

# HOUSE OF THE PEOPLE

## THE FINANCE BILL, 1950

( REPORT OF THE SELECT COMMITTEE )



PARLIAMENT SECRETARIAT  
NEW DELHI.

*March, 1950*

List of Reports of Select Committees presented  
to Parliament in 1950.

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S.No.	Short title of the Bill.	Date of presen- tation.	Date of publicat- ion.
1.	The Industrial Disputes (Appellate Tribunal) Bill, 1949.	10.2.50	25.2.50
2.	The Mines Bill, 1949. ✓	10.2.50	25.2.50
3.	The Industries (Development and Control) Bill, 1949. ✓	10.2.50	25.2.50
4.	The Banking Companies (Amendment) Bill, 1949.	16.2.50	25.2.50
5.	The Army Bill, 1949.	21.3.50	1.4.50
6.	The Air Force Bill, 1949.	21.3.50	1.4.50
7.	The Insurance (Amendment) Bill, 1949.	24.3.50	1.4.50
8.	The Finance Bill, 1950. ✓	27.3.50	1.4.50
9.	The Road Transport Corporations Bill, 1949. ✓	15.11.50	18.11.50
10.	The Labour Relations Bill, 1950.	1.12.50	16.12.50
11.	The Trade Unions Bill, 1950.	1.12.50	16.12.50
12.	The Reserve Bank of India (Amendment) Bill, 1950.	13.12.50	23.12.50

PARLIAMENT OF INDIA.

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C o r r i g e n d a  
to

The Finance Bill, 1950, as amended  
by the Select Committee.

1. At page 2, in sub-clause (6) of clause 2, in lines 5-6, for "computting" read "computing".
2. At page 5, in part (b) of clause 4, in the proposed Item 75(9) in the third column, for "Preferen-venue" read "Preferential revenue".
3. At page 7, -
  - (i) in line 9 from bottom, for "anges" read "angles"; and
  - (ii) in line 10 from bottom, for "sectios" read "sections".
4. At page 10, in Part I-A of the First Schedule, against entry No. 1, insert the word "Nil".
5. At page 12, in Part II-A of the First Schedule, in entry No. 1, for "toal" read "total".

New Delhi,

The 28th March, 1950.

'JGB'-1200.

M.N. KAUL,

S E C R E T A R Y.

# THE FINANCE BILL, 1950.

1-4-50

## REPORT OF THE SELECT COMMITTEE

WE, the undersigned, members of the Select Committee to which the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1950 was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

*Clause 2 and the First Schedule.*—In view of the fact that some relief has already been given in the Finance Bill to the higher income groups, we have carefully considered the possibility of giving some relief to those at the other end. We have come to the conclusion that the exemption limit for the levy of income-tax should be raised from Rs. 3,000 to Rs. 3,600 in the case of individuals, unregistered firms and associations, and from Rs. 6,000 to Rs. 7,200 in the case of Hindu undivided families. The provision in paragraph A of Part I of the First Schedule has been amended accordingly.

*Clause 4.*—We have made certain amendments in the revised Items Nos. 75, 75(1) and 75(3) proposed in sub-clause (a) of this clause to clarify the meaning of the expression "imported complete". A note has also been added to make it clear that motor vehicles imported otherwise than in a completely assembled condition will be dutiable under the appropriate new Item No. 75 (9), 75 (10) or 75(11). A few minor and formal amendments have been made in the last mentioned Items.

We recognise that these increases in import duties on motor vehicles, and parts and accessories, are necessary for encouraging indigenous production; but at the same time, we are anxious that prices, particularly of motor lorries and trucks, are not allowed to rise unduly. We therefore strongly recommend that suitable steps should be taken to keep prices under control.

*Clause 8.*—We consider that some relief should be given to the smaller match factories and the cottage match factories in the matter of excise duty. We have accordingly proposed that in the case of cottage factories, i.e., those producing less than 100 gross boxes per day, the duty should be reduced from Rs. 2-14-0 to Rs. 2-13-0 per gross boxes of 60s. and from Rs. 1-15-0 to Rs. 1-14-0 per gross boxes of 40s. In the case of the middling factories the reduction proposed is from Rs. 2-15-0 to Rs. 2-14-6 and from Rs. 1-15-6 to Rs. 1-15-0 respectively.

*Clause 13.*—It has been brought to our notice that some old business profits tax assessments under the State law are still pending in the State of Hyderabad. In order that all such proceedings in that and other Part B States may be completed under the existing State laws, we have amended sub-clause (1) of clause 13 so as to cover laws relating to tax on profits of business.

*The Fourth Schedule.*—A substantive provision has been added in the Sea Customs Act, 1878, as section 3A thereof, empowering the Central Government to define the customs frontiers of India by a notification. This is necessary because, while entry 19 of List I in the Seventh Schedule to the Government of India Act, 1935, expressly gave that power to the Government, the corresponding entry 41 of the Union List in the Constitution merely mentions "definition of customs frontiers". Amendments of a formal character have been proposed in section 18 of this Act consequential upon its *proprio vigore* extension to Part B States.

2. The Bill was published in Part V of the Gazette of India, dated the 11th March, 1950.

3. We think that the Bill has not been so altered as to require circulation under Rule 77(4) of the Rules of Procedure and Conduct of Business, and we recommend that it be passed as now amended.

M. ANANTHASAYANAM AYYANGAR  
 JOHN MATTHAI  
 \*M. V. RAMA RAO  
 SURENDRANATH BURAGOHAJN  
 G. DURGABAI  
 \*THAKUR DAS BHARGAVA  
 V. C. KESAVA RAO  
 \*BISWANATH DAS  
 BALI RAM BHAGAT  
 T. A. RAMALINGAM CHETTIAR  
 K. HANUMANTHAIYA  
 M. L. GAUTAM  
 GOKULBHAI DAULATRAM BHATT  
 \*AJIT PRASAD JAIN  
 B. L. SONDHI  
 R. K. SIDHVA  
 JASPAT ROY KAPOOR  
 L. K. MAITRA  
 SYAMNANDAN SAHAY  
 HUKAM SINGH  
 U. SRINIVASA MALLAYYA  
 P. D. HIMATSINGKA

NEW DELHI:  
 The 27th March 1950.

