M.R.O. 1—77,006—8-6-37.

(1) Number of pages 6

(2) Date of repair 16-8-39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 29. Press / Mis.

34-35

Dated 23-1- 1866.

34-35 4/5

Not to be folded or roughly handled

No. 34. Read the following Despatch from the Right Honorable the Secretary of State for India, to His Excellency the Honorable the Governor in Council, Fort Saint George; dated India Office, London, 15th December 1865, No. 92.

I have considered in Council the undermentioned letters from your Government, and have to make the following observations in reply:—

Letters, dated 13th May and 12th September 1865, *Nos. 7 and* 8.

2. Need no reply.

Letter, dated 26th September 1865, *No.* 9.

3. The request of C. Rajagopala Charier, that his service for pension may be allowed to reckon from the commencement of his twenty-second year, and that he may be granted a pension equal to one-half salary, cannot be complied with.

Separate Revenue Letter, dated 11th September 1865, *No.* 11.

4. Copies of correspondence* with the Board of Commissioners of Inland Revenue are forwarded herewith, from which you will observe that that Board is now of opinion that, as regards India "Promissory Notes, there- "duced duty extends only to powers for the receipt of interest on" "those Notes, the interest of "which is payable by bills on the Governments of India, Madras, and Bombay."

* Letter from Inland Revenue Office, dated 26th July 1865.
Do. to do. 11th August 1865.
Do. from do. 30th ,, ,,

5. Powers of Attorney executed in this country, for the receipt of interest on Government Securities at Madras, should therefore bear an English Stamp of £1-10.

Judicial Letter, dated 12th September 1865, *No.* 15.

6. The request of Mr. Cower to be granted an increase to his salary cannot be complied with.

Secretary's Letter, dated 25th October 1865, *No.* 502.

7. The signatures of the President and Members of Council to the account of the receipts and disbursements at your Presidency, which is annually forwarded to this country, may be dispensed with, in future, as suggested.

From the Secretary to the Board of Commissioners of Inland Revenue, to the Under Secretary of State for India; dated Somerset House, London, 26th July 1865.

I have laid before the Board of Inland Revenue your Lordship's letter, of the 28th ultimo, transmitting, by desire of the Secretary of State for India in Council, copies of correspondence with the Government of Madras, and with Messrs. Scott, Bell & Co., relative to the Stamp duty to be affixed to Powers of Attorney for the receipt in India of interest, &c., on Indian Government Securities, and requesting to be informed whether, after perusal of these papers, the Board adhere to their view of the law, as expressed in their letter to Messrs. Scott, Bell & Co., dated 16th ultimo.

2. I beg to observe that, since the date of your letter, the Board have been furnished with a Power of Attorney of the nature above referred to, which has been stamped with a duty of 5 shillings and been returned from Madras as being insufficiently stamped.

3. This document purports to be a Power, authorizing certain persons residing at Madras to act as Attorneys for the receipt of interest on the Government Securities in their possession (*i. e.* of course Securities of the Government of India).

4. Previously to the passing of the Act 27 Vic., Cap. 18, such a Power of Attorney was undoubtedly chargeable with the Stamp duty of 30 shillings.

5. By that Act, reduced Stamp duties were imposed on Powers of Attorney "for the receipt of dividends or interest on any of the Government or Parliamentary Stocks or Funds; but this was considered not to extend to the Securities of the Government of India, and therefore

another Act, Cap. 56 of the same Session, was passed, with the intention of extending the reduction of Stamp duty to such Securities. In order that this intention might be properly and effectually carried out, reference was made to the authorities at the India Office for the terms in which the Indian Securities should be described, and accordingly the following description was supplied and inserted in the enactment (Section 3) :—

"Letter or Power of Attorney for the receipt of dividends or interest of the Stocks or Funds "of the Secretary of State in Council of India, or of India Promissory Notes, or regis- "tered Promissory Notes, the interest of which is payable by Bills of Exchange on the "Governments of India, Madras, or Bombay, respectively."

6. Assuming that this description comprises all the Stocks, Funds, and Securities of the Government of India, a Power of Attorney of the nature of the one now before the Board is sufficiently stamped with the duty of 5 shillings. On the other hand, if there be any other Securities of the Indian Government than those comprehended in the above description, then, as the general terms of the Power of Attorney alluded to comprise *all* the Government Securities of every description, such Power is not sufficiently stamped, but is chargeable with the duty of 30 shillings.

7. In the letter, dated 12th April 1865, from the Accountant General to Messrs. Binny of Madras, it is stated (paragraph 2) that it was decided by the Madras Government, in February last, under instructions from the Secretary of State for India and the Law Officers of the Madras Government, that the 5 shillings Stamp duty prescribed by the Act, Chapter 56, applied only to Powers for receipt of interest on Indian Promissory Notes, the interest of which is payable by Bills of Exchange on the Governments of India and Madras.

