

## Indian Finance Act, 1931.

*Passed under the procedure prescribed by Section 67B of the  
Government of India Act.*

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INDIA OFFICE,                    }                    S. F. STEWART,  
11th June, 1931.                }                    Under Secretary of State for India.

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*(Presented pursuant to the Government of India Act, Section 67B (2).)*

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*Ordered, by the House of Commons, to be printed,  
11th June, 1931.*

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· EAST INDIA (INDIAN FINANCE ACT, 1931).

**No. 1.**

*Indian Finance Act, 1931.*

Whereas the Legislative Assembly has failed\* to pass in the form recommended by me the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, a copy of which Bill in the form recommended by me is hereto annexed:

Now, therefore, I, Edward Frederick Lindley, Baron Irwin, in exercise of the power conferred by sub-section (1) of section 67B of the Government of India Act, do hereby certify that the passage of the said Bill is essential for the interests of British India.

(Sd.) IRWIN,  
*Viceroy and Governor General.*

27th March, 1931.

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\* *Note.*—The following certificates were appended to the Bill presented to the Legislative Assembly with the recommendation of the Governor-General:—

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form hereto annexed.

(Sd.) IRWIN,  
*Viceroy and Governor General.*

26th March, 1931.

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The Legislative Assembly has failed to pass this Bill in the form recommended by the Governor General.

(Sd.) IBRAHIM RAHIMTOOLA,  
*President, Legislative Assembly.*

27th March, 1931.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, in the form hereto annexed.

(Sd.) IRWIN,

Viceroy and Governor General.

27th March, 1931.

A BILL (NOW THE INDIAN FINANCE ACT, 1931.)

*To fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows :—

VIII. of 1894.

VI. of 1898.

II. of 1917.

XII. of 1922.

X. of 1923.

XVIII. of 1930.

Short title and extent.

1.—(1) This Act may be called the Indian Finance Act, 1931.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

XII. of 1882.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the

Fixation of salt duty.

Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, for the year beginning on the 1st day

of April, 1931, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-seventh pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. The amendments specified in the First Schedule to this Act shall be made in Schedule II. to the Indian Tariff Act, 1894. VIII. of 1894.  
Amendment of Schedule II. to Act VIII. of 1894.
4. In addition to the duties payable under the Indian Tariff Act, 1894, and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof. VIII. of 1894.  
Additional customs duties.
5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act VI. of 1898.  
Inland postage rates.
6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, for the words "six annas" the words "eight annas" shall be substituted. II. of 1917.  
Excise duty on motor spirit.
- 7.—(1) Income-tax for the year beginning on the 1st day of April, 1931, shall be charged at the rates specified in Part I of the Fourth Schedule.  
Income-tax and super-tax.
- (2) The rates of super-tax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Fourth Schedule. XI. of 1922.
- (3) For the purposes of the Fourth Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. XI. of 1922.
8. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna and six pies" the words "two annas and three pies" shall be substituted. XII. of 1922.  
Excise duty on kerosene.
9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1931" the figures "1932" shall be substituted. X. of 1923.  
Amendment of section 19, Act X of 1923.
10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "four annas" the words "six annas" shall be substituted. XVIII. of 1930.  
Excise duty on silver.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[See section 3.]

1. For Items Nos. 28 to 33 inclusive the following Items shall be substituted, namely:—

|      |   | Rs. A.   |              |  |
|------|---|--|--------------|--|
| " 28 | ALE, beer, porter, cider and other fermented liquors. | In barrels or other containers containing 27 oz. or more, per imperial gallon. | 0 12         |  |
|      |   | In bottles containing less than 27 oz., but not less than 20 oz., per bottle.  | 0 2          |  |
|      |   | In bottles containing less than 13½ oz., but not less than 10 oz., per bottle. | 0 1          |  |
|      |   | In bottles containing less than 6¾ oz., but not less than 5 oz., per bottle.   | 0 ½          |  |
|      |   | In other containers, per imperial gallon                                       | 1 0          |  |
| 29   | DENATURED SPIRIT ... ..                               | Ad valorem ... ..  | 7½ per cent. |  |
| 30   | SPIRITS (other than denatured spirit)—                | Imperial gallon of the strength of London proof.                               | 30 0         |  |
|      |   |  |              | (1) Brandy, gin, rum, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit. |
|      |   |  |              | (2) Liqueurs, cordials, mixtures and other preparations containing spirit (other than drugs and medicines)—  |
|      |   |  |              | (i) entered in such a manner as to indicate that the strength is not to be tested:   |
|      | (ii) not so entered ... ..                            | Imperial gallon of the strength of London proof.                               | 30 0         |  |

