

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	328	Press
	302. 303	~~Mis.~~
Dated	16 - 2 - 1865.	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
16th February 1865.*

No. 302. Read the following letter from E. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Secretary to the Government of Fort Saint George, dated Simla, the 13th July 1864, No. 1,335:—

SIR,

In forwarding, for the information of the Government of Fort Saint George, the papers noted in the margin,* I am directed to state that, if, as remarked by Mr. Mangles, Income Tax has been remitted in such cases as are mentioned in the Bombay Deputy Auditor and Accountant General's letter, No. 256, dated 31st May 1864, the amounts should be recovered.

* Letter from Deputy Auditor and Accountant General, Bombay, No. 256, dated 31st May 1864, and its enclosure.
Letter to do. No. 1,334 of this day.

From S. D. BIRCH, Esq., Deputy Auditor and Accountant General, to the Financial Secretary to the Government of India, dated Bombay, 31st May 1864, No. 256.

SIR,

1. In continuation of my letter No. 92, dated 11th instant, I have the honor to submit copy of a further communication from the Officiating Civil Paymaster, No. 82, dated 12th idem, and to observe that under the circumstances therein stated, this Department has not objected to that Officer following the course suggested by him.

2. I take this opportunity to state that on further enquiry, I find that the Civil Paymaster has remitted Income Tax in the following cases:—

1. Remuneration to the President, Secretary and two Members of the Parsee Law Commission, Rupees 1,250 each.
2. Remuneration to Dr. Haines for preparing a Report and Tables on the value of Secessions, Rupees 500.
3. Income Tax is however levied in the following cases:—
 1. Remuneration for attendance of the President and Members of the Civil and Military Examination Committee.
 2. Remuneration to Auditors of Savings Bank Accounts.

Memorandum from H. A. MANGLES, Esq., Officiating Civil Paymaster, to the Deputy Auditor and Accountant General, Bombay, dated 12th May 1864, No. 82.

The Civil Paymaster, with reference to copy of the Accountant General's letter, No. 92, dated 11th instant, to the Financial Secretary to the Government of India, has the honor to state that, as he has no doubt in his own mind that fees of the description therein referred to, are exempt from Income Tax under the Resolution of the Government of India, quoted by him, and as, moreover, this opinion was endorsed last year by the Madras Government, when the question was mooted there, he considers it would be less inconvenient both to this Office and to the Officers concerned to allow the remission to stand until the matter is decided by the Government of India.

(True Copy.)

(Signed) J. CHRISTIE,
First Asst. Deputy Auditor and Accountant General.

(True Copies.)

(Signed) J. E. COOKE,
Asst. Secy. to the Govt. of India.

*Proceedings of the Madras Government, Revenue Department,
16th February 1865.*

From E. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Bombay, dated Simla, the 13th July 1864, No. 1,334.

SIR,

In reply to your letter No. 256, dated 31st May last, I am directed to state that as the payments in the two cases noted in the margin* were for ordinary remuneration for service performed, they are liable to Income Tax, and the same should be recovered accordingly.

• Remuneration to the President, Secretary, and two Members of the Parsee Law Commission.	1,250 each.
• Remuneration to Dr. Haines for preparing a Report and Tables on the value of Secessions	500

(A true Copy.)

(Signed) J. E. COOKE,
Asst. Secy. to the Govt. of India.

Ordered that the following letter be despatched.

No. 303. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 16th February 1865, No. 328.

SIR,

1. I am directed by His Excellency the Governor in Council to make the following observations on your communication of the 13th July last, No. 1,335.

Miscellaneous.

2. It appears that in May Mr. Mangles, the Civil Paymaster at Bombay, differed from the Accountant General at the same Presidency on some point connected with the levy of Income Tax on certain fees. Mr. Mangles had* no doubt that fees of the description referred to were

* 12th May 1864, No. 82.

exempt from Income Tax under a Resolution of the Government of India, "and as, moreover, this opinion was endorsed last year by the Madras Government when the question was mooted there," he considered it advisable to allow the remission to stand pending the decision of the

† 31st May 1864, No. 256.

1. Remuneration to the President, Secretary, and two Members of the Parsee Law Commission, Rupees 1,250, each.
2. Remuneration to Dr. Haines for preparing a Report and Tables on the value of Secessions, Rupees 500.
3. Remuneration for attendance of the President and Members of the Civil and Military Examination Committee.
4. Remuneration to Auditors of Savings Bank Accounts.

