

EAST INDIA (FINANCE (SUPPLEMENTARY AND
EXTENDING) ACT, 1931).

Indian Finance (Supplementary and
Extending) Act, 1931.

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

INDIA OFFICE,
28th January, 1932. }

S. F. STEWART,
Under Secretary of State for India.

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

*Ordered, by the House of Commons, to be printed,
2nd February, 1932.*

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EAST INDIA (INDIAN FINANCE (SUPPLEMENTARY
AND EXTENDING) ACT, 1931).

No. 1.

The Indian Finance (Supplementary and Extending) Act, 1931.

Whereas the Legislative Assembly has failed to pass in the form recommended* by me the Bill to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions, a copy of which Bill in the form recommended by me is hereto annexed ;

Now, therefore, I, Freeman, Earl of Willingdon, 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.

WILLINGDON,

Viceroy and Governor General.

The 21st November, 1931.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Freeman, Earl of Willingdon, do recommend to the Council of State that it do pass the Bill to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions, in the form hereto annexed.

WILLINGDON,

Viceroy and Governor General.

The 21st November, 1931.

* The following is an extract from the Proceedings of the Indian Legislative Assembly, dated 20th November, 1931 :—

MR. PRESIDENT :

* * * *

A Recommended Bill has been handed over to me with the following marginal note by His Excellency the Governor General :

“ In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Freeman, Earl of Willingdon, do recommend to the Legislative Assembly that it do pass the Bill to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions, in the form hereto annexed.”

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

*To Supplement the Indian Finance Act, 1931, and to extend the
operation of its temporary provisions.*

Whereas it is expedient to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions to the financial year beginning on the 1st April, 1932; It is hereby enacted as follows :—

1. This Act may be called the Indian Finance (Supplementary and Extending) Act, 1931.

Short title.

2. The operation of section 2 of the Indian Finance Act, 1931, fixing the rate of salt duty for the year beginning on the 1st April, 1931, of section 5 of the said Act and the Third Schedule thereto as amended

Extension to the next financial year of the operation of the temporary provisions of the Indian Finance Act, 1931.

by section 6 of this Act, fixing inland postage rates for the said year, and of section 7 of the said Act and the Fourth Schedule thereto as amended by sections 7, 8 and 9 of this Act, fixing rates of income-tax and super-tax for the said year, is hereby extended to the 31st day of March, 1933.

3.—(1) The amendments specified in Part I of Schedule I to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

Amendment of the Second Schedule to the Indian Tariff Act, 1894, and the Indian Finance Act, 1931.

VIII. of 1894.

(2) The amendment specified in Part II of Schedule I to this Act shall be made in Schedule II to the Indian Finance Act, 1931.

4. Where any goods chargeable with a duty of customs under Part II, Part IV, Part V, Part VI or Part VII of Schedule II to the

Additional customs duties.

VIII. of 1894.

Indian Tariff Act, 1894, as amended by section 3, or under any of the said Parts read with any other enactment or with any notification of the Governor General in Council for the time being in force, are assessed to duty, there shall be levied and collected as an addition to and in the same manner as the total amount so chargeable, a sum equal to one quarter of such total amount :

Provided that salt chargeable with duty under Item No. 35 of the said Part II shall not be liable to two such additions of duty :

Provided further that such addition of duty shall not be levied and collected on—

(a) raw cotton, comprised in Item No. 41A,

(b) dyes and colours, comprised in Item No. 58A, or

(c) machinery, comprised in Items Nos. 59A, 59B, 59C and 59D,

of the said Schedule as amended by section 3.

5. Where any salt, motor spirit, kerosene or silver chargeable with duty under the Indian Salt Act, 1882, or under the Motor Spirit (Duties) Act, 1917, or under the Indian Finance Act, 1922, or under the Silver (Excise Duty) Act, 1930, or under any of the said Acts read with any other enactment or with any notification of the Governor General in Council for the time being in force, is assessed to duty, there shall be levied and collected, as an addition to and in the same manner as the total amount so chargeable, a sum equal to one quarter of such total amount.

Additional excise and other duties.

XII. of 1882.
II. of 1917.
XII. of 1922.
XVIII. of 1930.

6. In section 5 of the Indian Finance Act, 1931, the following proviso shall be added, namely:—

Increase of certain inland postage rates.

“Provided that from a date to be appointed in this behalf by the Governor General in Council, by notification in the Gazette of India, each rate specified in the said Schedule in respect of letters and single postcards shall be increased by one quarter of an anna and the rate specified in respect of reply postcards shall be increased by half an anna.”