|   |   |                 |       |
|---|---|-----------------|-------|
| (3) Drugs and medicines containing spirit—  |   |                 |       |
| (i) entered in such a manner as to indicate that the strength is not to be tested:  | Imperial gallon   | ...             | 30 0  |
| (ii) not so entered   | Imperial gallon of the strength of London proof.              | ...             | 21 14 |
| (4) Perfumed spirits  | Imperial gallon   | ...             | 43 0  |
| Provided that—  |   |                 |       |
| (a) the duty on any article included in this Item shall in no case be less than the duty which would be charged if the article were included in Part V of this Schedule:                            |   |                 |       |
| (b) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof. |   |                 |       |
| 31  | WINES, not containing more than 42 per cent. of proof spirit— |                 |       |
|   | (1) champagne and other sparkling wines                       | Imperial gallon | 10 8  |
|   | (2) other sorts   | Imperial gallon | 6 0"  |

2. For item No. 34 the following shall be substituted, namely:—

|      |   |             |  |
|------|---|-------------|--|
| " 34 | SUGAR, excluding confectionery (see No. 124)—   |             | Rs. A.   |
|      | (1) Sugar, crystallised or soft 23 Dutch Standard and above.  | Cwt.        | 7 4  |
|      | (2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard. | Cwt.        | 6 12   |
|      | (3) Sugar, below 8 Dutch Standard and sugar candy.  | Ad valorem. | 25 per cent. plus two rupees and twelve annas per cwt. |
|      | (4) Molasses  | Ad valorem. | 25 per cent."  |

3. In Item No. 37A, in the Note thereto, for the words " amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said section shall be Rs. 7 per thousand ", the words " deduction allowed under clause (a) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (a) " shall be substituted.

4. In Item No. 43BB, relating to silver bullion and coin, for the words " Four annas " in the fourth column, the words " Six annas " shall be substituted.

5. In Part V, the heading " SPICES " and Item No. 70 shall be omitted.

6. In Item No. 105, after the word " FILMS " the words, " not exposed " shall be added.

7. After Item No. 124 and under the head " I.—Food, Drink and Tobacco," the following item shall be inserted, namely:—

" 124A The following SPICES, namely:—

Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper."

8. After Item No. 134, the following item shall be inserted, namely:—

" 134A CINEMATOGRAPH FILMS, exposed."

9. In Part VI, after Item No. 141, the following heading and item shall be inserted, namely:—

" III.—Miscellaneous and unclassified.

141A BETELNUTS."

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SCHEDULE II.

Articles liable to an additional duty of customs, and additional duties leviable thereon.

[See section 4.]