‡ 13th July 1864, No. 1,334.

second cases above described "were for ordinary remuneration for service performed" they are "liable to Income Tax, and the same should be recovered accordingly."

4. In forwarding copies of the correspondence above summarized, you have in your letter under acknowledgment intimated to this Government "that if, as remarked by Mr. Mangles, 'Income Tax has been remitted in such cases as are mentioned in' Mr. Birch's letter already referred 'to the amounts should be recovered.'"

5. It is assumed that the remissions objected to have their origin in the Financial Order of the Government of India, dated 31st March 1862, No. 2,541. In that Resolution some previous rulings declaring the liability to Income Tax of rewards paid to individuals for passing in an

*Proceedings of the Madras Government, Revenue Department,
16th February 1865.*

Oriental language, or for killing wild beasts, &c., were reviewed with reference to certain difficulties incident to their enforcement in regard to rewards to informers, &c., and the following decision was passed:—

"Upon a further consideration of the question, the Governor General in Council is of opinion that these rewards being specific sums given to promote a specific object, may be presumed to have been fixed at the amount requisite to ensure the accomplishment of the end and no more, and therefore that a deduction of the Income Tax would virtually be to lower the scale of payment, which experience had found necessary for such objects, as the extirpation of wild animals, or the repression of frauds on the revenue.

"His Excellency in Council, accordingly, resolves that all rewards given as a specific payment for a specific object, as payments for the destruction of wild beasts, or penalties paid to informers, shall be exempted from deduction of Income Tax by the officers paying them, care being taken to distinguish cases, where such rewards or allowances are not merely isolated payments, but form part of the regular salary of an office or profits of a profession."

• Dated 10th November 1864.

REWARDS.	RS.
1. Cotton Prizes	10,500
2. Passing in Oriental languages	18,400
3. Capturing robbers and convicts	2,965
4. At cattle Shews	1,230
FEES.	
5. For auditing accounts	1,400
6. For report upon Savings Bank	200
7. To Examiners at University and U. C. S. Examinations	33,120
8. To Vakeels employed as public Prosecutors	5,277
Grand Total	73,092

6. A return* has been obtained from the Civil Paymaster's Office of the exemptions from Income Tax which have been allowed in Madras with reference to this Resolution. An abstract is given in the margin,† from which it will be seen that they range under eight heads, four of which may be styled *rewards*, and four *fees*.

7. If the decision now communicated is applied to these cases, it appears to His Excellency in Council that all the items under the heading *fees* must be considered as "ordinary

"remuneration for service performed," and therefore liable to pay Income Tax.

8. Before, however, taking any steps towards the recovery of the tax, the Government deem it fitting to explain that the course which has been followed (in three at least of the four items in question) is in strict accordance with the ruling laid down by the Supreme Government, viz., that specific payments for specific objects should be exempt from Income Tax. I am, therefore, directed to suggest that under the circumstances, as most of the payments have been made long since, and as in the cases of persons unconnected with the Government service there is no way of recovering the tax, matters be left as they are in regard to the past, it being understood that in future the present ruling of the Government of India shall be acted upon.

9. At the same time the Governor in Council is of opinion that the course hitherto followed is unobjectionable.

Memorandum of items on account of Rewards &c. - paid during 1862/63 and 1863/64 without deduction for Income Tax.

Description of Allowances.

Amount awarded to Messrs. Trench & Co. for the best Cotton cultivated in Andras
 Remuneration to Mr. & Mrs. the Chief of the Office of the Board of Examiners
 Reward to Mr. & Mrs. Lincoln
 Do to Do
 Do to Mr. Nelson
 Do to Do
 Remuneration to Mr. & Mrs. for auditing the accounts of the Bank of India &c. 31 January 1863.
 Do to Mr. Morrison for auditing the accounts of the Gazette Office
 Do to Examiners for the Unconquered Civil Service Examination
 Fee for Mr. & Mrs. for report upon Govt. Savings Bank -
 Reward to Mr. & Mrs. W. H. Conyn
 Do to Mr. & Mrs. Pennington
 Do to Messrs. Best, Starr, Horsfall & Horsberg
 Do to Mr. & Mrs. Robert
 Do to Mr. & Mrs. Hope