7.—(1) In Part I of Schedule IV to the Indian Finance Act, 1931, for the item—

Lowering of limits of total income liable to income-tax.

“When the total income is less than Rs. 2,000... Nil.”

the following shall be substituted, namely:—

“When the total income is Rs. 1,000 or upwards but is less than Rs. 2,000 Four pies in the rupee.”:

Provided that for the year beginning on the 1st day of April, 1931, the rate chargeable on any such total income shall be two pies in the rupee only.

(2) For the purpose of assessing and collecting the tax imposed by the proviso to sub-section (1),—

(a) the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part I of Schedule II to this Act, and

(b) the Central Board of Revenue may make rules—

(i) making such further adaptations in the Indian Income-tax Act, 1922, as may seem to it to be necessary to secure that the tax shall be equitably levied, and

(ii) regulating the procedure of income-tax authorities in securing the assessment and collection of the tax and the granting of refunds arising therefrom.

XI. of 1922.

XI. of 1922.

8.—(1) In respect of the year beginning on the 1st day of April, 1931, each rate of income-tax and super-tax specified in Schedule IV to the Indian Finance Act, 1931, excluding the rate imposed by section 7, shall be increased by one eighth of its amount.

Additional income-tax and super-tax for the current financial year.

(2) For the purpose of assessing and collecting the additional tax imposed by sub-section (1),—

XI. of 1922.

(a) the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part II of Schedule II to this Act, and

(b) the Central Board of Revenue may make rules—

XI. of 1922

(i) making such further adaptations in the Indian Income-tax Act, 1922, as may seem to it to be necessary to secure that the additional tax shall be equitably levied, and

(ii) regulating the procedure of income-tax authorities in securing the assessment and collection of the tax and the granting of refunds arising therefrom.

9. In respect of the year beginning on the 1st day of April, 1932, each rate of income-tax and super-tax specified in Schedule IV to the Indian Finance Act, 1931, excluding the rate imposed by section 7, shall be increased by one fourth of its amount.

Additional income-tax and super-tax for the next financial year.

X. of 1923.

10. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1932" the figures "1933" shall be substituted.

Amendment of section 19, Act X of 1923.

SCHEDULE I.

[See section 3.]

PART I.

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

1. Item No. 7 shall be deleted.
2. In Part I, the heading "DYES AND COLOURS" and Item No. 14C shall be omitted.
3. In Part I, the heading "MACHINERY," and Items Nos. 18A, 18B, 18C and 18D shall be omitted.
4. In Item No. 27A, for the figures "1 4" in the last column the words "One rupee" shall be substituted.
5. In Item No. 34,—
 - (a) in sub-item (1), for the figures "23" the figure "8" shall be substituted;
 - (b) sub-item (2) shall be omitted; and
 - (c) sub-items (3) and (4) shall be re-numbered as sub-items (2) and (3).

6. After Item No. 41, and under the general head "*II.—Raw Materials and produce and articles mainly unmanufactured,*" the following heading and item shall be inserted, namely :—

"TEXTILE MATERIALS.

41A	COTTON, raw	Pound	Six pies."
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7. In Part II, under the general head "*III.—Articles wholly or mainly manufactured,*" the following heading and item shall be inserted, namely :—

"APPAREL.

41B	BOOTS AND SHOES	<i>Ad valorem</i>	20 per cent. or 4 annas per pair, whichever is higher."
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8. In Item No. 43C, for the figures "7½" in the last column, the figures "12½" shall be substituted.

9. In Item No. 45A, after the word "silk," wherever it occurs, the words "or artificial silk" shall be inserted.

9A. In Item No. 46D, for the figure "5," the figure "8" shall be substituted.

10. In Part IV, under the general head "*III.—Articles wholly or mainly manufactured,*" the following heading and item shall be inserted, namely :—

"DYES AND COLOURS.

58A	DYES derived from coal-tar, and coal-tar derivatives, used in any dyeing process."
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11. After Item No. 59, the following heading and items shall be inserted, namely :—

"MACHINERY.

59A	MACHINERY, namely, such of the following articles as are not otherwise specified :—
-----	---

- (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts ;
- (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts ;
- (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose ;
- (4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton ;
- (5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.

Note.—The term 'industrial system' used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.