| References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894. | Description of articles liable to additional duty.   | Rate of additional duty or method of obtaining it. |
|---|--|--|
| <b>PART II.</b>   |  |  |
| 27  | FISH, SALTED, wet or dry ... ..  | 5 per cent. <i>ad valorem</i> .                    |
| 37  | CIGARS ... ..  | 15 per cent. <i>ad valorem</i> .                   |
| 37A   | CIGARETTES ... ..  | Re. 1 annas 8 per thousand.                        |
| 38  | All other sorts of TOBACCO manufactured ... ..   | Twelve annas per pound.                            |
| 40  | KEROSENE; also any other mineral oil included in Item No. 40 ... ..  | 9 pies per imperial gallon.                        |
| 40A   | MOTOR SPIRIT ... ..  | 2 annas per imperial gallon.                       |
| 41  | MINERAL OIL—   |  |
|   | (1) ordinarily used for the batching of jute or other fibre, as specified in sub-item (1) of Item No. 41;                      | Rs. 2 annas 8 per ton.                             |
|   | (2) not ordinarily used for any other purpose than for lubrication, as specified in sub-item (2) of Item No. 41;               | 4 pies per gallon.                                 |
|   | (3) not ordinarily used except as fuel or for some sanitary or hygienic purposes, as specified in sub-item (3) of Item No. 41. | 2½ per cent. <i>ad valorem</i> .                   |
| 42  | All ARMS, and other articles included in Item No. 42 ... ..  | 10 per cent. <i>ad valorem</i> .                   |
| 42A   | MOTOR CARS, motor cycles and other articles included in Item No. 42A. ... ..   | 10 per cent. <i>ad valorem</i> .                   |
| 43C   | ARTIFICIAL SILK YARN and THREAD ... ..   | 2½ per cent. <i>ad valorem</i> .                   |
| 45A   | SILK MIXTURES, all sorts included in Item No. 45A ... ..   | 7½ per cent. <i>ad valorem</i> .                   |
| 46C   | PORTLAND CEMENT (excluding white portland cement) ... ..   | Rs. 2 per ton.                                     |

| References to Part and No. of Item in Schedule II to the Indian Tariff Act, 1894. | Description of articles liable to additional duty.  | Rate of additional duty or method of obtaining it.  |
|---|---|---|
| <p>PART IV.<br/>Nos. 58 to 64 inclusive ...</p>                                   | <p>All articles for the time being included in Part IV of the Second Schedule.</p>  | <p>2½ per cent. <i>ad valorem</i>.</p>  |
| <p>PART V.<br/>Nos. 65 to 123 inclusive ...</p>                                   | <p>All articles for the time being included in Part V of the Second Schedule, excluding "raw hemp" comprised in Item No. 78.</p>  | <p>5 per cent. <i>ad valorem</i>.</p>   |
| <p>PART VI.<br/>Nos. 124 to 141, inclusive, except Nos. 124A and 134A.</p>        | <p>All articles for the time being included in Part VI of the Second Schedule, except—<br/>(1) the following SPICES, namely—<br/>Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper (see No. 124A);<br/>(2) CINEMATOGRAPH FILMS, exposed (see No. 134A); and<br/>(3) BETELNUTS (see No. 141A).</p> | <p>10 per cent. <i>ad valorem</i>.</p>  |
| <p>PART VII.<br/>156A ... ..</p>  | <p>COTTON PIECE-GOODS—all sorts included in Item No. 156A ... ..</p>  | <p>The figures for the rates of the <i>ad valorem</i> duties shall be deemed to be increased by 5 in each case.</p> |

## SCHEDULE III.

• Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 5.]

## "THE FIRST SCHEDULE.

## INLAND POSTAGE RATES.

[See section 7.]

*Letters.*

|   |           |
|---|-----------|
| For a weight not exceeding two and a half tolas ...   | One anna. |
| For every two and a half tolas, or fraction thereof,<br>exceeding two and a half tolas ... .. | One anna. |

*Postcards.*

|               |               |
|---------------|---------------|
| Single ... .. | Half an anna. |
| Reply ... ..  | One anna.     |

*Book, Pattern and Sample Packets.*

|   |               |
|---|---------------|
| For every five tolas or fraction thereof ... .. | Half an anna. |
|---|---------------|

*Registered Newspapers.*

|   |                     |
|---|---------------------|
| For a weight not exceeding eight tolas ... ..                                 | Quarter of an anna. |
| For a weight exceeding eight tolas and not exceeding<br>twenty tolas ... ..   | Half an anna.       |
| For every twenty tolas, or fraction thereof, exceeding<br>twenty tolas ... .. | Half an anna.       |

*Parcels.*

|   |              |
|---|--------------|
| For a weight not exceeding twenty tolas ... ..                                | Two annas.   |
| For a weight exceeding twenty tolas and not exceed-<br>ing forty tolas ... .. | Four annas.  |
| For every forty tolas, or fraction thereof, exceeding<br>forty tolas ... ..   | Four annas." |

## SCHEDULE IV.

[See section 7.]

