M.R.O. 1—77,006—8-6-37.

(1) Number of pages 6

(2) Date of repair 24.7.39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial **DEPARTMENT.**

G.O. No. 824 — Press / Mis.

84-85

Dated 19-12- 1863.

84-85 415

Not to be folded or roughly handled

No. 84. Read the following Despatch from the Right Honorable Sir C. WOOD, Bart., Secretary of State for India; to His Excellency the Honorable the Governor in Council, Bombay, dated India Office, London, 16th October 1863, No. 107.

1. I have considered in Council your Financial letter, dated the 8th August last, No. 14, reporting that, for the reasons therein stated, you had appointed the Commissioner of Customs to be an *ex-officio* Director of the Bank, instead of the Civil Paymaster, requesting instructions as to the disposal by Mr. Inverarity of the shares held by him and suggesting a re-consideration of the rule laid down by the late Court of Directors, which prohibits Government Directors of the Banks at the several Presidencies from having any personal interest in them.

2. You state that you have informed Mr. Inverarity "that although it has been held, in "compliance with the orders of the late Court of Directors, conveyed in their Despatch No. 2, to "the address of the Government of India, dated 20th January 1847, that certain Officers (the "Accountant General, the Financial Secretary to Government, and the Sub-Treasurer) were "to be considered *ex-officio* Directors and were not to be at liberty to become shareholders," you consider that when you, "for the first time, make the Commissioner of Customs an *ex-officio* Director," you need not require him to dispose of his shares. Mr. Inverarity has, accordingly, been directed by your Government to fulfil the duties of Director of the Bank, pending a reference to the Home Government on the subject.

3. The orders of the late Court of Directors referred to by you were in distinct terms, viz., "that the office of Government Director be henceforth invariably filled by Civil Servants having no personal interest in the concerns of the institution" and the Despatch containing those orders did not specify "certain Officers (the Accountant General, the Financial Secretary to Government, and the Sub-Treasurer)" as *ex-officio* Directors, and the prohibition as to such Directors holding shares was therefore clearly applicable to Civil Servants in general.

4. Her Majesty's Government see no reason for making any alteration in the existing rule, and direct that, immediately on the receipt of this Despatch, Mr. Inverarity be called upon to dispose of his shares, or that he be relieved of his duties as Government Director of the Bank at your Presidency.

No. 5819.

ORDER.—Ordered, that a copy of the above Despatch be sent to the Government of Madras for information and guidance.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
the 25th November 1863.

(Signed) E. H. LUSHINGTON,
Secretary to the Government of India.

No. 85. ORDER THEREON, 19th December 1863, No. 824.

Communicated to the Directors of the Bank of Madras.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. McMoolry.

India office.

London 16th October 1863.

Financial

No 107.

To,

His Excellency the Honorable the Governor
in Council. Bombay,

Sir,

Para 1. I have considered in Council your Financial letter dated the 8th August last. No 14. reporting that, for the reasons therein stated, you had appointed the Commissioner of Customs to be an ex officio Director of the Bank, instead of the Civil Pay Master, requesting instructions as to the disposal by Mr Inverarity of the shares held by him and suggesting a reconsideration of the rule laid down by the late Court of Directors, which prohibits Government Directors of the Banks at the several Presidencies from having any personal interest in them.—

2 You state that you have informed Mr Inverarity "that although it has been held, in compliance with the orders of the late Court of Directors "conveyed in their Despatch No 2 to the address "of the Government of India, dated 20th January 1847 "that certain officers (the Accountant General, the "Financial Secretary to Government, and the Sub Treasurer)

were

"were to lee considered ex officio Directors and were not "to lee at liberty to leecome shareholders," you consider that when you, for the first time, make the Commis-sioner of Customs an ex officio Director," you need not require him to dispose of his shares. Mr Inverarity has accordingly leeen directed leiy your Government to fulfil the duties of Director of the Bank, pending a reference to the Home Govern-ment on the Subject.—

3 The orders of the late Court of Directors re-ferred to leiy you were in distinct terms. Viz. "That the office of Government Director lee henceforth invariably filled leiy Civil servants having no personal interest in the concerns of the institution" and the Despatch containing those orders did not specify "certain officers the Accountant General, the Financial Secy. to Government, and the Sub Treasurer," as ex officio Directors and the prohibition as to such Directors holding shares was therefore clearly applicable to Civil servants in general.

4 Heer Majesty's Government see no reason for making any alteration in the existing rule, and direct that, immediately on the receipt of this Despatch Mr. Inverarity lee called upon to dispose of his shares, or that he lee relieved of his duties as Government Director of the Bank at your Presidency.—

I have the honor to lee &c.
(Signed) C. Wood

No 5819.

Order.

Ordered, that a copy of the above Despatch lee sent to the Government of Madras for information and guidance.—

Fort William
Financial Department
The 25th November 1863

Ed. Wedderburn
Secy. to the Government of India.

Fin'l 1863 Dept

From

Secy to Govt of India
Fin Dept No. 5819

Dated 25 Novr
Recd 15 Decr 1863.

No. 850

Communicates copy of a Despatch from the Secy of State, directing that the Office of Govt Director of a Bank be conferred only on those Civil Servants who have no personal interest in the Bank

Recorded
With an Order

No. 824 - 19 December 1863.
Communicated to the Directors of the Bank of Madras.

Sub. 8 Jany/64.

To the Director of the Bank of Madras dated 23rd

84085