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\*Subject to a Minute of Dissent

## MINUTES OF DISSENT.

## I

I am not convinced that the increased duties on imported automobile components however well conceived in the interests of protecting the Indian Automobile Industry, are conceived in the best interests of the nation. The increased cost of transport which follows from the levy of these high rates of duty will necessarily be passed on to the consumer by those who operate transport service. The result will be that persons who use road-transport services for travelling will be required to pay an unreasonably higher fare per mile and consumers of goods which require to be distributed by road-transport will have to pay more for essential commodities. Another result will be that the increased cost of trucks will eliminate a considerable number of persons who operate transport services at present from such business by reason of increased outlay on the purchase as well as maintenance of vehicles necessitated by increased duties. All this will ultimately lead to worsening of the road-transport facilities in the country which are even now hopelessly inadequate. While it is just possible that the levy of these high duties will operate to restrict imports of components such as are expected to be "produced in India within a year or two" thereby protecting the Indian Automobile Industry, I consider that the same object could be achieved by deliberately reducing imports of such components by judicious operation of import control machinery as well as by reducing monetary exchange which is applied to the purchase of these components. I also consider that even if Government devise measures to check the undue rise in the prices of trucks by resorting to fixation of maximum selling prices, they will inevitably tend to create a blackmarket in automobiles. The remedy will worsen the disease. It is not clear why these unreasonably high rates of duty should be proposed to be levied without considering what the Tariff Board might have to say in the matter of protecting the Indian Automobile Industry. I therefore consider that this is not so much a protective as a revenue duty. And the increased duty is not at all reasonable.

M. V. RAMA RAO.

NEW DELHI;

*The 27th March, 1950.*

## II

The Hindu Undivided family is indebted to the Select Committee and the Hon'ble Finance Minister for accepting the logical increase from 6,000 to 7,200 in regard to families which have got two members.

Even in regard to Hindu Undivided Families which have two members only the justice has not been fully meted out. But in regard to such families as have more than two members no relief has been given and also in the case of super-tax relief has not been given to such Hindu Undivided Families even as have only 2 members.

Last year only a gesture was made and it was hoped that in the coming years justice will be done to such Hindu Undivided Families but owing to financial stringency nothing substantial has been done to give the justice so long overdue.

The solution only lies in not assessing the Hindu Undivided Family as such and until this is done if palliatives must be resorted to they should be substantial palliatives.

THAKUR DAS BHARGAVA.

NEW DELHI;

*The 27th March, 1950.*

## III

It is with considerable hesitation that I have to record this note.

2. Under the present law—item 75(1)—articles other than rubber tyres, tubes and batteries, adapted for use as parts and accessories of motor cars are liable to pay an *ad valorem* duty of 60 per cent. (U.S.A.) and 54 per cent. (U.K.). The rest of the parts and accessories of motor vehicles (excluding tyres, tubes and batteries) are liable to pay 80 per cent. *ad valorem* (U.S.A.) and 21 per cent. *ad valorem* (U.K.).

3. Under the proposed tariff, the distinction between parts and accessories (adapted for use for motor cars and other motor vehicles) has been done away with. The parts and accessories of motor vehicles have been classified into three classes as follows:—

1. The following articles adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters.	Prof. Rev. 60% <i>ad val.</i> 54% <i>ad val.</i>
(i) The following engine components: Caskets, rubber mountings, hose pipes other than brake hose pipes, fuel pump etc.	
(ii) The following frame and body components: carpets, cushion springs, etc. etc.	
II. The following articles adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters.	Prof. Rev. 90% <i>ad val.</i> 84% <i>ad val.</i>
(i) the following engine components: brakes, hose pipes, crank shafts etc. etc.	
(ii) the following electrical components: strating motor generator etc. etc.	
(iii) the following transmission and suspension components: Ball roller bearings, front and rear spring etc. etc.	
(iv) the following body and frame components: bolts, nuts and screws, seat runners etc. etc.	
III. Articles (other than rubber tyres, tubes etc.). Parts of mechanically propelled vehicles and accessories not otherwise specified.	Prof. Rev. 30% <i>ad val.</i> 24% <i>ad val.</i>

4. As a result, parts mentioned in Article 75(10) will pay a duty of 90 per cent. instead of 60 per cent. or 80 per cent. at present.

5. The import of complete motor cars, motor trucks and motor lorries having been prohibited, the result of the new tariff would be to raise the price of motor cars by nearly Rs. 700 and of trucks by Rs. 2,500 (U.S.A.) and Rs. 3,200 (U.K.). It may be possible to reduce these sums of Rs. 2,500 and Rs. 3,200 by limiting commission on sale, but the reduction so effected cannot by any means be substantial.

6. The result of the increased tariff would not only increase the sale price of motor vehicles, but also increase the cost of repairs. According to Delhi Transport Service, a vehicle doing 30,000 miles a year requires Rs. 2,000 per year for purchase of replacements and spare parts. The increase in duty on this amount will come to Rs. 600 and work out to four pias per running mile of vehicle. Adding additional depreciation due to increased

cost, the additional expenditure per vehicle used for transport of passengers may come to ten pies, or eleven pies or even an anna.

7. The changes in the tariff rates, we are told, are being made in the interests of the motor industry, the present tariff of 60 per cent. being retained for parts which are being manufactured in India, 90 per cent. for parts which are not being so manufactured but are likely to be manufactured within next one or two years, and the rest at the rate of 30 per cent.

8. It is not at all clear on what basis the increase of 60 per cent. in some cases and 80 per cent. in other cases has been worked out.

9. The Finance Bill is being passed for one year. Even if increase in duty is considered necessary, it is possible to specify parts which are likely to be manufactured in the financial year 1950-51 and high tariff, if any, may be prescribed only for those parts. Further extension of increased tariff will thus become dependent upon how the industry behaves during the year 1950-51. Thus while alleviating to some extent the burden of the common man, it will also provide a check for us and an incentive for the motor industry to manufacture parts on which increased tariff is imposed during the year 1950-51.

10. It is also not known why increased duty should apply to all parts and components, whether a particular brand is manufactured or not. To be a little more specific, if specialised parts of a particular make are not being manufactured in India, I see no reason why increased duty should apply to such parts.

11. I am most reluctant to add any burden to the hard lot of the common man. But if any such addition becomes necessary in the interests of the development of the motor vehicle industry, the increase must be limited to the minimum.

AJIT PRASAD JAIN.

NEW DELHI;

The 27th March, 1950.

#### IV

Difficult it is to effect root and branch changes, however, unwelcome, a Finance Bill may be. Under Part V, Chapter II of the Constitution of India the financial provisions are a bar to such changes. Shaping the measure in the way we would like to have is therefore not possible. The Finance Minister's Budget is based on the hope that the inducements offered to the capitalists would enable capital to plough back to industry. Since 1948 this policy was adumbrated by Sri Shannukham Chetty and is being carried on further with little success. Budget for 1950-51 pays a heavy toll of over Rs. 15 crores in this regard in direct taxation, besides a variety of other essential concessions, to enable capital to plough back to business. Like all previous attempts, this is bound to fail leaving the Finance Minister sadder and wiser. It must be stated here that the estimate of Rs. 15 crores is bound to exceed. No concessions however good or great could induce capital, where capitalists are mainly speculators, conditions in South East Asia uncertain, while, those in India are static. The only regrettable factor in this is that the Honourable Finance Minister calls this a surplus budget and proceeds to confer his benefactions with a hope and earnestness, all his own.