## PART I.

*Rates of Income-tax.*

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

|  | Rate.                                |
|--|--------------------------------------|
| (1) When the total income is less than Rs. 2,000                                 | Nil.                                 |
| (2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.   | Six pies in the rupee.               |
| (3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.  | Nine pies in the rupee.              |
| (4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000. | One anna in the rupee.               |
| (5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000. | One anna and four pies in the rupee. |

|  | Rate.                                  |
|--|--|
| (6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.   | One anna and seven pies in the rupee.  |
| (7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.   | One anna and eleven pies in the rupee. |
| (8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000. | Two annas and one pie in the rupee.    |
| (9) When the total income is Rs. 1,00,000 or upwards.                              | Two annas and two pies in the rupee.   |
| B. In the case of every company and registered firm, whatever its total income.    | Two annas and two pies in the rupee.   |

## PART II.

*Rates of Super-tax.*

|   | Rate.                                  |
|---|--|
| In respect of the excess over thirty thousand rupees of total income—   |  |
| (1) in the case of every company—   |  |
| (a) in respect of the first twenty thousand rupees of such excess ... ..  | Nil                                    |
| (b) for every rupee of the remainder of such excess ... ..  | One anna in the rupee.                 |
| (2) (a) in the case of every Hindu undivided family—  |  |
| (i) in respect of the first forty-five thousand rupees of such excess ...   | Nil                                    |
| (ii) for every rupee of the next twenty-five thousand rupees of such excess ... ..  | One anna and three pies in the rupee.  |
| (b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—                         |  |
| (i) for every rupee of the first twenty thousand rupees of such excess ...  | Nine pies in the rupee.                |
| (ii) for every rupee of the next fifty thousand rupees of such excess ...   | One anna and three pies in the rupee.  |
| (c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company— |  |
| (i) for every rupee of the next fifty thousand rupees of such excess ...  | One anna and nine pies in the rupee.   |
| (ii) for every rupee of the next fifty thousand rupees of such excess ...   | Two annas and three pies in the rupee. |

|   | Rate.                                    |
|---|--|
| (iii) for every rupee of the next fifty thousand rupees of such excess ...  | Two annas and nine pies in the rupee.    |
| (iv) for every rupee of the next fifty thousand rupees of such excess ...   | Three annas and three pies in the rupee. |
| (v) for every rupee of the next fifty thousand rupees of such excess ...    | Three annas and nine pies in the rupee.  |
| (vi) for every rupee of the next fifty thousand rupees of such excess ...   | Four annas and three pies in the rupee.  |
| (vii) for every rupee of the next fifty thousand rupees of such excess ...  | Four annas and nine pies in the rupee.   |
| (viii) for every rupee of the next fifty thousand rupees of such excess ... | Five annas and three pies in the rupee.  |
| (ix) for every rupee of the next fifty thousand rupees of such excess ...   | Five annas and nine pies in the rupee.   |
| (x) for every rupee of the remainder of such excess ... .. .                | Six annas and three pies in the rupee.   |

This Bill has been consented to by the Council of State.

(Sd.) H. MONCRIEFF SMITH,  
*President, Council of State.*

30th March, 1931.

I assent to this Bill.

(Sd.) IRWIN,  
*Viceroy and Governor General.*

30th March, 1931.

This Act has been made by me as Governor General under the provisions of section 67B of the Government of India Act.

(Sd.) IRWIN,  
*Viceroy and Governor General.*

Monday, 30th March, 1931.

## No. 2.

*Text of direction by the Governor-General bringing the Indian Finance Act into operation forthwith.*

Whereas I, Edward Frederick Lindley, Baron Irwin, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance Act, 1931, being an

Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith :

Now, therefore, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

(Sd.) IRWIN,  
*Viceroy and Governor General.*

The 30th March, 1931.

### **No. 3.**

*Despatch to the Right Honourable Wedgwood Benn, D.S.O.,  
D.F.C., His Majesty's Secretary of State for India.*

No. 22, dated 2nd April, 1931.

