

**Mr. Speaker:** There are no amendments to the clauses.

The question is:

"That clauses 2 and 3, the Schedule, clause 1, the Enacting Formula and the Long Title stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3, the Schedule, clause 1, the Enacting Formula and the Long Title were added to the Bill.*

**Mr. Morarji Desai:** I beg to move

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

17-20 hrs.

#### FINANCE BILL, 1962

**The Minister of Finance (Shri Morarji Desai):** May I move the Finance Bill?

**Mr. Speaker:** Yes.

**Shri Vasudevan Nair (Thiruvella):** We would like to take part in the debate.

**Mr. Speaker:** I am not closing the clauses. If he moves the Bill, I will call the hon. Members on Monday.

**Shri Morarji Desai:** I beg to move:

"That the Bill to continue for the financial year 1962-63 the existing rates of income-tax and super-tax and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year, be taken into consideration."

This Bill does not seek to make any changes in regard to income-tax and super-tax but is intended merely to ensure that these may continue to be levied at the existing rates.

Hon. Members are aware that the Indian Income-tax Act, 1922 has been replaced by the Income-tax Act, 1961, with effect from 1st April, 1962. Consequently, it has become necessary to give references to the provisions of the new Act in the Finance Bill as indicated in clause 2 of the Bill.

One further point which I would like to bring to the notice of the House is that the definition of the term 'earned income' has now been incorporated in the Finance Bill. Formerly, this definition was given in the Income-tax Act, because the deduction was admissible on account of earned income, while computing the assessable income under certain conditions. This method of concessional treatment of earned income was given up a few years ago, and now the earned income gets a concessional treatment by paying tax at a lower rate as compared to unearned income. This is regulated through the Finance Bill, and hence it is considered proper that the definition of the term 'earned income' should be given in the Finance Bill itself.

The Bill also seeks to maintain for another year the *status quo* in regard to the commitments under the General Agreement on Tariffs and Trade.

The usual provision that salt be free of duty for another year has also been included in the Bill.

**Mr. Speaker:** Motion moved:

"That the Bill to continue for the financial year 1962-63 the existing rates of income-tax and super-tax and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year, be taken into consideration."

17.23 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 26, 1962/Chaitra 5, 1884 (Saka).*

†Moved with the recommendation of the President.