

Finance Act 1968

Chapter V - Indirect Taxes

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

Section 35 - Special Duties of Customs

(1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act, or in that Schedule as amended by a subsequent Central Act, if any, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a special duty of customs equal to 10 per cent. of such amount :

Provided that in computing the total income so chargeable, any duty chargeable under section 2A of the Tariff Act or section 36 of this Act shall not be included.

(2) sub-section (1) shall cease to have effect after 31st day of March, 1969, 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6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

Section 36 - Regulatory Duties of Customs

(1) With a view to regulating or bringing greater economy in imports, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act or in that Schedule as amended by a subsequent Central Act, if any, a regulatory duty of customs not exceeding -

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A, or sub-section (1) of section 4, of the Tariff Act; or

(b) 10 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),

whichever is higher :

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1969, 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(10 of 1897), shall apply upon such cesser as if the said sub-section has then been repealed by a Central Act.

(3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962), 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 regulatory duty 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.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

Section 37 - Amendment of Act 1 of 1949

In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1968", the figures "1969" shall be substituted.

Section 38 - Amendment of Act 1 of 1944

In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), -

(1) in section 37, after sub-section (3), the following sub-section shall be inserted, namely :-

"(4) Notwithstanding anything contained in sub-section (3), and without prejudice to the provisions of section 9, in making rules under this section, the Central Government may provide that if any manufacturer, producer or licensee of a warehouse -

(a) removes any excisable goods in contravention of the provisions of any such rule, or

(b) does not account for all such goods manufactured, produced or stored by him, or

(c) engages in the manufacture, production or storage of such goods without having applied for the licence required under section 6, or

(d) contravenes the provisions of any such rule with intent to evade payment of duty,

then -

(i) any land, building, plant, machinery, materials, conveyance, animal or any other thing used in connection with the manufacture, production, storage, removal or disposal of such goods, and

(ii) all excisable goods on such land or in such building or produced or manufactured with such plant, machinery, materials or thing,

belonging to such manufacturer, producer or licensee shall be liable to confiscation and the manufacturer, producer or licensee shall be liable to a penalty not exceeding three times the value of the excisable goods in respect of which any contravention of the nature referred to in clause (a), (b), (c) or (d) has been committed, or five thousand rupees, whichever is greater.";

(2) in the First Schedule, -

(a) after Item No. 1, the following Item shall be inserted, namely :-

"1A. CONFECTIONERY AND CHOCOLATES IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER, NAMELY :-	Eighty paise per kilogram :"
(1) Boiled sweets, toffees, caramels, candies, nuts (including almonds) and fruit kernels coated with sweetening agent, and chewing gums.	
(2) Chocolates in the form of slabs, tablets, bars, pastilles or croquettes, whether or not containing nuts, fruit kernels or fruits.	

(b) in Item No. 4, under "I - Unmanufactured tobacco - ", -

(i) for the entries in the third column against sub-items (1), (2), (3), (4), (5), (6) and (8), the entries "Three rupees and fifty paise.", "Twenty-seven rupees and fifty paise.", "Two rupees and fifty paise.", "Two rupees and eight-five paise." "One rupees and seventy-five paise.", "Two rupees and fifty paise." and "Twenty-five paise." shall, respectively, be substituted;

(ii) the Explanation in the second column below sub-item (5) shall be omitted;

(c) in Item No. 9, for the entry in the third column, the entry "One hundred and sixty-eight rupees and twenty-five paise per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(d) in Item No. 10, for the entry in the third column, the entry "Seventy-five rupees and forty-five paise per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(e) in Item No. 22A, for the entries in the third column against sub-items (i) and (ii), the entries "Four hundred and fifty rupees per metric tonne." and "Two hundred and fifty rupees per metric tonne." shall, respectively, be substituted;

(f) after Item No. 22A, the following Items shall be inserted, namely :-

"22B. TEXTILE FABRICS IMPREGNATED OR COATED WITH PREPARATIONS OF CELLULOSE DERIVATIVES OR OF OTHER ARTIFICIAL PLASTIC MATERIALS.	Twenty-five per cent. ad valorem.
22C. EMBROIDERY, IN THE PIECE, IN STRIPS OR IN MOTIFS, IN OR IN ad RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.	Twenty per cent. valorem."

(g) in Item No. 29A, for the entries in the third column against sub-items (1), (2) and (3), the entries "Thirty per cent. ad valorem.", "Thirty per cent. ad valorem." and "Forty per cent. ad valorem." shall, respectively, be substituted;

(h) after Item No. 33A, the following Item shall be inserted, namely :-

"33AA. PARTS OF WIRELESS RECEIVING SETS (INCLUDING PARTS OF TRANSISTOR SETS AND RADIOGRAMS), NAMELY, ELECTRONIC VALVES AND TUBES, TRANSISTORS AND SEMI-CONDUCTOR DIODES.	Five rupees each.";
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(i) in Item No. 37A, in the entry in the second column, for the words "AND PARTS AND ACCESSORIES THEREOF", the words "AND PARTS AND ACCESSORIES THEREOF NOT ELSEWHERE SPECIFIED" shall be substituted;

(j) after Item No. 39, the following Items shall be inserted, namely :-

"40. STEEL FURNITURE MADE PARTLY OR WHOLLY OF STEEL, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER, WHETHER IN ASSEMBLED OR UNASSEMBLED CONDITION.	Twenty per cent. ad valorem.
41. CROWN CORKS WITH OR WITHOUT WASHERS OR OTHER FITTINGS OF CORK, RUBBER, POLYETHYLENE OR ANY OTHER MATERIAL.	One paisa each."

Section 39 - Special Duties of Excise on Certain Goods

(1) When goods of the description mentioned in this section chargeable with a duty of excise under the Central Excises Act (as amended by this Act or any subsequent Central Act) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected -

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and item No. 32 of the First

Schedule to Central Excises Act, a special duty of excise equal to 10 per cent. of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A(2), 21, 22, 23A(1), 27, 30, 31(1), 33, sub-items (1), (3a) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent. of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Items Nos. 4-II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No. 37A of that Schedule, a special duty of excise equal to 33 1/3 per cent. of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1969, 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 duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) 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 duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of duties of excise on such goods under that Act or those rules.

Section 40 - Regulatory Duties of Excise

(1) With a view to regulating or bringing greater economy in consumption, there shall be lived and collected, with effect from such date, and at such rate as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Central Act, a regulatory duty of excise which shall not exceed 15 per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act :

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1969, 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 duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) 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 regulatory 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.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

Section 41 - Amendment of Act 27 of 1958

In section 3 of the Mineral Products (Additional Duties of Excise and Customs) Act, 1858, in sub-section (1), in the Table, -

(a) for item 1 and the entries relating to it, the following shall be substituted, namely :-	
"1. Motor Spirit	Two hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer.";
(b) for items 3, 4 and 5 and the entries relating thereto, the following shall be substituted, namely :-	
"3. Refined diesel oils and vaporizing oil.	Four hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer.
4. Diesel oil, not otherwise specified	One hundred and twenty-nine rupees and forty-five paise per kilolitre at fifteen degrees of Centigrade thermometer.
5. Furnace oil	Fifty-six rupees and sixty paise per kilolitre at fifteen degrees of Centigrade thermometer.";

(c) for item 7 and the entries relating to it, the following shall be substituted, namely :-	
"7. All products as described in item No. 11A of the First Schedule to the Central Excises and Salt Act, 1944 (1 of 1944)	Five hundred rupees per metric Tonne."

Section 42 - Discontinuance of Salt Duty

For the year beginning on the 1st day of April, 1968, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.