2. *Is the Budget surplus.*—From the figures given clear it is that the budget is a deficit one. Its opening balances are estimated at Rs. 95.38 crores, while, the closing balance at Rs. 78.3 crores. Closing balance for 1949-50 is the estimated opening balance for 1950-51. The Finance Ministry, according to its own estimation, eats into its closing balance of 1950-51 from Rs. 95.38 crores

to Rs. 78.37 crores i.e., by Rs. 17.01 crores. A deficit budget is thus converted into a surplus of Rs. 9.62 crores only after utilising Rs. 17.01 crores. This, in no sense, could be called a surplus. Take again these balances for 1940-41 estimates. When our opening and closing balances stood at Rs. 16.62 and Rs. 14.47 crores respectively, with a currency circulation of over Rs. 200 crores. This currency circulation has multiplied over five times. Purchasing power of the rupee is being reduced by over  $3\frac{1}{2}$  times. Under the circumstances, further reduction of our opening balances, in utilising the same for ordinary expenses to this extent, could hardly be justifiable and much less desirable. Our opening and closing balances were at their peak in 1946-47 as also our cash balances at the treasury. In my minute of dissent on last year's Finance Bill, I have shown how these balances have been gradually depleted. Painful it is, that the budget for 1950-51 should have further drawn on these depleting balances, even after heavy annual withdrawals from the sterling balances. Our dead weight debt in 1938-39 was at Rs. 229 crores, has in 1949-50 gone up to 815½ crores and is now of the order of about Rs. 1,000 crores. Under such depressing financial conditions, I consider it a doubtful wisdom to allow a tax concession of over Rs. 15 crores calculated at about 5 per cent. of our taxation. Over and above the other substantial concessions conferred on this limited class of assesses without any corresponding benefit to the States. Under such gloomy financial circumstances, remission of so much of direct taxation necessarily adds to inflation. If these benefits fail to plough back to capital, they deepen into a disaster. Again the so-called surplus Budget is the combined result of a reduction of Rs. 7.7 crores (out of a grant of Rs. 13.7 crores) for refugee Rehabilitation and a reduction of Rs. 8.67 crores from the food subsidies which ought to have been repeated also during the year 1950-51. Rehabilitation of over 1½ million East Pakistan refugees, besides those of West Pakistan, makes this reduced provision under the head highly anomalous. Regarding reductions in food subsidy, the less said the better. Examined from any point of view, there is little in the Budget to be called a surplus.

3. *Tax Structure Defective.*—The number of assesses over and above Rs. 15,000 total up to 56,000 in all. It is this limited class that get the benefit of tax remission out of 34 crores of our people. The capital expenditure in the budget is severely retrenched from Rs. 95 crores in 1949-50 to Rs. 62 crores in 1950-51 making it difficult for agricultural labour and ordinary labour to get work and employment. An analysis of the budget reveals how little is spent in nation-building activities. Similarly cities, towns and industrial centres, as also big industries, get all the attention possible, despite the declaration of faith by the Honourable Finance Minister in a mixed economy. The 5 lakhs of villages constituting India as also the cottage Industries, compared with cities, industrial places and industries, have to content themselves with declaration of faith in a mixed economy. I must confess that I am unable to support the Budget structure on the above basis. Frustration need not drive me to support a tax exemption to the level of Rs. 3,000 a year in India. I feel the exemption of Rs. 3,000 is far higher compared with Australia, our prosperous neighbour, with her semi-pastoral economy fixing her tax exemption, in terms of our currency at Rs. 2,180. Even so, Australia has about 27 per cent. of her people as assesses, while in India, the assesses are only 15 per cent. (of one per cent.) taking them roughly at five lakhs and the population at 34 crores. Looking from the point of view of the generality of masses, there is no justification to raise the exemption beyond Rs. 3,000 provided in the Bill. Raising tax exemption further reduces also the respective share of provinces which I am hardly inclined to agree.

*Item Nos. 75, 9, 10 and 11(a).*—Enhanced Duty proposed to be levied on components of passenger cars and trucks is most disproportionate and is bound to raise truck and bus fares, the only conveyances available, if at all, to

muffassil people. Protection given to our motor car industry is a necessity. But to give this, a year or two in advance of protection, vitiates the force of the proposal. With State control of import license and exchange, there can hardly be any fear of dumping foreign goods. Since a limited number, variety and quantity of component parts, of specified types of cars and trucks could only be manufactured in India within a year or two, heavy rates of taxation (as much as 90 per cent. *ad valorem* duty) on the import of component parts from 1st April, 1950 could hardly be justifiable. No wonder therefore that prices of component parts of all kinds of vehicles and trucks have shot up today in the market. Inflation and black-marketing are thus let loose, making it difficult of subsequent control.

*Generosity at the expense of Provinces.*—Provinces have the responsibility of carrying on all nation-building activities with specified incomes leaving elastic sources of revenue to the centre. In 1946-47 budget, government righted this wrong, offering a full half of the net income of all sources of income-tax. The tax remission of Rs. 15 crores puts the provinces to a loss of about Rs. 7½ crores which is bound to deepen their deficits. This loss of Revenue after severely pruning of their central contributions to provinces for their post-war development schemes is a severe shock to all their activities within the limited sphere of provinces. Surprising it is, that while super-tax is being reduced and business tax abolished, tax on companies, which goes solely to benefit the finances of the Union, should only have been increased.

*Salt Duty.*—This was abolished along with Indian Independence. The Finance Bill however, has kept it as a formal annual fair to repeal this duty year after year. The Salt Act is still there. In the result, an army of officials and subordinate staff are being maintained in terms of the Salt Act rendering no useful purpose either to the public or to the industry. Technically they are ignorant to be of any use to salt manufacturers in demonstrating production and are a source of obstacle and annoyance to the growth of co-operative movement in salt areas. Government levy a cess to feed this unwanted army of officials. Conditions of salt leases reserve very wide powers for these officials, who are being utilised by monopolists to harass co-operative societies. A repeal or amendment of the Salt Act is therefore necessary in the interest of free and unfettered growth of co-operative movement and production of salt and save the salt industry from the unwarranted obstacle, oppression and the levy of a cess which unnecessarily raises the cost of salt production.

BISWANATH DAS.

NEW DELHI;

The 27th March, 1950.