8. The Board are not aware on what ground this construction has been put on the Act.

9. It is presumed that the interest on *registered* notes only is payable by *bills*, and that there are other Promissory Notes, which are not registered, the interest of which is paid in cash, and is not payable by Bills. It appears to the Board that both are included under the terms "India Promissory Notes" simply, and registered Promissory Notes, the interest of which "is payable by Bills, &c.," and consequently that the reduced duty applies to both descriptions of Promissory Notes.

10. I may add that this reduced duty does not extend to Powers of Attorney authorizing the dealing with the Capital of Indian Government Securities, but is confined simply to Powers for the receipt of dividends or interest in respect of such Securities.

From the Under Secretary of State for India, to the Secretary to the Board of Commissioners of Inland Revenue; dated India Office, 11th August 1865.

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 26th ultimo, in which you state the reasons which induce the Board of Commissioners of Inland Revenue to adhere to their opinion as to the amount of Stamp duty to be affixed to the Powers of Attorney for the receipt, in India, of dividends on Indian securities.

2. In reply, I am directed to observe that the Board of Inland Revenue are in error in supposing "that the interest on *registered* Notes only is payable by bill," as the interest on "India Promissory Notes" which have been enfaced for the payment of interest in England are also paid by bills on India, and the term "registered notes" applies only to such of those notes as have been registered at the Bank, at the option of the holder.

3. With reference, therefore, to the possibility of the opinion of the Board being founded on a misconception of the real facts of the case, Sir Charles Wood is desirous that the subject may be again taken into their consideration.

4. If the Board of Inland Revenue adhere to the opinion already expressed, copies of this correspondence will be forwarded to the several Governments in India, with instructions to accept Powers for the receipt of dividends or interest which have been stamped with the duty of 5 Shillings only.

Proceedings of the Madras Government, Financial Department,
23rd January 1866.

From the Secretary to the Board of Commissioners of Inland Revenue, to the Under Secretary of State for India; dated Somerset House, London, 30th August 1865, R $\frac{4507s}{65}$.

With reference to your letter of the 11th instant, on the subject of the Stamp duty chargeable on Powers of Attorney for the receipt in India of dividends or interest on Indian Securities, I have to observe that the Act 27 and 28 Vic., Cap. 56, reduced the Stamp duty on a Letter or Power of Attorney for the receipt of dividends or interest of—

I. The Stocks or Funds of the Secretary of State in Council of India.

II. Or of India Promissory Notes, or Registered Promissory Notes, the interest of which is payable by Bills of Exchange on the Governments of India, Madras, and Bombay respectively.

2. With regard to the Stocks or Funds above described under No. 1, the Board are not aware that any difficulty has arisen; but with respect to the Promissory Notes described under No. 2, a question has been raised whether the reduced duty extends to powers for the receipt of interest of all Promissory Notes of the Indian Government, or only of those whereof the interest is payable by Bills of Exchange, as mentioned in the Act. On the receipt of your letter, the Board referred the question to their Solicitor, who is of opinion, on the explanation given by you, that as regards Promissory Notes, the reduced Stamp duty extends only to Powers for the receipt of interest on Promissory Notes of the latter description—that is, those Notes, the interest of which is payable by bills on the Governments of India, Madras, and Bombay.

No. 35. ORDER THEREON, 23rd January 1866, No. 29.

Ordered that a copy of paragraph 3 of the foregoing Despatch be furnished to C. Rajagopala Charier, with reference to his Memorial of the 28th July 1865.

2. Ordered also that paragraphs 4 and 5, with the correspondence referred to, and paragraph 6, be communicated to the Revenue and Judicial Departments, respectively.

3. Paragraph 7 will be communicated to the Accountant General.

(True Extract).

Chief Secretary.

To C. Rajagopala Charier, late Tahsildar of Manargoody, Mylapoor, Madras.
To the Revenue Department.
" Judicial Department.
" Accountant General.

Exd. J. H. Burns.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read Despatch from the R. H. the Secy: of State for India.

(Dated 15th Decr: '66 N°92)

Order. 23d January 1867 N° 29.

Ordered that a copy of para 3 of the foregoing Despatch be furnished to M. Rajagopala Chariar with reference to his Memorial of the 28th July 1865.

2 Ordered also that paras 4 & 5, with the correspondence referred to, & para 6 be communicated to the Revenue & Judicial Departments respectively.

3 Para 7 will be communicated to the Acct: General

Copy
To M. Rajagopala Chariar
Late Sheristar of Manargoody - Mayaveram

2 — Revs Depts — p 4 & 5 of Despatch with correspce
Accounts Genl
2 — Judl — 6 of Despatch
3 — Acct: General - p 7 —

dated 25/1
dated 9/2

Financial 1866. Department

No. 29.

PROCEEDINGS OF GOVERNMENT.

Dated 23rd January 18

Press No. 2755, G. M.—14-11-65—500.