Amount.	Date of payment.	Credit.	Remarks.
1000 00	December 15 th 1862	December 22 nd 1862	
200 00	December 23 rd 1862	January 20 th 1863	U. S. S. Administration
1000 00	September 15 th 1863	September 15 th 1863	
1000 00	January 5 th 1863	January 10 th 1863	
100 00	February 14 th 1863	February 20 th 1863	
100 00	March 15 th 1863	March 15 th 1863	
400 00	April 15 th 1863	April 15 th 1863	
300 00	October 22 nd 1863	October 22 nd 1863	
500 00	January 15 th 1863	January 15 th 1863	
200 00	November 4 th 1862	December 13 th 1862	
100 00	January 30 th 1863	January 30 th 1863	
800 00	October 24 th 1863	October 24 th 1863	
600 00	February 22 nd 1864	February 22 nd 1864	
300 00	March 22 nd 1864	March 22 nd 1864	
800 00	March 24 th 1864	March 24 th 1864	

U. S. S. Administration

Receipts of Allowance

Revenue Rs. -

Particulars	Amount	Date	Particulars
Reward to college & Pias Vellores	1600	1864 April 29 th	
Remuneration to Special Test Examiners in 1863	4320	1863 " 28 th September 4 th	
Di. to Di. General test	150	1863 October 21 st	
Di. to Di.	6050	1864 January 18 th & 25 th	
Di. to Mr. Harrison for auditing the accounts of the Govt. Works	300	1863 August 26 th & 30 th	
Cotton Prize awarded in Cuddalore	500	1862 May 10 th & 29 th	
Remuneration to Mr. Mackay for auditing the accounts of the Bank of Madras	400	1863 December 24 th	

Remuneration for the Examiners in the Matriculation, BA

VBI Degree Examinations

held in 1862	3400	1862 April 15 th & 16 th
Di. in 1863	3750	1863 April 11 th & 21 st
Di. in 1864	6450	1864 April 26 th & 28 th

Reward paid for apprehending escaped Convicts including District -	200	1863 July 4 th & 21 st
Di. District	100	1863 August 7 th & 21 st

Di. to different individuals on account of cattle shown at Addumby in Nellore District for 1863 -

Di. - Di. for apprehending robbers in Nellore District -	80	1864 January 16 th & 30 th
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Revenue

Show at Addumby in Nellore District for 1864	565	1864 March 3 rd & June 10 th
--	-----	--

Di. - to Puntaya Ratno for apprehending robbers in Puntaya	50	1863 May 20 th & 25 th
--	----	--

Di. - Di. to different individuals for Di. Cuddalore	150	1863 December 13 th & 14 th
--	-----	---

Di. - Di. to Di. for Di. Di.	25	1864 March 21 st & 23 rd
------------------------------	----	--

Di. - Di. to Di. for Di. Di.	70	1863 August 23 rd & 24 th
Di. - Di. to Di. for Di. Di.	700	1863 " 25 th & 26 th
Di. - Di. to Di. for Di. Di.	500	1863 " 19 th & 20 th
Di. - Di. to Di. for Di. Di.	175	1863 " 14 th & 15 th
Di. - Di. to Di. for Di. Di.	250	1863 " 28 th & 29 th
Di. - Di. to Di. for Di. Di.	50	1864 " 13 th & 14 th
Di. - Di. to Di. for Di. Di.	100	1864 " 25 th & 26 th
Di. - Di. to Di. for Di. Di.	100	1864 " 27 th & 28 th
Di. - Di. to Di. for Di. Di.	225	1864 " 28 th & 29 th
Di. - Di. to Di. for Di. Di.	50	1864 " 29 th & 30 th
Di. - Di. to Di. for Di. Di.	100	1864 " 29 th & 30 th

Di. - Di. to Di. for Di. Di.	48	1863 April 18 th
Di. - Di. to Di. for Di. Di.	203	1863 July 18 th
Di. - Di. to Di. for Di. Di.	148	1863 September 18 th
Di. - Di. to Di. for Di. Di.	100	1863 October 18 th
Di. - Di. to Di. for Di. Di.	50	1863 November 18 th
Di. - Di. to Di. for Di. Di.	114	1863 December 18 th
Di. - Di. to Di. for Di. Di.	165	1864 January 18 th
Di. - Di. to Di. for Di. Di.	110	1864 February 18 th
Di. - Di. to Di. for Di. Di.	50	1864 March 18 th
Di. - Di. to Di. for Di. Di.	90	1863 April 18 th
Di. - Di. to Di. for Di. Di.	75	1863 June 18 th
Di. - Di. to Di. for Di. Di.	90	1863 July 18 th
Di. - Di. to Di. for Di. Di.	70	1863 August 18 th
Di. - Di. to Di. for Di. Di.	110	1863 September 18 th
Di. - Di. to Di. for Di. Di.	50	1864 February 18 th
Di. - Di. to Di. for Di. Di.	60	1864 March 18 th
Di. - Di. to Di. for Di. Di.	60	1863 October 18 th

North Arcot.