- 59B The following TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiples box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; doobby cards; lattices and lags for dobbies; wooden winders; silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls making machines; cumbli finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoos, comber boards and comber board frames; take-up motions; temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing flannel; and roller skins.
- 59C PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electrotpe blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitreing machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines and clarified liquid glue but excluding ink and paper.
- 59D COMPONENT PARTS OF MACHINERY, as defined in Nos. 59A, 59B and 59C, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:
- Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

12. In Item No. 85,—

- (a) the words "boots and shoes" shall be omitted;
- (b) after the words "silk mixtures" the words "or of artificial silk or artificial silk mixtures, and boots and shoes" shall be added.

13. In Item No. 100, after the word "silk," wherever it occurs, except in the seventh sub-item, the words "or artificial silk" shall be inserted.

14. In Item No. 100A, after the word "silk," wherever it occurs, the words "or artificial silk" shall be inserted.

15. After Item No. 126, the following heading and item shall be inserted, namely :—

“CHEMICAL DRUGS AND MEDICINES.

127 | CAMPHOR.”

16. After Item No. 128, the following item shall be inserted, namely :—

“ 128A | ELECTRIC BULBS.”

17. In Item No. 133, after the word “silk,” wherever it occurs, the words “or artificial silk” shall be inserted.

PART II.

Amendment to be made in Schedule II to the Indian Finance Act, 1931.

In the entry relating to “Part IV, Nos. 58 to 64 inclusive,” for the words in the second column the following shall be substituted, namely :—

“ All articles for the time being included in Part IV of the Second Schedule, except—

(1) Dyes and Colours comprised in Item No. 58A, and

(2) Machinery, comprised in Items Nos. 59A, 59B, 59C and 59D.”

SCHEDULE II.

Adaptations of the Indian Income-tax Act, 1922.

PART I.

[See section 7.]

Adaptations for the assessment and collection of income-tax in the current financial year on total incomes of Rs. 1,000 and upward and less than Rs. 2,000.

1. For the purposes of the proviso to sub-section (2) of section 18 of the Indian Income-tax Act, 1922, any person responsible for paying any income less than Rs. 2,000 chargeable under the head “Salaries” shall be deemed to have failed to deduct income-tax at the time of making all payments made before the commencement of this Act, and such person may make the adjustments permitted by that proviso.

2. Notwithstanding that the Income-tax Officer has assessed the total income of an assessee under section 23 of the Indian Income-tax Act, 1922, and has found that nothing is payable thereon, he may proceed to determine the sum payable by such assessee by virtue of section 7 of this Act, and such sum shall, for the purposes of the Indian Income-tax Act, 1922, be deemed to be a sum determined under section 23 of that Act.

PART II.

[See section 8.]

Adaptations for the assessment and collection of additional income-tax and super-tax in the current financial year.

1. For the purposes of the proviso to sub-section (2) of section 18 of the Indian Income-tax Act, 1922, any person responsible for paying any income chargeable under the head "Salaries" shall be deemed to have made a deficient deduction in respect of the additional income-tax imposed by section 8 of this Act at the time of making all payments made before the commencement of this Act, and such person may make the adjustments permitted by that proviso.

2. Notwithstanding that the Income-tax Officer has assessed the total income of an assessee and has determined the sum payable thereon under section 23 of the Indian Income-tax Act, 1922, he may proceed to determine the further sum payable by such assessee by virtue of section 8 of this Act, and such further sum shall, for the purposes of the Indian Income-tax Act, 1922, be deemed to be a sum determined under section 23 of that Act.

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

H. MONCRIEFF SMITH,
President, Council of State.

The 27th November, 1931.

I assent to this Bill.

WILLINGDON,
Viceroy and Governor General.

The 28th November, 1931.

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

WILLINGDON,
Viceroy and Governor General.

The 28th November, 1931.

No. 2.

Text of direction by the Governor General bringing the Indian Finance (Supplementary and Extending) Act into operation forthwith.

Whereas I, Freeman, Earl of Willingdon, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance (Supplementary and Extending) 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.

WILLINGDON,

Viceroy and Governor General.

The 28th November, 1931.

No. 3.

Despatch to the Right Honourable Sir Samuel Hoare, Bart., G.B.E., C.M.G., M.P., His Majesty's Secretary of State for India.

No. 93, dated the 30th November, 1931.