# THE FINANCE BILL, 1950.

[AS AMENDED BY THE SELECT COMMITTEE]

(Words *sidelined or underlined* indicate the amendments suggested by the Committee; asterisks indicate the omissions.)

A

## BILL

to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1950.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Finance Act, 1950.

2. **Income-tax and super-tax.**—(1) Subject to the provisions of sub-sections (3), (4) and (5), for the year beginning on the 1st day of April, 1950,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, and

(b) rates of super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as "the Income-tax Act"), be those specified in Part II of the First Schedule. XI of 1922

(2) In making any assessment for the year ending on the 31st day of March, 1951, there shall be deducted from the total income of an assessee, in accordance with the provisions of section 15A of the Income-tax Act, an amount equal to one-fifth of the earned income, if any, included in his total income but not exceeding in any case four thousand rupees.

(3) In making any assessment for the year ending on the 31st day of March, 1951,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on securities", or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1949, on his total income the same proportion as the amount of such inclusions bears to his total income; XIV of 1949

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable, according to the rates applicable under the operation of the Indian Finance Act, 1949, on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1951,—

(a) where the total income of a company includes any profits and gains from life insurance business, the super-tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income or by an amount computed at the rate of two annas in the rupee on the amount of such inclusion, whichever is less;

(b) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business, the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable according to the rates applicable under the operation of the Indian Finance Act, 1942, on his total income the same proportion as the amount of such inclusion bears to his total income, so however that the aggregate of the taxes so computed in respect of such inclusion shall not in any case exceed the amount of tax payable on such inclusion at the rate of four and a half annas in the rupee.

XII of 1942

(5) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, but with reference to the rates imposed by sub-section (1), and in accordance, where applicable, with the provisions of sub-sections (3) and (4) of this section.

(6) For the purposes of making any deduction of income-tax in the year beginning on the 1st day of April, 1950, under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act from any earned income chargeable under the head "Salaries", the estimated total income of the assessee under this head shall, in computing the income-tax to be deducted, be reduced by an amount equal to one-fifth of such earned income, but not exceeding in any case four thousand rupees; but no abatement shall be allowed by the person responsible for paying the salary in respect of any donations made by the assessee to which section 15B of the Income-tax Act is or may be applicable.

(7) For the purposes of this section and of the rates of tax imposed thereby, the expression "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 Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (64A) of section 2 of that Act.

**3. Amendment of Act XI of 1922.**—With effect from the 1st day of April, 1950, the following amendments shall be made in the Income-tax Act, namely:—

(a) for sub-section (2) of section 1, the following sub-section shall be substituted, namely:—

"(2) It extends to the whole of India, except the State of Jammu and Kashmir, and applies also within that State to all persons in the service of the Government of India or the Government of any State other than the State of Jammu and Kashmir.";

(b) for clause (14A) of section 2, the following clause shall be substituted, namely:—

'(14A) "taxable territories" means—

(a) as respects any period before the 15th day of August, 1947, the territories then referred to as British India, but including Berar,

(b) as respects any period after the 14th day of August, 1947, and before the 26th day of January, 1950, the territories for the time being comprised in the Provinces of India, but excluding the merged territory of Cooch-Bihar,

(c) as respects any period after the 25th day of January and before the 1st day of April, 1950, the territories comprised in Part A States, but excluding the merged territory of Cooch-Bihar, and the territories comprised in Part C States, but excluding the States of Manipur, Tripura and Vindhya Pradesh,

(d) as respects any period after the 31st day of March, 1950, and before the 13th day of April, 1950, the territory of India excluding the State of Jammu and Kashmir and the Patiala and East Punjab States Union, and

(e) as respects any period after the 12th day of April, 1950, the territory of India excluding the State of Jammu and Kashmir:

Provided that the taxable territories shall be deemed to include—

(a) the merged territories—

(i) as respects any period after the 31st day of March, 1949, for any of the purposes of this Act, and

(ii) as respects any period included in the previous year, for the purpose of making any assessment for the year ending on the 31st day of March, 1950, or for any subsequent year; and

(b) the whole of the territory of India excluding the State of Jammu and Kashmir—

(i) as respects any period, for the purposes of sections 4A and 4B,

(ii) as respects any period after the 31st day of March, 1950, for any of the purposes of this Act, and

(iii) as respects any period included in the previous year for the purpose of making

any assessment of the year ending on the 31st day of March, 1951, or for any subsequent year;";

(c) in *Explanation 4* to sub-section (1) of section 4,—

(i) after the words "merged territories", the words "or any of the Part B States other than the State of Jammu and Kashmir" shall be inserted, and

(ii) after the words "merged territory", the words "or State" shall be inserted;

(d) in clause (xii) of sub-section (3) of section 4, for the figures "1950" the figures "1952" shall be substituted;

(e) for sub-section (2) of section 7, the following sub-section shall be substituted, namely:—

"(2) Any income which would be chargeable under this head if paid in the taxable territories shall be deemed to be so chargeable if paid in the State of Jammu and Kashmir by or on behalf of the Central Government or the Government of any State other than the State of Jammu and Kashmir.";

(f) in sub-clause (a) of clause (vi) of sub-section (2) of section 10, for the figures "1950" the figures "1952" shall be substituted;

(g) in sub-section (2) of section 44B, for the word "one-twentieth", the word "one-sixth" shall be substituted;

(h) in section 60A, after the words "merged territories", the words and letter "or to any Part B State" shall be inserted;

(i) in sub-clause (a) of clause (iv) of sub-section (2) of section 61, after the words "merged territories" the words, figures and letter "or before the 1st day of April, 1950, in any Part B State other than the State of Jammu and Kashmir" shall be inserted; and

(j) in sub-section (8) of section 66,—

(i) in clause (a), after the words and letter "Part A State" the words and letter "or Part B State" shall be inserted,

(ii) in clause (b), after the word "Ajmer" the words "and Vindhya Pradesh" shall be inserted,

(iii) after clause (e), the following clause shall be inserted, namely:—

"(ee) in relation to Manipur and Tripura, the High Court of Assam;"

**4. Alteration of certain duties of customs.**—In the First Schedule **XXXII** of the Indian Tariff Act, 1934,—

(a) for Items Nos. 75, 75(1), 75(2) and 75(8), the following Items shall be substituted, namely:—

“75 Conveyances not otherwise specified and component parts and accessories thereof, other than parts and accessories of motor vehicles and batteries, also motor vans and motor lorries imported completely assembled.	Revenue	30% <i>ad valorem.</i>	.. ..
75 (1) Motor cars, including taxi cabs, imported completely assembled.	Preferential revenue.	60% <i>ad valorem.</i>	54% <i>ad valorem.</i> .. ..
75 (2) Motor cycles and motor scooters, and articles (other than rubber tyres, tubes and batteries) adapted for use as parts and accessories thereof, except such articles as are also adapted for use as parts and accessories of other motor vehicles.	Preferential revenue.	45% <i>ad valorem.</i>	37½% <i>ad valorem.</i> .. ..
75 (3) Motor omnibuses imported completely assembled.	Preferential revenue.	30% <i>ad valorem.</i>	22½% <i>ad valorem.</i>

NOTE.—Motor vehicles, other than motor cycles and motor scooters, when imported otherwise than in a completely assembled condition, shall be dutiable as articles or parts of articles under Item No. 75 (9), 75 (10) or 75 (11), as the case may be.”