Cuddalore.

Description of Allowance.

This paid to different Vakeels employed as Public Prosecutors for several cases.

Cuddalore.	November 1863	160
Madura.	May 1863	160
Godavary District.	July 1863	161
	February 1864	125
	1864	149
Nellore.	August 1863	131
	December 1863	210
Kurnool.	February 1864	317
	April 1863	78
	July 1863	50
	August 1863	73
	October 1863	45
	November 1863	51
	January 1864	85
	April 1863	50
	January 1864	50
	July 1863	88
	September 1863	56
	October 1863	56
	November 1863	45
	March 1864	48
	April 1863	20
	August 1863	43
	December 1863	139
	May 1863	56
	July 1863	48
	November 1863	48
	August 1863	50
	September 1863	45
	October 1863	50
	August 1864	80
	October 1863	72
	April 1863	76
	July 1863	53
	November 1863	145
	January 1864	101
	July 1863	220
	August 1863	60
	January 1864	170
	March 1864	130

Civil Paymaster's Office,
Fort. Saint George.
19th November 1864

Forwarded to the Under Secy to Govt
with reference to his Memoandum No 138
dated 14th September 1864.

1627/8

of Order
Function:
any Pay-
Amount.

Date

of

Amount

of

of

of

of

of

Remarks

1863
Decr 28
Jan 1863 11 1/2
Sept 1863 22 1/2
March 1864
Nov 1863 4 1/2
Feb 1864 26 1/2
April 1864 25 1/2
July 1863 11 1/2
Sept 1863 28 1/2
Oct 1863 15 1/2
Decr 1863 5 1/2
Feb 1864 20 1/2
July 1863 20 1/2
March 1864 18 1/2
Aug 1863 11 1/2
Sept 1863 21 1/2
Oct 1863 22 1/2
Nov 1863 25 1/2
Decr 1863 22 1/2
Jan 1864 4 1/2
Feb 1864 4 1/2
March 1864 20 1/2
April 1864 16 1/2
May 1864 9 1/2
June 1864 27 1/2

C. C.
Michael Smith
Civil Paymaster.

Revenue Department.

Memorandum.

1. In May last Mr. Mangles, the Civil Paymaster at Bombay differed with the Accountant General at the same Presidency on some point connected with levy of Income Tax on certain fees, nature unknown. Mr. Mangles had no doubt that fees of the description referred to are exempt from Income Tax under a resolution of the Government of India (date not given) and as moreover this opinion was endorsed last year by the Madras Govt. when the question was mooted there he considered it advisable to allow the remission to stand pending the decision of the Supreme Government. Mr. Bink accordingly adopted this recommendation and in his letter to the Government of India

12th May 1864 No. 82

31st May 1864 No. 256.

India, reporting proceedings in accordance to previous correspondence, he took the opportunity of stating that the Civil Paymaster had remitted Income Tax in the first and second cases marginally noted, while he had levied it in the third and fourth cases.

2. The Government of India in reply observed that as the payments in the first and second cases above described were for ordinary remuneration for service performed they are liable to Income Tax and the same should be recovered accordingly.

3. The Govt. of India have also, in forwarding copies of the correspondence above summarized, intimated to this Govt. that if, as remarked by Mr. Mangles, Income Tax has been remitted in such cases as are mentioned in

1. Remuneration to the President, Secretary & 2 members of the Parsee Law Commission - Rs. 1250 each.
2. Remuneration to Dr. Haines for preparing a report & tables on the value of secessions - Rs. 500
3. Remuneration for attendance of the President and members of the Civil & Military Examinations Com. - Rs. 1000
4. Remuneration to Auditors of Savings Bank accounts - Rs. 1000

13th July 1864 No. 1334.

13th July 1864 No. 1335

Mr. Birch's letter already referred to the amounts should be recovered.