*The Indian Finance Act, 1931.*

SIR,

I have the honour to forward herewith an authentic copy of the Act noted above, to which I have signified my assent under clause (b) of sub-section (1) of section 67-B of the Government of India Act. The Bill was introduced in the Assembly at the time of presentation of the Budget on February the 28th. The next motion, which was made on Monday, the 16th March, was that the Bill be taken into consideration. The discussion of this motion, including the consideration of the Bill, clause by clause, was concluded on Wednesday, the 25th March. During this stage of the Bill an amendment moved by Sir Cowasji Jehangir and opposed by Government was passed by 62 votes to 48 votes. As the acceptance of this amendment would have involved an unbalanced budget and all the dangerous results ensuing therefrom, I decided to use my power to make a recommendation under section 67-B. The recommendation which I made was of the nature of a compromise between the original proposal of my Government and the amendment of Sir Cowasji Jehangir. This recommendation was laid before the Assembly on the morning of Thursday, the 26th, along with a statement in which I set out at sufficient length the reasons for the recommendation. That statement was in the following terms :—

“ I have given most anxious consideration to the position created by the acceptance in the Legislative Assembly of an amendment to the Finance Bill, which it is estimated will reduce the expected revenue from Income-tax for next year by about 240 lakhs of Rupees.

I fully recognise that the burden of new taxation, which the Legislature has been asked to accept, can be justified only by most exceptional circumstances, of which indeed Honourable Members are well aware. I appreciate sincerely the co-operation of Honourable Members in having already accepted clauses imposing new and onerous taxation. I also recognise the desire of Honourable Members, in discharge of their duty to those to

whom they are responsible, to ensure in these times the utmost measure of economy in the field of administration. But that the Budget of the Government of India for the coming year should be truly and securely balanced in the widest interests of the credit of India will, I am confident, be accepted as essential by the Legislative Assembly, not less readily than by myself.

The only question therefore at issue is how far it is possible with immediate effect,—that is, so as, in fact, to be operative during next year—to effect economies which will meet the reduction that has been made. After careful re-examination of all material items, I have satisfied myself that the maximum reduction, which can be at once effected, mainly by postponement for a year of important schemes for military re-equipment, is one crore of rupees. To make a larger reduction than this would be to leave in effect an unbalanced budget, and to take risks which I cannot regard as other than dangerous to the essential interests of the country.

I therefore feel it my duty to recommend to Honourable Members the acceptance of an amendment, which will make a reduction of one crore, and which, while leaving a securely balanced budget, will meet what I feel to be the genuine demand of the House, on the one hand for the enforcement of economy and, on the other, for the mitigation of the burden of taxation upon the poorest classes of income-tax payers.

In making this recommendation to the House, I have sought to reconcile to the best of my ability the necessities of the public service with the expressed desires of Honourable Members, whose earnest attention I accordingly invite to the revised proposals of my Government."

In pursuance of my recommendation an amendment was moved on behalf of Government to make the necessary alterations in the Income-tax Schedule to the Bill. This amendment, after discussion, was rejected by 60 votes to 56. On the rejection of this amendment the Member in charge of the Bill obtained from the President a certificate under sub-rule (5) of rule 36-B of the Indian Legislative Rules to the effect that the Assembly had failed to pass the Bill in the form recommended by me. As it was impossible for me to accept the Bill in the only form in which at this stage it could be passed by the Assembly, no further amendment being possible after the amendment moved in pursuance of my recommendation had been rejected, the only courses open to me were to submit to the rejection of my recommendation, which meant accepting an unbalanced budget, or to use my powers of certification. I accordingly decided to certify the Bill. The certified Bill with the necessary recommendation was thereupon laid before the Council of State on the afternoon of Saturday, the 28th, and after consideration by that body was passed without amendment on Monday, the 30th. On the same day I gave my assent to the Bill and further for

obvious reasons caused to be endorsed upon it a direction made in terms of the proviso to sub-section (2) of section 67-B. As in making my recommendation to the Legislative Assembly I conveyed my reasons for doing so in a message the terms of which are known to the public I have not thought it necessary to publish any further statement for general information in the *Gazette of India*, as was done by my predecessor on occasions on which he found it necessary to use his power of certification.