(b) after Item No. 75(8), the following Items shall be inserted, namely:—

“75 (9) The following articles, and parts thereof, adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters:	Preferential revenue.	60% <i>ad valorem.</i>	54% <i>ad valorem.</i> .. ..
(i) the following engine components: gaskets, rubber mountings, hose pipes other than brake hose pipes, fuel pump diaphragms, fan belts, * rubber components, mufflers, exhaust pipes and tail pipes; and			
(ii) the following frame and body components: carpets, cushion springs, door and window fittings, trim materials (leather, jute canvas and leather cloth), bus bodies, station wagon bodies, truck bodies, steel cabs for lorries, pick up bodies, and parcel van bodies.			
75 (10) The following articles, and parts thereof, adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters:	Preferential revenue.	90% <i>ad valorem.</i>	84% <i>ad valorem.</i> .. ..
(i) the following engine components: brake hose pipes, crank shafts, cam shafts, cams, connecting rods, cylinder blocks and heads, manifolds, valves, valve springs, valve tappets, fly wheel, petrol tank, air cleaner, radiator, oil filter, fan, piston assembly ( <i>viz.</i> , pistons, piston rings and gudgeon pins), fuel pump, water pump, timing gears and cylinder liners;			

- (ii) the following electrical components :  
starting motor, generator, head lamps and other lamps, fuses, switches, voltage and current regulator, ignition coil, cables and wires, and horn ;
- (iii) the following transmission and suspension components : ball and roller bearings, front and rear springs, king pins, shackle pins, bumpers, shock absorbers, spring hanger brackets, clutches, shackles, transmission gear and gear box, propeller shafts, universal joints, rear axle, front axle, front suspension, brake drums ; and
- (iv) the following frame and body components : ~~\*\*\*~~ seat runners, ~~short~~ members of chassis frame, and brackets.

- 75 (11)(a) Articles [other than rubber tyres, tubes, batteries and such other components as are specified in items Nos. 75(9) and 75(10)] adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters ; and Prefer- 30% *ad* 24% *ad* ... ..  
ential *valorem. valorem.*  
revenue.
- (b) Parts of mechanically propelled vehicles and accessories, not otherwise specified : Prefer- 30% *ad* 22½% *ad* ... ..  
ential *valorem. valorem* .  
revenue.

Provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles shall be dutiable at the rate of duty specified for such articles.

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**5. Additional duties of customs.**—When any goods chargeable with a duty of customs under the First Schedule to the Indian Tariff Act, 1934, or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall, up to the 31st day of March, 1951, be levied and collected as an addition to, and in the same manner as, the total amount so chargeable—

(a) a sum equal to such amount, in the case of goods comprised in Items Nos. 22(2) and 22(4) ;

(b) a sum equal to one-half of such amount, in the case of goods comprised in Items Nos. 48, 48(1), 48(2), 48(4), 48(5), 48(6), 48(7), 48(8), 48(10) and 51(2), and in the case of textile manufactures specified in Item No. 49 when made wholly or mainly of any of the fabrics specified in Items Nos. 48, 48(1), 48(4), 48(5), 48(7), or 48(10) ;

(c) a sum equal to two-fifths of such amount, in the case of goods comprised in Items Nos. 47(2), 59(2), 59(4), and 59(5) ; and

(d) a sum equal to one-fifth of such amount, in the case of goods comprised in any Item of the said Schedule other than those specified in clause (a), (b), or (c) of this section or in the Second Schedule to this Act :

Provided that in the case of goods comprised in Items Nos. 48 to 48(10), both inclusive, and in the case of textile manufactures specified in sub-items (a) and (b) of Item No. 49, if the duty of excise for the time being leviable on like goods or, as the case may be, on the fabrics of which such textile manufactures are wholly or mainly made, exceeds the sum of—

(i) the duty of customs chargeable under the First Schedule to the Indian Tariff Act, 1934, or under that Schedule read with any notification of the Central Government for the time being in force, and

(ii) the additional duty of customs chargeable under clause (b) or (d) of this section,

there shall, up to the 31st day of March, 1951, be levied and collected as a further addition to, and in the same manner as, the duties of customs so chargeable an amount equal to the aforesaid excess.

**6. Substitution of revenue duties for protective duties.**—In the First Schedule to the Indian Tariff Act, 1934, in each of the Items No. 17 and No. 28(19),—

(a) for the word "Protective" in the third column, the word "Revenue" shall be substituted; and

(b) the entry in the last column shall be omitted.

**7. Imposition and alteration of certain export duties.**—In the Second Schedule to the Indian Tariff Act, 1934,—

(a) for Item No. 2, the following Item shall be substituted, namely:—

"2. Jute manufactures (including manufactures of Bimlipatam jute or of mesta fibre), when not in actual use as coverings, receptacles or bindings for other goods—

(i) Sacking (cloth, bags, twist, yarn, rope and twine)	Ton of 2,240 lbs.	Rs. 50
(ii) Hessians	Ton of 2,240 lbs.	Rs. 350
(iii) All other descriptions of jute manufactures not otherwise specified.	Ton of 2,240 lbs.	Rs. 80"

(b) in Item No. 3, for the entry in the last column, the entry "Rs. 100" shall be substituted; and

(c) after Item No. 8, the following Items shall be inserted, namely:—

"9. Mustard oil	lb.	8 annas
10(a) Iron or steel, other than sheets, the following :	..	45% <i>ad valorem</i> .

ingots ; blooms ; billets ; tinbars ; sheet bars and slabs ; steel castings ; heavy structurals (including heavy sections of joists, channels and angles) ; light structurals (including light sections of joists, channels, angles, tees and light rails of 30 lbs. and under) ; tyres, wheels and axles ; shell steel ingots, blooms, billets and bars ; heavy rails (over 30 lbs.) ; fish plates ; dog-spikes ; chair-spikes ; screw-spikes ; tinplate ; terneplate ; plates (ship-building) ; plates (ordinary mild steel and tensile) ; plates (bullet proof) ; bars

(including flats, squares, rounds, hexagons and rods) ; bolts (including fish bolts), nuts and rivets ; black or galvanised wire, whether plain or barbed ; wire nails ; wire (miscellaneous) ; hoops and strips ; spring steel in any unfabricated or semifabricated form ; tool steel in any unfabricated or semifabricated form ; steel pressure pipes, tubes and fittings, coated or uncoated, excluding electrical conduit pipes ; cast iron pressure pipes and specials ; pressure pipes made of any substance reinforced with iron and steel ; and wire ropes.