The Indian Finance (Supplementary and Extending) 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 67B of the Government of India Act. The Bill was introduced in the Legislative Assembly during the Simla session on Tuesday, the 29th September, 1931. On that occasion two sections of the Opposition combined in an attempt to refuse introduction, but the Motion was carried by 57 votes to 43. I mention this fact for the purpose of showing that from the beginning the leading sections of the Opposition showed no disposition to co-operate with Government in their attempt to balance the Budget. The next motion, which was made in Delhi on Wednesday, the 4th November, 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 Thursday, the 19th November. During this stage of the Bill amendments were carried against Government which had the effect of reducing by 4 crores the additional income sought to be

obtained by the Bill. As the acceptance of these amendments, or any of them, would have involved an unbalanced Budget and all the catastrophic results ensuing therefrom, I decided to use the power conferred upon me under section 67B of the Government of India Act to make a recommendation to the Assembly. The recommendation which I made was that with two slight modifications of which one had already been carried as a Government amendment and the other was intended to be moved as a Government amendment but could not be moved owing to the clause concerned having been struck out by the Assembly, the Bill should be passed in the form in which it was introduced. Much as I should have wished to make some concession at this stage I was convinced that the extraordinary nature of the financial situation would not permit me to take any such step. During the morning of Friday, the 20th November, I had an informal discussion with representatives of all the parties and groups in the Assembly and in the afternoon of the same day my recommendation was laid in that House along with the statement delivered as a message from me in which I set out at sufficient length the reasons for the recommendation. That statement was in the following terms :—

“The circumstances in which the Legislature has been asked to consider proposals for heavy new taxation in the middle of the financial year are, as Honourable Members are aware, of a most exceptional character. They were such that it appeared to me and my Government that it was essential in the interests of the country and particularly for the protection of its financial stability that the revenue and expenditure should be balanced until the end of the next financial year. The proposals which appeared to us to afford the minimum financial provision necessary for this purpose were embodied in the emergency Finance Bill introduced at Simla on September 29th. The provisions of this Bill have now been altered by the Legislative Assembly in a manner which it is estimated would reduce the expected revenue by a total of about Rs. 4 crores over the period of 18 months which is in question. I have given most careful consideration to the position thus created and I am satisfied that I cannot consistently with my responsibilities allow this deficiency to remain uncovered. I therefore feel it to be my duty to recommend to Honourable Members the acceptance of amendments which will restore the position contemplated when the Bill was introduced. I earnestly hope that Honourable Members will support me in this action.”

In pursuance of my recommendation amendments were moved on behalf of Government to make in the Bill the alterations necessary for the purpose of bringing it into the form recommended by me. At this stage the Opposition took no part in the proceedings and the amendments were duly carried. A motion was then made for the passing of the Bill in the recommended form. In the division on this motion the Opposition took part and the motion was defeated

by 63 votes to 48. As the motion that the Bill be passed in the recommended form had been put and rejected, no occasion arose to obtain a certificate from the President under sub-rule (5) of rule 36B of the Indian Legislative Rules. The Assembly having failed to pass the Bill in the form recommended by me and no further motion in connection with the Bill being permitted by the Rules and Standing Orders, no other course was open to me, having regard to the financial situation, than to use my power of certification. This action I took on Saturday, the 21st November, and on Monday, the 23rd November, the certified Bill accompanied by the requisite recommendation was laid before the Council of State and after consideration by that Chamber was passed without amendment on Friday, the 27th November. On the following 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 67B.

In accordance with the instructions contained in your predecessor's despatch No. 61, dated the 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,

WILLINGDON.

No. 4.

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

A BILL

To supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions.

Whereas it is expedient to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions to the financial year beginning on the 1st April, 1932; It is hereby enacted as follows:—

1. This Act may be called the Indian Finance (Supplementary and Extending) Act, 1931.

Short title.

* The Schedules to the Bill as originally introduced are not reprinted here, as they were identical with the Schedules to the Act (*see* pages 6 to 10 above), except that item 9A in Part I of Schedule I did not appear in the Schedule to the Bill as originally introduced.

2. The operation of section 2 of the Indian Finance Act, 1931, fixing the rate of salt duty for the year beginning on the 1st April, 1931, of section 5 of the said Act and the Third Schedule thereto as amended

Extension to the next financial year of the operation of the temporary provisions of the Indian Finance Act, 1931.

by section 6 of this Act, fixing inland postage rates for the said year, and of section 7 of the said Act and the Fourth Schedule thereto as amended by sections 7, 8 and 9 of this Act, fixing rates of income-tax and super-tax for the said year, is hereby extended to the 31st day of March, 1933.

3.—(1) The amendments specified in Part I of Schedule I to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

VIII. of 1894. Amendment of the Second Schedules to the Indian Tariff Act, 1894, and the Indian Finance Act, 1931.

(2) The amendment specified in Part II of Schedule I to this Act shall be made in Schedule II to the Indian Finance Act, 1931.

