	8,14,89,000	+ 95,58,000
(iv) Balances with the Reserve Bank . .	20,48,70,000	19,91,99,000	— 56,71,000
(v) Advances in India and Burma . . .	100,32,53,000	108,73,36,000	+ 8,40,83,000
(vi) Bills Discounted in India and Burma.	4,95,91,000	6,13,98,000	+ 1,18,07,000

In spite of the speculative movements in the stock exchange and in commodity prices trade continued active and the demand and time liabilities of the scheduled banks grew from Rs.234 crores in January to Rs.242 crores in December. The percentage of cash and balances with the Bank to demand and time liabilities rose from 9.75 in January to 17.35 in August, declining to 11.6 at the end of December. During the year under review the total number of branches, pay offices, etc., of the banks increased from 828 to 1,138 as compared with the previous year when the total rose from 723 to 828, which shows that branch banking is developing in India on an increasing scale,

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though it is obvious that much further progress in this direction will be necessary before India can have a network of joint stock banks adequately covering the country.

By order of the
Central Board of Directors,
J. B. TAYLOR,
Governor.

RESERVE BANK OF INDIA

Balance Sheet as at 31st December 1937

ISSUE DEPARTMENT.

LIABILITIES.					ASSETS					
	Rs.	a.	p.	Rs.	a.	p.		Rs.	a.	p.
Notes held in the Banking Dept.	29,32,58,371	0	0				A. Gold Coin and Bullion :-			
Notes in circulation :-							(a) Held in India . .	41,54,53,163	8	2
(a) Legal Tender in India.	180,60,47,846	8	0				(b) Held outside India.	2,86,97,782	0	10
(b) Legal Tender in Burma only . .	4,76,56,630	0	0				Sterling Securities . .	80,30,69,901	8	3
Total Notes issued . .				214,69,62,847	8	0	Total of A . .			124,72,20,84
							B. Rupee Coin			62,56,45,05
							Govt. of India Rupee Securities			27,40,96,94
							Internal Bills of Exchange and other commercial Paper . .			Nil.
TOTAL LIABILITIES .	..			214,69,62,847	8	0	TOTAL ASSETS		214,69,62,84

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Ratio of Total of A to Liabilities : 68.092 per cent.

BANKING DEPARTMENT.

LIABILITIES.				ASSETS.			
		RS.	a. p.			Rs.	a. p.
Capital paid up ..		5,00,00,000	0 0	Notes :—			
Reserve Fund ..		5,00,00,000	0 0	(a) Legal Tender in India		29,31,51,816	0
				(6) Legal Tender in Burma only		1,06,555	0
				Rupee Coin		4,68,014	0
Deposits :-				Subsidiary Coin		3,79,408	2
(a) Government* ..		9,76,31,226	5 1	Bills Discounted :			
(6) Banks		20,16,38,933	6 4	(a) Internal		Nil.	
(c) Others		1,26,43,117	15 10	(6) External		Nil.	
Bills Payable ..		11,65,384	3	(c) Government of India Treasury Bills ..		Nil.	
Other Liabilities ..		56,36,561	3 0	Balances held abroad † ..		3,63,76,275	8
				Loans and Advances to the Government		2,00,00,000	0
				Other Loans and Advances ..		2,00,000	0
				Investment ⁸		6,24,08,283	7
				Other Assets		56,24,870	6
TOTAL LIABILITIES		41,87,15,223	11 0	TOTAL ASSETS ..		41,87,15,223	0

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* Includes £23,596-10-0 held in London on account of the High Commissioner converted at 1s. 6d. to the rupee.

† Includes Cash and Short term Securities.

C. R. TREVOR,
Chief Accountant.
Dated the 17th January, 1938.

J. B. TAYLOR,
Governor.
MANILAL B. NANAVATI,
Deputy Governor.

REPORT OF **THE** AUDITOR!3

TO THE SHAREHOLDERS
OF THE RESERVE BANK OF INDIA.

We, the undersigned Auditors of the Reserve Bank of India, do hereby report to the Shareholders upon the Balance Sheet and Accounts of the Bank as at **31st** December 1937.

We have examined the above Balance Sheet with the Accounts, Certificates and Vouchers relating thereto of the Central **Office** and of the Offices at Calcutta, Bombay, Madras and with the Returns submitted and **certified** by the Managers of the other Offices and Branches, which Returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information from the Central Board such information and explanations **have** been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing the particulars prescribed by, and in which the **assets** have been valued in accordance with, the Reserve Bank of India Act, 1934, and the Regulations framed thereunder, and is properly drawn up so as to **exhibit** a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, **and** as shown by the Books of the Bank.

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Dated the 17th January, 1938.

S. B. **BILLIMORIA & Co.**,
SASTRI & SHAH,
P. K. CHOSE,

Auditors.

RESERVE BANK OF INDIA
Profit and Loss Account for the year ended 31st December 1937.

INCOME	Rs.	a.	p.
Interest, Discount, Exchange, Commission, etc.	1,27,10,792	0	9
	1,27,10,792	0	9
EXPENDITURE			
Establishment	34,86,255	7	7
Directors' and Local Board Members' fees and expenses	88,394	3	6
Auditors fees	9,000	0	0
Rent, taxes, insurance, lighting, etc.	5,51,618	0	11
Law charges	21,261	8	6
Postage and telegraph charges	69,490	0	6
Remittance of Treasure	9,30,039	4	9
Stationery, etc.	88,629	5	8
Security Printing (Cheque, note forms, etc.)	16,77,812	15	2
Depreciation and repairs to Bank property	78,467	13	10
Agency charges	24,96,434	12	4
Contributions to staff and superannuation funds	74,600	0	0
Miscellaneous expenses	3,57,798	8	0
Net available balance	27,91,200	0	0
	1,27,10,792	a	9

	Rs.	a.	p.
Amount set aside for payment of dividend at the rate of 3) per oent. per annum	17,50,000	0	0
Amount transferred to the Reserve Fund	Nil.		
Surplus available for payment of an additional dividend at the rate of per cent.	Nil.		
Surplus payable to the Governor-General in Council	10,41,200	0	0
Balance carried forward	Nil.		
	27,91,200	0	0

RESERVE FUND ACCOUNT

	Rs.	a.	p.
By balance on 31st December 1937	5,00,00,000	0	0
By transfer from Profit and Loss account	Nil.		
TOTAL	5,00,00,000	0	0

The Times of India Press, Bombay.

C. R. TREVOR,
Chief Accountant.

J. B. TAYLOR,
Governor.

MANILAL B. NANAVATI,
Deputy Governor.

Dated the 17th January 1938.