In accordance with the instructions contained in your predecessor's Despatch No. 61, dated 21st December, 1869, copies of the papers relating to the Act are enclosed herewith.

I have the honour to be,

SIR,

Your most obedient, humble Servant,

IRWIN.

### No. 4.

*Text of Bill as originally introduced into the Legislative Assembly.*

#### A BILL

*To fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.*

VIII. of 1894. Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office VI. of 1898. Act, 1898, to vary the excise duty on motor spirit leviable under II. of 1917. the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable XII. of 1922. under the Indian Finance Act, 1922, further to amend the X. of 1923. Indian Paper Currency Act, 1923, and to vary the excise duty XVIII. of 1930. on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows :—

Short title and extent.

1.—(1) This Act may be called the Indian Finance Act, 1931.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.



2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, for the year beginning on the 1st day of April, 1931, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII. of 1882.
- \* Fixation of salt duty.
3. The amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII. of 1894.
- Amendment of Schedule II to Act VIII. of 1894.
4. In addition to the duties payable under the Indian Tariff Act, 1894, and any other Act for the time being in force, there shall be levied and collected in every port to which that Act applies additional duties on the importation of articles specified in the first and second columns of the Second Schedule at the rates or obtained by the method shown against them in the third column thereof. VIII. of 1894.
- Additional customs duties.
5. For the year beginning on the 1st day of April, 1931, the schedule contained in the Third Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI. of 1898.
- Inland postage rates.
6. In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, for the words "six annas" the words "eight annas" shall be substituted. II. of 1917.
- Excise duty on motor spirit.
7. (1) Income-tax for the year beginning on the 1st day of April, 1931, shall be charged at the rates specified in Part I of the Fourth Schedule.
- Income-tax and super-tax.
- (2) The rates of supertax for the year beginning on the 1st day of April, 1931, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Fourth Schedule. XI. of 1922.
- (3) For the purposes of the Fourth Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. XI. of 1922.
8. In the proviso to section 5 of the Indian Finance Act, 1922, for the words "one anna and six pies" the words "two annas and three pies" shall be substituted. XII. of 1922.
- Excise duty on kerosene.

- X. of 1923. 9. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1931" the figures "1932" shall be substituted.  
Amendment of section 19, Act 10 of 1923.
- XVIII. of 1930. 10. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "four annas" the words "six annas" shall be substituted.  
Excise duty on silver.
- XVI. of 1918. It is hereby declared that it is expedient in the public interest that the provisions of clauses 3, 4, 6, 8 and 10 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

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SCHEDULES I, II AND III.

These Schedules were identical with Schedules I, II and III of the Indian Finance Act, 1931, see pages 6 to 11.

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SCHEDULE IV.

[See section 7.]

PART I.

*Rates of Income-tax.*

- A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—
- |  | Rate.                                  |
|--|--|
| (1) When the total income is less than Rs. 2,000                                   | <i>Nil.</i>                            |
| (2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.     | Nine pies in the rupee.                |
| (3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.    | Eleven pies in the rupee.              |
| (4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.   | One anna and two pies in the rupee.    |
| (5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.   | One anna and four pies in the rupee.   |
| (6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.   | One anna and seven pies in the rupee.  |
| (7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.   | One anna and eleven pies in the rupee. |
| (8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000. | Two annas and one pie in the rupee.    |
| (9) When the total income is Rs. 1,00,000 or upwards.                              | Two annas and two pies in the rupee.   |
- B. In the case of every company and registered firm, whatever its total income. Two annas and two pies in the rupee.

## PART II.

*Rates of Super-tax.*

This part was identical with Part II of Schedule IV of the Indian Finance Act, 1931. See pages 12 and 13.

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**No. 5.**

*Telegram from the Secretary of State for India to the  
Governor General, dated 5th May, 1931.*

In pursuance of section 67B of the Government of India Act I am taking steps to lay before both Houses of Parliament Indian Finance Act, 1931, which has received your assent and has under your direction been brought into operation forthwith, in the circumstances related in Your Excellency's despatch 22 dated 2nd April. I approve Your Excellency's proceedings.

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