(b) Iron or steel, black sheets and galvanised sheets (plain and corrugated). 30% *ad valorem*.

11. Black pepper . . . . . 30% *ad valorem*.

**8. Alteration of certain duties of central excise.**—In the First Schedule to the Central Excises and Salt Act, 1944,—

(a) in item No. 2, for the entries in the last column against sub-items (1) (ii), (1) (iii), (2) (ii) and (2) (iii), the following entries shall, respectively, be substituted:—

“ Two rupees, fourteen annas and six pies per gross of boxes ” ;  
 “ Two rupees and thirteen annas per gross of boxes ” ;  
 “ One rupee and fifteen annas per gross of boxes ” ; and  
 “ One rupee and fourteen annas per gross of boxes ” ;

(b) in item No. 12, for the entries in the last column against sub-items (1) and (2), the entries “Twenty per cent. *ad valorem*” and “Five per cent. *ad valorem*” shall, respectively, be substituted.

**9. Discontinuance of salt duty.**—For the year beginning on the 1st day of April, 1950, no duty shall be levied on salt manufactured in, or imported by sea or land into, the territory of India excluding the State of Jammu and Kashmir.

**10. Inland postage rates.**—With effect from the 1st day of April, 1950, the Schedule contained in the Third Schedule to this Act shall be substituted for the First Schedule to the Indian Post Office Act, 1898.

**11. Extension of certain Central Acts to certain Part B States.**—

(1) With effect from the 1st day of April, 1950, the following Acts, namely:—

VIII of 1878	(i) the Sea Customs Act, 1878,
XIX of 1924	(ii) the Land Customs Act, 1924,
XXXII of 1934	(iii) the Indian Tariff Act, 1934, and
I of 1944	(iv) the Central Excises and Salt Act, 1944,

and all rules and orders made thereunder which are in force immediately before the commencement of this Act, are hereby extended to, and shall be in force in, the whole of India except the State of Jammu and Kashmir.

(2) With effect from the 1st day of April, 1950, the Indian Post Office Act, 1898 and all rules and orders made thereunder which are in force immediately before the commencement of this Act are hereby extended to, and shall be in force in, the whole of India.

(3) With effect from the 1st day of April, 1950, the amendments specified in the Fourth Schedule shall be made in the Acts specified therein.

**12. Removal of difficulties.**—If any difficulty arises in giving effect to the provisions of any of the Acts, rules or orders extended by section 8 or section 11 to any State or merged territory, the Central Government may, by order, make such provision, or give such direction, as appears to it to be necessary for removing the difficulty.

**13. Repeals and savings.**—(1) If immediately before the 1st day of April, 1950, there is in force in any Part B State other than Jammu and Kashmir or in Manipur, Tripura or Vindhya Pradesh or in the merged territory of Cooch-Bihar any law relating to income-tax or super-tax or tax on profits of business, that law shall cease to have effect except for the purposes of the levy, assessment and collection of income-tax and super-tax in respect of any period not included in the previous year for the purposes of assessment under the Indian Income-tax Act, 1922, for the year ending on the 31st day of March, 1951, or for any subsequent year, or, as the case may be, the levy, assessment and collection of the tax on profits of business for any chargeable accounting period ending on or before the 31st day of March, 1949:

XI of 1922

Provided that any reference in any such law to an officer, authority, tribunal or court shall be construed as a reference to the corresponding officer, authority, tribunal or court appointed or constituted under the said Act, and if any question arises as to who such corresponding officer, authority, tribunal or court is, the decision of the Central Government thereon shall be final:

Provided further that where under any such law, tax is chargeable on the total income including agricultural income, the assessment shall be made by the corresponding officer or authority referred to in the preceding proviso only in respect of income other than agricultural income, and the tax payable on such income shall be an amount bearing to the total amount of tax which would have been payable under the State law if a combined assessment had been made, the same proportion as such income bears to the total income including the agricultural income, so however that for this purpose any reduction of tax allowed on the agricultural income by the State law shall not be taken into account.

(2) If immediately before the 1st day of April, 1950, there is in force in any State other than Jammu and Kashmir a law corresponding to, but other than, an Act referred to in subsection (1) or (2) of section 11, such law is hereby repealed with effect from the said date; and if immediately before the said date there is in force in the State of Jammu and Kashmir a law corresponding to the Indian Post Office Act, 1898, such law is hereby repealed with effect from the said date:

VI of 1898

Provided that such repeal shall not affect (a) the previous operation of the corresponding law, or (b) any penalty, forfeiture or punishment ordered in respect of an offence committed against any such law, or (c) any investigation, legal proceeding or remedy in respect of such penalty, forfeiture or punishment, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed.

## THE FIRST SCHEDULE

(See section 2)

## PART I

## Rates of Income-tax

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which paragraph B-or C of this Part applies—

	Rate
1. On the first Rs. 1,500 of total income	
2. On the next Rs. 3,500 of total income	. Nine pies in the rupee.
3. On the next Rs. 5,000 of total income	. One anna and nine pies in the rupee.
4. On the next Rs. 5,000 of total income	. Three annas in the rupee.
5. On the balance of total income	. Four annas in the rupee:

Provided that—

(i) no income-tax shall be payable on a total income which, before deduction of the allowance, if any, for earned income, does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds the said limit the same proportion as such reduced total income bears to the unreduced total income, or

(b) the income-tax payable on the income so reduced at the rates herein specified,—

whichever is less.

The limit referred to in the above proviso shall be—

(i) Rs. 7,200 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(a) that it has at least two members entitled to a share on partition who are not less than 18 years of age; or

(b) that it has at least two members entitled to a share on partition neither of whom is a lineal descendant of the other and both of whom are not lineally descended from any other living member of the family; and

(ii) Rs. 3,600 in every other case.