1. It is assumed that the remissions objected to have their origin in the Financial order of the Government of India dated 31st March 1862 No. 2541. In that Resolution some previous rulings declaring ^{the} liability to Income Tax of rewards paid to individuals for passing in an oriental language or for killing wild beasts &c. were reviewed with reference to certain difficulties incident to their enforcement in regard to rewards to informers &c. and the following decision passed.

"Upon a further consideration of the question, the Governor General in Council is of opinion that these rewards being specific sums given to promote a specific object, may be presumed

"presumed to have been fixed
 "at the amount requisite to en-
 "sure the accomplishment of
 "the end and no more, and there-
 "fore that a deduction of the
 "Income Tax would virtually
 "be to lower the scale of payment,
 "which experience had found
 "necessary for such objects as
 "the extirpation of wild animals
 "or the repression of frauds
 "on the Revenue.

"His Excellency in
 "Council, accordingly, resolves
 "that all rewards given as a
 "specific payment for a specific
 "object, as payments for the
 "destruction of wild beasts
 "or penalties paid to informers,
 "shall be exempted from de-
 "duction of Income Tax by
 "the Officers paying them,
 care

x. Dated 10th November 1861.

*Rewards	1. Cotton Prizes. ———	10,500.
	2. Passing in Oriental Languages. ———	18,400.
	3. Capturing robbers and cowards. ———	2,965.
	4. At cattle shears. ———	1,230.
Fees.	5. For auditing accounts. ———	1,400.
	6. For Report upon Savings Bank. ———	200.
	7. To Examiners at University and U.C.S. Examinations. ———	33,120.
	8. To Vakils employed as Public Prosecutors. ———	5,277.
	<u>Grand total</u>	<u>73,092.</u>

G. O. 12th July 1862 N 2-1517. R. D.

"care being taken to distinguish
 "cases, where such rewards or
 "allowances are not merely isola-
 "ted payments, but form part
"of the regular salary of an office
"or profits of a profession."

5. A return has been
 obtained from the Civil Pay-
 masters Office of the exemptions

Re. from Income Tax which have

been allowed with reference
 to this Resolution. An abstract

is given in the margin from

which it will be seen that they
 range under eight heads four

of which may be styled Re-
 wards and four Fees. Mr.

Sydney Smith's 30,000 Rupee
 claim also which has not been

entered in Mr. Lodwick's
 list, would fall under the

latter category.

If

6. If the present Picture
of the Govt of India is applied
to these cases it appears to me
that all the items under Fees
must be considered as ordinary
"remuneration for service perform-
ed" and therefore liable to pay
Income Tax. It is not so
clear however how such Income
Tax is to be recovered. It is
true that many of the individuals
concerned are in the service of
Govt and might be retrenched.
The advisability of such a course
seems open to question.

W. M.

This pr. has
followed strictly
the feeling laid
down for their pro-
cedure by the
Supreme pr. viz

I don't think that
Lydner's case
is undoubtedly

that specific pay-
ments for specific
objects should be
exempt from In-
come Tax - A fee
paid to an Examiner
for conducting an
Examination is
surely of this de-
scription. The only
doubtful case, viz
that of Mr. Lydner
I say this 3000 Rs is
settled by his being
out of the Country -
I think before any
attempt to recover
the Tax is made if I
reck on a thump
will in many cases
be unsuccessful /
I think it would be
well to explain our
procedure to the pr.
of India -
Order referred to
I. D. P.

Revenue Department

N^o 328.

10th July/65.

By

The Secretary to the
Gov^t of India,
Financial Department.

Sir,

1. I am directed by His
Excellency the Governor in
Council to make the fol-
lowing observations on
your communication of the
13th July last No 1000.

2. It appears that in
May Mr. Maugles, the Civil
Paymaster at Bombay, ex-
ceeded with the Account-
ant General at the same
Presidency on some point
connected with levy of an
Income Tax on certain
files. - Mr. Maugles had
no doubt that files of the
description referred to were
exempt from Income Tax
under

* 12th May 1864, No 82-

W.D.

under a resolution of the Govt of India and as moreover this opinion was endorsed last year by the Madras Govt when the question was mooted there he considered it advisable to allow the remission to stand pending the decision of the Supreme Govt. Mr. Birch accordingly adopted this recommendation and in his letter to the Govt of India, reporting proceedings in accordance to previous correspondence, he took the opportunity of stating that the Civil Paymaster had remitted Income Tax in the first and second cases marginally noted, while he had levied it in the third and fourth cases.

