Finance Act 1976

Chapter IV - Indirect Taxes

The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in the Second Schedule.

Section 32 - Auxiliary Duties of Customs

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(1) In the case of goods mentioned in the First Schedule to the Tariff Act, or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to twenty per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the Customs Act) :

> Provided that on and from the data on which the Customs Tariff Act, 1975 (51 of 1975), comes into force, this sub-section shall have effect subject to the modification that for the words "First Schedule to the Tariff Act", the words and figures "First Schedule to the Customs to the Customs Tariff Act, 1975 (51 of 1975)", shall be substituted.

(2) Sub-section (1) shall cease to have effect after the 30st day of June, 1977, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in additional to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

(4) The provisions of the Customs Act, and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations, as the case may be.

Section 33 - Amendment of Act 1 of 1949

In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1976", the figures "1977" shall be substituted.

Section 34 - Amendment of Act 51 of 1975

The Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), shall be amended in the manner specified in the Third Schedule.

Section 35 - Amendment of Act 1 of 1944

The Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), shall be amended in the manner specified in the Fourth Schedule.

Section 36 - Auxiliary Duties of Excise

(1) In the case of goods mentioned in the First Schedule to the Central Excises Act, or in that Schedule as amended from time to time, there shall be levied and collected as an auxiliary duty of excise an amount equal to twenty per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act.

(2) Sub-section (1) shall cease to have effect after the 30th day of June, 1977, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The auxiliary duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act, or any other law for the time being in force.

(4) The auxiliary duties of excise leviable under sub-section (1) in the financial year 1975-76 shall be for the purposes of the Union and the proceeds thereof shall not be distributed among the States.

(5) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

Section 37 - Amendment of Act 58 of 1957

The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), shall be amended in the manner specified in the Fifth Schedule.

Section 38 - Discontinuance of Slat Duty

For the year beginning on the 1st day of April, 1976, no duty under the Central Excises Act or the Tariff Act or the Customs Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

Section 39 - Amendment of Act 16 of 1955

In the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, -

(a) for the words "opium, Indian hemp or other narcotic drug or narcotic", wherever they occur, the words "narcotic drug or narcotic" shall be substituted;

(b) in section 2, -

(i) after clause (a), the following clauses shall be inserted, namely :-

(aa) "coca derivative" means -

(i) crude cocaine, that is, any extract of coca leaf which can be used, directly or indirectly, for the manufacture of cocaine;

(ii) ecgonine, that is, laevo-ecgonine having the chemical formula $C_9 H_{15} NO_3 H_2O$, and all the derivatives of laevo-ecgonine from which is can be recovered; and

(iii) cocaine, that is, methyl-benzoyl-laevo-ecgonine having the chemical formula $C_{17} H_{21} NO_4$, and its salts;

(ab) "coca leaf" means -

(i) the leaf and young twigs of any coca plant, that is, of the Erythroxylon coca (Lamk.) and the Erythroxylon novo-granatense (Hiern.) and their varieties, and of any other species of this genus which the Central Government may, by notification in the Official Gazette, declare to be coca plants for the purposes of this Act; and

(ii) any mixture thereof, with or without neutral materials;;

(ii) after clause (b), the following clause shall be inserted, namely :-

(bb) "derivative of opium" means -

(i) medicinal opium, that is, opium which has undergone the processes necessary to adapt it for medicinal use;

(ii) prepared opium, that is, any product of opium obtained by any series of operations designed to transform opium into an extract suitable for smoking, and the dross or other residue remaining after opium is smoked;

(iii) morphine, that is, the principal alkaloid of opium having the chemical formula $C_{17} H_{12} NO_3$, and salts, and its derivatives;;

(iii) for clause (e), the following clause shall be substituted, namely :-

(e) "Indian hemp" means -

(i) the leaves, small stalks and flowering or fruiting tops of the Indian hemp plant (Cannabis sativa L.), including all forms known as bhang, siddhi or ganja;

(ii) charas, that is, the resin obtained from the Indian hemp plant, which has not been submitted to any manipulations other than those necessary for packing and transport;

(iii) any mixture, with or without neutral materials, of any of the above forms of Indian hemp or any drink prepared therefrom; and

(iv) any extract or tincture of any of the above forms of Indian hemp;;

(iv) for clause (h), the following clause shall be substituted, namely :-

(h) "narcotic drug" or "narcotic" means a substance which is coca leaf, or coca derivative, or opium, or derivative of opium, or Indian hemp and shall include any other substance, capable of causing or producing in human beings dependence, tolerance and withdrawal syndromes and which the Central Government may, by notification in the Official Gazette, declare to be a narcotic drug or narcotic;;

(c) the Schedule shall be amended in the manner specified in the Sixth Schedule.