B. In the case of every company—

	Rate.
On the whole of total income . . . . .	Four annas in the rupee :

Provided that in the case of a company which, in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1951, has made the prescribed arrangements for the declaration and payment within the territory of India excluding the State of Jammu and Kashmir, of the dividends payable out of such profits, and has deducted super-tax from the dividends in accordance with the provisions of sub-section (3D) or (3E) of section 18 of that Act—

(i) where the total income, as reduced by six and a half annas in the rupee and by the amount, if any, exempt from income-tax, exceeds the amount of any dividends (including dividends payable at a fixed rate) declared in respect of the whole

or part of the previous year for the assessment for the year ending on the 31st day of March, 1951, and no order has been made under sub-section (1) of section 28A of the Income-tax Act, a rebate shall be allowed at the rate of one anna per rupee on the amount of such excess;

(ii) where the amount of dividends referred to in clause (i) above exceeds the total income as reduced by six and a half annas in the rupee and by the amount, if any, exempt from income-tax, there shall be charged on the total income an additional income-tax equal to the sum, if any, by which the aggregate amount of income-tax actually borne by such excess (hereinafter referred to as "the excess dividend") falls short of the amount calculated at the rate of five annas per rupee on the excess dividend.

For the purposes of the above proviso, the expression "dividend" shall have the meaning assigned to it in clause (6A) of section 2 of the Income-tax Act, but any distribution included in that expression, made during the year ending on the 31st day of March, 1951, shall be deemed to be a dividend declared in respect of the whole or part of the previous year.

For the purposes of clause (ii) of the above proviso, the aggregate amount of income-tax actually borne by the excess dividend shall be determined as follows:—

(i) the excess dividend shall be deemed to be out of the whole or such portion of the undistributed profits of one or more years immediately preceding the previous year as would be just sufficient to cover the amount of the excess dividend and as have not likewise been taken into account to cover an excess dividend of a preceding year;

(ii) such portion of the excess dividend as is deemed to be out of the undistributed profits of each of the said years shall be deemed to have borne tax,—

(a) if an order has been made under sub-section (1) of section 28A of the Income-tax Act, in respect of the undistributed profits of that year, at the rate of five annas in the rupee, and

(b) in respect of any other year, at the rate applicable to the total income of the company, for that year reduced by the rate at which rebate, if any, was allowed on the undistributed profits.

C. In the case of every local authority and in every case in which, under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate—

	Rate
On the whole of total income	Four annas in the rupee.

## PART II

### *Rates of Super-tax*

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case

to which any other paragraph of this Part applies—

	Rate.
1. On the first Rs. 25,000 of total income . . .	Nil.
2. On the next Rs. 15,000 of total income . . .	Three annas in the rupee.
3. On the next Rs. 15,000 of total income . . .	Four annas in the rupee.
4. On the next Rs. 15,000 of total income . . .	Six annas in the rupee.
5. On the next Rs. 15,000 of total income . . .	Seven annas in the rupee.
6. On the next Rs. 15,000 of total income . . .	Seven and a half annas in the rupee.
7. On the next Rs. 50,000 of total income . . .	Eight annas in the rupee.
8. On the balance of total income . . .	Eight and a half annas in the rupee.

B. In the case of every local authority:—

	Rate.
On the whole of total income . . .	Two and a half annas in the rupee.

C. In the case of an association of persons being a co-operative society (other than the Sanikatta Saltowners' Society in the State of Bombay) for the time being registered under the Co-operative Societies Act, 1912 or under any law of a State governing the registration of co-operative societies—

II of 1912

	Rate.
1. On the first Rs. 25,000 of total income . . .	Nil.
2. On the balance of total income . . .	Two and a half annas in the rupee.

D. In the case of every company:—

	Rate.
On the whole of total income . . . . .	Four and a half annas in the rupee:

Provided that—

(i) a rebate at the rate of three annas per rupee of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1951, has made the prescribed arrangements for the declaration and payment in the territory of India excluding the State of Jammu and Kashmir of the dividend payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) or (3E) of section 18 of that Act; and

(b) is a public company with total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company which satisfies condition (a), but not condition (b), of the preceding clause; and

(iii) a rebate at the rate of one anna per rupee of the total income shall be allowed in the case of any company which, not being entitled to a rebate under either of the preceding clauses, is—

(a) a public company whose shares were offered for sale in a recognised stock exchange at any time during the previous year, or

(b) a company all of whose shares were held at the end of the previous year by one or more such public companies as aforesaid:

Provided further that the super-tax payable by a company the total income of which exceeds Rs. 25,000 shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000, and

(b) half the amount by which its total income exceeds Rs. 25,000.

*Explanation.*—For the purposes of this paragraph of this Part, a company shall be deemed to be a public company only if it is neither a private company within the meaning of the Indian Companies Act, 1913, nor a company in which shares carrying more than fifty per cent. of the total voting power were, at any time during the previous year, held or controlled by less than six persons. VII of 1913

## THE SECOND SCHEDULE

(See section 5)

*Goods on which additional duty of customs is not leviable.*

A. Goods comprised in the following Items of the First Schedule to the Indian Tariff Act, 1934, namely:—

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2, 4, 4(1), 4(3), 4(4), 4(5), 7(1), 8(1), 8(2), 8(3), 8(4), 8(5), 9(3), 9(5), 9(6), 9(7), 11(4), 11(5), 12(6), 13(4), 13(8), 13(9), 15, 15(5), 15(9), 15(10), 15(11), 15(12), 16, 16(1), 16(3), 20(1), 20(2), 20(3), 20(4), 20(5), 20(6), 20(7), 20(8), 20(9), 21(3), 21(4), 21(5), 21(6), 21(7), 21(8), 21(9), 22(3), 22(5), 24, 24(1), 24(2), 24(3), 25(1), 27(1), 27(2), 27(3), 27(4), 27(5), 27(6), 27(9), 28, 28(8), 28(14), 28(15), 28(16), 28(17), 28(18), 28(19), 28(20), 28(21), 28(22), 28(23), 28(24), 28(25), 28(26), 28(27), 28(28), 28(29), 28(30), 29, 29(1), 30, 30(1), 30(2), 30(9), 30(10), 30(11), 30(12), 30(13), 31(4), 34(3), 40(4), 40(5), 40(6), 40(7), 43, 44, 44(1), 45, 45(3), 46(3), 49(c), 49(2), 51, 52(4), 53(2), 55, 55(1), 55(2), 55(3), 60, 60(2), 60(3), 60(4), 60(5), 60(6), 61(2), 61(3), 61(8), 61(9), 61(11), 62(1), 62(2), 63(14), 63(30), 63(31), 63(32), 63(33), 63(34), 63(35), 64, 64(3), 64(4), 65, 66, 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(2), 70(3), 70(4), 70(5), 70(6), 70(9), 71(2), 71(3), 71(7), 71(8), 71(9), 71(10), 72, 72(1), 72(2), 72(3), 72(4), 72(5), 72(11), 72(12), 72(13), 72(14), 72(15), 72(16), 72(17), 72(18), 72(19), 72(20), 72(21), 72(22), 72(23), 72(24), 72(25), 72(26), 72(27), 72(28), 72(33), 73(2), 73(4), 73(7), 73(8), 73(9), 73(10), 73(11), 73(12), 73(13), 73(14), 73(15), 74(2), 74(4), 75, 75(1), 75(2), 75(3), 75(5), 75(6), 75(7), 75(8), 75(9), 75(10), 75(11), 77(2), 77(4), 77(5), 78, 78(1), 79, 82(1), 84, 84(1), 85(1).