3. The Government of India in reply observed that as the payments in the first and second cases above described were for ordinary remuneration for service

* 31st May 1864, No 256-

1. Remuneration to the President, Secretary and 2 members of the Farall Law Commission - Rs 1250 each.
2. Remuneration to Mr. Mairnes for preparing a report & tables on the value of secessions - Rs 500
3. Remuneration for attendance of the President & members of the Civil and Military Examination Committee.
4. Remuneration to Auditors of Savings Bank accounts.

* 13th July 1864, No 1334-

"service performed they are liable to Income Tax and the same should be recovered."

4. In forwarding copies of the correspondence above summarized, you have in your letter under acknowledgment intimated to the Govt that if, as remarked by Mr. Mairnes, Income Tax has been remitted in such cases as are mentioned, "in" Mr. Birch's letter already referred to "the amount" should be recovered.

5. It is assumed that the remissions objected to have their origin in the Financial order of the Govt of India dated 31st March 1862, No 2541. In that Resolution some previous rulings declaring the liability to Income Tax of rewards paid to individuals for passing in an oriental language or for killing wild beasts &c were reviewed with reference to

to certain difficulties in-
 cident to their enforcement
 in regard to rewards to in-
 formers &c, and the follow-
 ing decision passed:-

"Upon a further con-
 sideration of the question,
 the Governor General in coun-
 cil is of opinion that these
 rewards being specific sums
 given to promote a specific
 object, may be presumed to
 have been fixed at the
 amount requisite to ensure
 the accomplishment of the
 end and no more, and there-
 fore that a deduction of
 the Income Tax would vir-
 tually be to lower the scale
 of payment, which experience
 had found necessary for
 such objects as the extirpa-
 tion of wild animals or
 the suppression of frauds
 on the Revenue:-

"His Excellency in
 Council, accordingly resolves
 that all rewards given as a
 specific payment for a
 specific

specific object, as pay-
 ments for the destruction
 of wild beasts or penal-
 ties paid to informers, or
 shall be exempted from
 deduction of Income Tax by
 the Government paying them,
 care being taken to distin-
 guish cases, where such re-
 wards or allowances are
 not merely isolated payments,
 but form part of the regular
 salary of an office or pro-
 fits of a profession:-

* dated 10th Nov^r 1864:-

Rewards

1. Cotton Brides. 10,500.
2. Passing in Oriental languages. 18,400.
3. Captivity of convicts. 2,965.
4. At cattle shows. 1,230.
5. For auditing accounts. 1,400.
6. For Report upon Savings Bank. 200.
7. To Examiners at University & U.C.S. &c. 33,120.
8. To Fakirs employed as Public Prosecutors. 5,277.

Grand total. 73,092.

6. A return has been
 obtained from the
 Paymasters' office of the ex-
 emptions from Income Tax
 which have been allowed
 with reference to this Resolu-
 tion:- An abstract is given
 in the margin from which
 it will be seen that they range
 under 8 heads four of which
 may be styled Rewards and
 four Fees:-

If the decision now
 communicated is applied
 to these cases it appears to
 His Excellency in Council
 that

that all the items under
the heading fees must be
considered as "ordinary re-
muneration for service
performed" and therefore
liable to pay Income Tax:-
8. Before however taking
any steps towards the re-
covery of the tax the Govt
deem it fitting to explain
that the course which has
been followed (in three at
least of the four items in
question) is in strict ac-
cordance with the ruling
laid down by the Supreme
Court vizt that specific
payments for specific objects
should be exempt from In-
come Tax. - I am therefore
directed to suggest that
under the circumstances,
as most of the payments
have been made long ago,
and as in the cases of ex-
persons unconnected with
the Govt service there is
no way of recovering the tax,
matters be left as they
are in regard to the past
it

it being understood that
in future the present ruling
of the Govt of India be
acted upon:-

9. At the same time
the Governor in Council is
of opinion that the course
hitherto followed is un-
objectionable:-

gll

gll

Revenue 1865 Deft
No of Govt for July.

No 328

To the Government
of India

27th February/65

From 22-29 March/65
C. N. 98/10

Forwarding to Govt
of India statement of
Surg of Lieut Jacar
certain particulars in
connection with the case
cannot be referred to now,
for reasons stated.

No 309+303.