

## UPSC Civil Services Examination

### UPSC Notes [GS-I]

#### Topic: The Charter Act of 1813 - Features & Significance [Modern Indian History Notes UPSC]

NCERT notes on important topics for the UPSC Civil Services Exam. These notes will also be useful for competitive exams like [IAS Exam](#), banking PO, SSC, state civil services exams and so on. This article talks about the Charter Act of 1813.

The Charter Act of 1813 passed by the British Parliament renewed the East India Company's charter for another 20 years. This is also called the East India Company Act, 1813. This act is important in that it defined for the first time the constitutional position of British Indian territories.

To know more about the [Governor Generals of Bengal and India](#), visit the linked article.

#### Overview of the Charter Act of 1813

A cursory detail of the act is given in the table below:

Charter Act of 1813	
<b>Long Title</b>	An Act for continuing in the East India Company, for a further Term, the Possession of the British Territories in India, together with certain exclusive Privileges; for establishing further Regulations for the Government of the said Territories, and the better Administration of Justice within the same; and for regulating the Trade to and from the Places within the Limits of the said Company's Charter
<b>Territorial Extent</b>	Territories under direct British control
<b>Enacted by</b>	Parliament of United Kingdom
<b>Royal Assent</b>	21 July 1813
<b>Status</b>	Replaced by Government of India Act, 1915

## Background

- Due to Napoleon Bonaparte's Continental System in Europe (which prohibited the import of British goods into French allies in Europe), British traders and merchants suffered.
- So they demanded they be given a share in the British trade in Asia and dissolve the monopoly of the East India Company.
- The company objected to this.
- Finally, British merchants were allowed to trade in India under a strict licensing system under the Charter Act of 1813.
- But in trade with China and the tea trade, the company still retained its monopoly.

To know more about the [legislation passed in British India](#), click on the linked article.

## Provisions of the Charter Act of 1813

- This Act asserted the Crown's sovereignty over British possessions in India.
- Company's rule and trade monopoly in India was extended to another 20 years. Monopoly was ended except for the trade in tea and with China.
- It empowered the local governments to tax people subject to the jurisdiction of the Supreme Court.
- The company's dividend was fixed at 10.5%.
- The Act gave more powers for the courts in India over European British subjects.
- Another important feature of this act was to grant permission to the missionaries to come to India and engage in religious proselytization. The missionaries were successful in getting the appointment of a Bishop for British India with his headquarters at Calcutta in the provisions of the Act.
- The act provided for a financial grant towards the revival of Indian literature and the promotion of science.
- The company was also to take up a greater role in the education of the Indians under them. It was to set aside Rs.1 Lakh for this purpose.