B. Goods comprised in the following Items of the First Schedule to the Indian Tariff Act, 1934, when the Customs Collector is satisfied that such goods are the produce or manufacture of Burma, namely:—

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No. 7 (potatoes and onions only) and Nos. 9, 9(3), 13(2), 17 and 34(4) (a).

## THE THIRD SCHEDULE

(See section 10)

*Schedule to be substituted for the First Schedule to the Indian  
Post Office Act, 1898.*

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## "THE FIRST SCHEDULE

## INLAND POSTAGE RATES

(See section 7)

*Letters*

For a weight not exceeding one tola . . . . . Two annas.  
For every tola, or fraction thereof, exceeding one tola . . . . . One anna.

*Postcards*

Single . . . . . Nine pies.  
Reply . . . . . One and a half annas.

*Book, Pattern and Sample Packets*

For the first five tolas or fraction thereof . . . . . Nine pies.  
For every additional two and a half tolas, or fraction  
thereof, in excess of five tolas . . . . . Three pies.

*Registered Newspapers*

For a weight not exceeding ten tolas . . . . . Three pies.  
For a weight exceeding ten tolas and not exceeding  
twenty tolas . . . . . Six pies.  
For every twenty tolas, or fraction thereof, exceeding  
twenty tolas . . . . . Six pies.  
In the case of more than one copy of the same issue of  
a registered newspaper being carried in the same  
packet—  
For a weight not exceeding ten tolas . . . . . Six pies.  
For every additional five tolas, or fraction thereof, in  
excess of ten tolas . . . . . Three pies :  
Provided that such packet shall not be delivered at  
any addressee's residence but shall be given to a re-  
cognised agent at the post office.

*Parcels*

For a weight not exceeding forty tolas . . . . . Six annas.  
For every forty tolas, or fraction thereof, exceeding  
forty tolas . . . . . Six annas."

## THE FOURTH SCHEDULE

(See section 11)

*Amendments of Central Acts*1. *The Sea Customs Act, 1878. (VIII of 1878).*

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) In section 1, for the words and letter "Part B States", the words "the State of Jammu and Kashmir" shall be substituted.

## (3) In section 3,—

(a) for clause (e), the following clauses shall be substituted, namely:—

“(e) ‘‘foreign port’’ means any place not within the territory of India;

(ee) ‘‘India’’ means the territory of India excluding the State of Jammu and Kashmir;’’ and

(b) clause (k) shall be omitted.

## (4) After section 3, the following section shall be inserted, namely:—

‘‘3A. *Power to define customs frontiers.*—The Central Government may, by notification in the Official Gazette, define the customs frontiers of India.’’

## (5) In section 18,—

(a) for the word ‘‘States’’ wherever it occurs, the word ‘‘India’’ shall be substituted; and

(b) for clauses (f), (i) and (j), the following clauses shall, respectively, be substituted, namely:—

‘‘(f) piece-goods manufactured outside India, such as are ordinarily sold by length or by the piece, if each piece has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with the real length of the piece in standard yards, inscribed in the international form of numerals;’’

‘‘(i) cotton yarn manufactured outside India, such as is ordinarily imported in bundles, if each bundle containing such yarn has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with an indication of the weight and the count of the yarn contained in it, in accordance with the rules made under section 20 of the Indian Merchandise Marks Act, 1889;’’

‘‘(j) cotton sewing, darning, crochet or handicraft thread manufactured outside India, if each of the units in which the thread is supplied has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with the length or weight of the thread contained in it and in such other manner as is required by the rules made under section 20 of the Indian Merchandise Marks Act, 1889.’’

## II. *The Land Customs Act, 1924 (XIX of 1924).*

(1) In sub-section (2) of section 1, for the words and letter ‘‘Part B States’’ the words ‘‘the State of Jammu and Kashmir’’ shall be substituted.

(2) In clause (e) of section 2, for the words and letters ‘‘the territories comprised within Part A States and Part C States’’ the word ‘‘India’’ shall be substituted.

(3) In sub-section (2) of section 7, for the words and letters ‘‘Part A States and Part C States’’, the word ‘‘India’’ shall be substituted.

(4) In the Schedule, for the word and figure "Sections 4", the word, figures and letter "Sections 3A, 4" shall be substituted.

*III. The Indian Tariff Act, 1984 (XXXII of 1984).*

(1) In sub-section (2) of section 1, for the words and letter "Part B States" the words "the State of Jammu and Kashmir" shall be substituted.

(2) In sub-section (4) of section 2, section 5 and section 6, for the words and letters "a Part A State or a Part C State" wherever they occur, the word "India" shall be substituted.

(3) In section 5, sub-section (1) of section 9 and the First Schedule, for the words and letters "Part A States and Part C States" the word "India" shall be substituted.

(4) In section 8, for the words "the States" the word "India" shall be substituted.

(5) In the First Schedule, Item No. 12(1) shall be omitted.

*IV. The Central Excises and Salt Act, 1944 (I of 1944).*

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) In sub-section (2) of section 1, for the words and letter "Part B States" the words "the State of Jammu and Kashmir" shall be substituted.

(3) In section 2,—

(a) after clause (e), the following clause shall be inserted, namely:—

'(ee) "India" means the territory of India excluding the State of Jammu and Kashmir;' and

(b) clause (j) shall be omitted.

(4) In section 5, for the words and letter "the territory of a Part B state" the words "the State of Jammu and Kashmir" shall be substituted.

(5) In clause (iii) of sub-section (2) of section 37, for the words and letter "any specified Part B State" the words "the State of Jammu and Kashmir" shall be substituted.

*V. The Indian Post Office Act, 1898 (VI of 1898).*

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) The following shall be omitted, namely:—

(a) in sub-section (2) of section 1, the words and letter "except Part B States";

(b) clause (1) of section 2;

(c) in sub-section (1) of section 36 and in sub-section (1) of section 46, the words "Indian State corresponding to a" and the words and letter "Part B State"; and

(d) section 57.

# PARLIAMENT OF INDIA

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Report of the Select Committee on the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1950 ; with the Bill as amended.

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