UPSC Civil Services Examination

UPSC Notes [GS-I]

Topic: The Charter Act of 1793 [Modern Indian History for UPSC]

NCERT notes on important topics for the UPSC Civil Services Exam. These notes will also be useful for other competitive exams like Bank PO, SSC, state civil services exams and so on. This article talks about the Charter Act of 1793.

The Charter Act of 1793, also known as the East India Company Act 1793 was passed in the British Parliament in which the company charter was renewed.

Provisions of the Charter Act 1793

- This Act continued the company’s rule over the British territories in India.
- It continued the company’s trade monopoly in India for another 20 years.
- The Act established that “acquisition of sovereignty by the subjects of the Crown is on behalf of the Crown and not in its own right,” which clearly stated that the company’s political functions were on behalf of the British government.
- The company’s dividends were allowed to be raised to 10%.
- The Governor-General was given more powers. He could override his council’s decision under certain circumstances.
- He was also given authority over the governors of Madras and Bombay.
- When the Governor-General was present in Madras or Bombay, he would supersede in authority over the governors of Madras and Bombay.
- In the Governor-General’s absence from Bengal, he could appoint a Vice President from among the civilian members of his Council.
- The composition of the Board of Control changed. It was to have a President and two junior members, who were not necessarily members of the Privy Council.
- The salaries of the staff and the Board of Control were also now charged to the company.
- After all expenses, the company had to pay the British government Rs.5 Lakhs from the Indian revenue annually.
- Senior company officials were barred from leaving India without permission. If they did so, it would be considered as a resignation.
- The company was granted the authority to grant licenses to individuals and company employees to carry on trade in India. This was known as ‘privilege’ or ‘country trade’. This led to shipments of opium to China.
- This Act separated the revenue administration and the judiciary functions of the company leading to the disappearance of Maal Adalats (revenue courts).