

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 766

Press
Mis.

86.87

Dated

6 - 4 - 1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
6th April 1861.*

No. 86. Read the following letter from F. WALTHER, Esq., Secretary to the Income Tax Commission, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated Madras, 12th March 1861, No. 46:—

SIR,

1. I am directed by the Commissioners of Income Tax for the Town of Madras, to submit a report, as directed in the Proceedings of Government, dated 29th January, showing what portion of the funds known as Patchiappa's charities is devoted to objects of a private and personal character.

	RS.	A.	P.
Annual Interest on Patchiappa Mudali's Bequest of Rupees 7,38,798-0-0 invested in Government Securities at 4 per cent.....	29,551	12	9
Do. do. Government Promissory Notes for Rupees 53,000 at 4 per cent.....	2,120	0	0
Revenue of Tinengoody village.....	1,032	8	9
Scholars' fees Patchiappa Mudali's school at Madras.....	2,615	8	0
	<u>35,319</u>	<u>13</u>	<u>6</u>

2. The total available income from property known as Patchiappa's Bequest or connected therewith is Rupees 35,319-13-6 per annum, as detailed marginally.

3. The disbursements consist of, 1st, Rupees 15,007-0-1 on account of public educational establishments at Madras, Conjeveram and Chedumbarum; 2nd, Rupees 3,617-15-0 on account of public Choultries; 3rd, Rupees 10,928-14-0 annually in feeding and clothing the poor; 4th, Rupees 1,200 assessment, quit-rent and repairs of buildings, and 5th, Rupees 2,766-1-8 for the performance of worship and making offerings at twelve Pagodas in the interior of the country. These ceremonies and offerings have been detailed to the Commissioners and have been described as being "for the benefit of the souls of Patchiappa Mudali and his family."

4. The Commissioners are of opinion that the description "of being for objects of a private and personal character," can justly be applied only to the disbursement No. 5, amounting to Rupees 2,766-1-8, all the other disbursements being for public, religious, and charitable purposes.

No. 87. ORDER THEREON, 6th April 1861, No. 766.

1. In reply to paragraph 5 of the order of 29th January last, No. 235, the Income Tax Commissioners report that the total annual income of Patchiappa's Charities amounts to Rupees 35,319-13-6, and that disbursements are made therefrom to the extent of Rs. 33,519-14-9 on account of charities, &c., of which Rupees 2,766-1-8 only are described as devoted to objects of a private and personal character.

2. The Government resolve, therefore, to declare the exemption accorded in the Order of 7th November 1860, No. 2,062, to hold good as regards that portion of the interest accruing on the funds of these charities, which appears from the foregoing letter to be expended on religious or charitable public purposes. The remainder will be excluded from exemption; but this exclusion will not have retrospective effect.

3. But another question arises in connection with these charities. The Government of India have directed that "endowments for the support of schools, unless they are for the education of the poor and indigent, should not be exempted from the Income Tax." Patchiappa's charities, it is seen, expend more than Rupees 15,000 a year on education; but His Excellency in Council requests that the Commissioners will inquire and report whether this expenditure is liable or not to be taxed with reference to the ruling just quoted.

4. The inquiries of the Commissioners should also be directed to the objects of the expenditure of the Doveton Protestant College, the property of which was exempted by the Order of 31st October last, No. 2,011; it appears probable that this Institution may also be affected by the ruling adverted to in the preceding paragraph.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

R. D. v

No. 766

Proceedings of the Madras Government

Under date the ~~6th~~ ^{April} March 1861

Read the following letter from

J. Walther Esq. Secy. to the

Income Tax Commission.

Submits by direction of the
Commissioners a report shewing
portion of the Funds Income

Patchiappa's Charities is devoted (Here enter 12th March 1861 No. 16)

etc of a private & personal
letter as directed in the Progs.

dated 29th Jan'y 1861.

1. In reply to para 5
of the order of 29th January
last No. 235, the Income Tax
Commissioners report that
the total annual Income of
Patchiappa's Charities amounts
to Rupees 35,319-13-6, and
that disbursements are made
therefrom to the extent of
Rupees 33,519-11-9 on account
of Charities &c of which
Rupees 3,466-1-8 only are
described as devoted to
objects

Objects of a private and personal character.

2. The Govt. resolve therefore to declare the exemption accorded in the order of 7th Nov. 1860, No. 2062, to hold good as regards that portion of the interest accruing on the funds of these Charities, which appears from the foregoing letter to be expended on religious or charitable public purposes. The remainder will be excluded from exemption; but this exclusion will not have retroactive effect.

3. But another question arises in connection with these Charities. The Govt. of India have directed that "Endowments for the support of schools, unless they are for the education of the poor and indigent, should not be exempted from the Income Tax". Pahiappas Charities, it is seen, expend more than Rs. 15,000 a year on education, but His Excellency in Council requests

Income Tax Manual Page 2
Ruling No. 38.

requests that the Commissioners will enquire and report whether this expenditure is liable or not to be taxed with reference to the ruling just quoted.

4. The enquiries of the Commissioners should also be directed to the objects of the expenditure of the Doustow Protestant College, the property of which was exempted by the order of 31st October last No. 2011; it appears probable that this Institution may also be affected by the Ruling adverted to in the preceding paragraph.

CJLW

PAH

- 13 Copies. President Income Tax Comm. Diff. 8
3 " Special Commrs of D.
13 " Boards of Revenue
3 " Accountants General
3 " Civil Auditor.
1 " President of Patehrabad Moud Charities.

*Funds of Patchiappa's
institution connected
with the Income Tax.*

*Revenue 1861 Depaidt
Rs. 400/- for April*

1866

*Rs. of the United Provt
Rs. 60/- April 1861*

*From the Commission
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax*

*From the Commission
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax*

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Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax*

*From the Commission
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax
Rs. 100/- for the Income Tax*

Rs. 471.472

29-1-61

1866