4. Where any goods chargeable with a duty of customs under Part II, Part IV, Part V, Part VI or Part VII of Schedule II to the

Additional customs duties.

VIII. of 1894. Indian Tariff Act, 1894, as amended by section 3, or under any of the said Parts read with any other enactment or with any notification of the Governor General in Council for the time being in force, are assessed to duty, there shall be levied and collected as an addition to and in the same manner as the total amount so chargeable, a sum equal to one quarter of such total amount :

Provided that salt chargeable with duty under Item No. 35 of the said Part II shall not be liable to two such additions of duty :

Provided further that such addition of duty shall not be levied and collected on—

(a) raw cotton, comprised in Item No. 41A,

(b) dyes and colours, comprised in Item No. 58A, or

(c) machinery, comprised in Items Nos. 59A, 59B, 59C and 59D,

of the said Schedule as amended by section 3.

5. Where any salt, motor spirit, kerosene or silver chargeable with duty under the Indian Salt Act, 1882, or under the Motor Spirit (Duties) Act, 1917, or under the

Additional excise and other duties.

XII. of 1882.
II. of 1917.
XII. of 1922
XVIII. of
1930

Indian Finance Act, 1922, or under the Silver (Excise Duty) Act, 1930, or under any of the said Acts read with any other enactment or with any notification of the Governor General in Council for the time being in force, is assessed to duty, there shall be levied and collected, as an addition to and in the same manner as the total amount so chargeable, a sum equal to one quarter of such total amount.

6. In section 5 of the Indian Finance Act, 1931, the following Increase of certain inland postage rates. proviso shall be added, namely :—

“ Provided that from a date to be appointed in this behalf by the Governor General in Council, by notification in the Gazette of India, each rate specified in the said Schedule in respect of letters and postcards shall be increased by one half of its amount.”

7.—(1) In Part I of Schedule IV to the Indian Finance Act, Lowering of limits of total income liable to income-tax. 1931, for the item—

“ When the total income is less than Rs. 2,000 ... Nil.”

the following shall be substituted, namely :—

“ When the total income is Rs. 1,000 or upwards but is less than Rs. 2,000 ... Four pies in the rupee.”

Provided that for the year beginning on the 1st day of April, 1931, the rate chargeable on any such total income shall be two pies in the rupee only.

(2) For the purpose of assessing and collecting the tax imposed by the proviso to sub-section (1),—

(a) the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part I of Schedule II to this Act, and XI. of 1922.

(b) the Central Board of Revenue may make rules—

(i) making such further adaptations in the Indian Income-tax Act, 1922, as may seem to it to be necessary to secure that the tax shall be equitably levied, and XI. of 1922.

(ii) regulating the procedure of income-tax authorities in securing the assessment and collection of the tax and the granting of refunds arising therefrom.

8.—(1) In respect of the year beginning on the 1st day of April, 1931, each rate of income-tax and Additional income-tax and super-tax for the current financial year. super-tax specified in Schedule IV to the Indian Finance Act, 1931, excluding the rate imposed by section 7, shall be increased by one eighth of its amount.

(2) For the purpose of assessing and collecting the additional tax imposed by sub-section (1),—

(a) the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part II of Schedule II to this Act, and XI. of 1922.

(b) the Central Board of Revenue may make rules—

(i) making such further adaptations in the Indian Income-tax Act, 1922, as may seem to it to be necessary to secure that the additional tax shall be equitably levied, and XI. of 1922.

(ii) regulating the procedure of income-tax authorities in securing the assessment and collection of the tax and the granting of refunds arising therefrom.

9. In respect of the year beginning on the 1st day of April, 1932, each rate of income-tax and super-tax specified in Schedule IV to the Indian Finance Act, 1931, excluding the rate imposed by section 7, shall be increased by one fourth of its amount.

Additional income-tax and super-tax for the next financial year.

X. of 1923.

10. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures " 1932 " the figures " 1933 " shall be substituted.

Amendment of section 19, Act X of 1923.

It is hereby declared that it is expedient in the public interest that clauses 3, 4 and 5 of this Bill should have immediate effect XVI. of 1931. under the Provisional Collection of Taxes Act, 1931.

No. 5.

Telegram from the Secretary of State for India to the Governor-General, dated 26th January, 1932.

In pursuance of section 67B of the Government of India Act I am taking steps to lay before both Houses of Parliament Indian Finance (Supplementary and Extending) Act, 1931, which has received your assent and has under your direction, in the circumstances related in Your Excellency's Despatch 93 dated 30th November, 1931, been brought into operation forthwith. I approve Your Excellency's proceedings.