

# **THE ADDITIONAL DUTIES OF EXCISE (GOODS OF SPECIAL IMPORTANCE) ACT, 1957.**

**No.58 OF 1957.**

**[24th December, 1957]**

**An Act to provide for the levy and collection of additional duties of excise on certain goods and for the distribution of a part of the net proceeds thereof among the States in pursuance of the principles of distribution formulated and the recommendations made by the Finance Commission in its report dated the 30th day of September, 1957, and to declare those goods to be of special importance in inter-State trade or commerce.**

## Contents

[1.Short title](#)

[2.Definitions](#)

[3.Levy and collection of additional duties](#)

[4.Distribution of additional duties among States](#)

[5.Expenditure to be charged on the Consolidated Fund of India](#)

[6.Power to make rules](#)

[7.Declaration of certain goods to be of special importance in inter-State trade or commerce](#)

[THE FIRST SCHEDULE](#)

[THE SECOND SCHEDULE](#)

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows :-

### **1.Short title**

:- (1) This Act may be called the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

(2) It extends to the whole of India.

### **2.Definitions**

:- In this Act, -

(a) "additional duties" means the duties of excise duties levied and collected under sub-section (1) of section 3 ;

(b) "State" does not include a Union territory;

(c) the words and expressions "sugar", "tobacco", "cotton fabrics", "rayon or artificial silk fabrics" and "woollen fabrics" shall have the meanings respectively assigned to them in Items Nos.8, 9, 12, 12A and 12B of the First Schedule to the Central Excises and Salt Act, 1944(1 of 1944).

### **3.Levy and collection of additional duties**

:- (1) There shall be levied and collected in respect of the following goods, namely, sugar, tobacco, cotton fabrics, rayon or artificial silk fabrics and woollen fabrics produced or manufactured in India and on all such goods lying in stock within the precincts of any factory, warehouse or other premises where the said goods were manufactured, stored or produced, or in any premises appurtenant thereto, duties of excise at the rate or rates specified in the First Schedule to this Act.

(2) 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 and Salt Act, 1944(1 of 1944), or any other law for the time being in force.

(3) The provisions of the Central Excises and Salt Act, 1944, and the rules made thereunder, including those relating to refunds and exemptions from duty, shall, so far as may be, apply in relation to the levy and collection of the additional duties as they apply in relation to the levy and collection of the duties of excise on the goods specified in sub-section (1).

#### **4. Distribution of additional duties among States**

:- During each financial year, there shall be paid out of the Consolidated Fund of India to the States in accordance with the provisions of the Second Schedule such sums, representing a part of the net proceeds of the additional duties levied and collected during that financial year, as are specified in that Schedule.

#### **5. Expenditure to be charged on the Consolidated Fund of India**

:- Any expenditure under the provisions of this Act shall be expenditure charged on the Consolidated Fund of India.

#### **6. Power to make rules**

:- (1) The Central Government may, by notification in the Official Gazette, make rules providing for the time at which, and the manner in which, any payments under the provisions of this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

(2) All rules made under this section shall, as soon as may be after they are made, be laid for not less than thirty days before each House of Parliament and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

#### **7. Declaration of certain goods to be of special importance in inter-State trade or commerce**

:- It is hereby declared that the following goods namely, sugar, tobacco, cotton fabrics, rayon or artificial silk fabrics and woollen fabrics are of special importance in inter-State trade or commerce and every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of the declared goods, be subject as from the 1st day of April, 1958, to the restrictions and conditions specified in section 15 of the Central Sales Tax Act, 1956(74 of 1956).

### **THE FIRST SCHEDULE**

**[See section 3(1) ]**

Item No. in the First Schedule to the additional duty Central Excises and Salt Act, 1944.	Description of goods	Rate of
(1)		
(2)		(3)

8.SUGAR Three rupees and thirty-one naye paise per cwt.

## 9. TOBACCO -

I. *Unmanufactured tobacco* - per lb.

- (1) if flue cured and used in the manufacture of cigarettes containing
- ( i ) more 60 per cent, weight of imported tobacco Nil.
- ( ii ) more than 40 per cent, but not more than 60 per cent, weight of imported tobacco Nil.
- ( iii ) more than 20 per cent, but not more than 40 per cent, weight of imported tobacco Nil.
- ( iv ) 20 per cent, or less than 20 per cent, weight of imported tobacco Nil.
- ( v ) no imported tobacco Nil.
- (2) if flue cured and used for the manufacture of smoking mixtures for pipes and cigarettes. Fifty naye paise.
- (3) if flue cured and not otherwise specified Twenty five naye paise.
- (4) if other than flue cured and used for the manufacture of (a) cigarettes of (b) smoking mixtures Nil for pipes and cigarettes.
- (5) if not flue cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes : -
- ( i ) stems of tobacco larger than 1/4 " and stems }  
of tobacco not larger than 1/16 " in size. }  
}
- ( ii ) dust of tobacco. }  
}
- ( iii ) granule ('rawa') of tobacco not larger than } Three naye paise.  
1/16 " in size. }  
}
- ( iv ) tobacco cured in whole leaf form and }  
packed or tied in bundles, hanks or bunches }  
or in the form of twists or coils. }
- (6) if other than flue cured and not otherwise specified Twenty naye paise.
- (7) if used for agricultural purposes Nil.
- (8) stalks One naya paise.

II. *Manufactured tobacco* - Per hundred.

- (1) Cigars and cheroots of which the value
- ( i ) exceeds Rs.30 a hundred Three rupees.
- ( ii ) exceeds Rs.25 a hundred but does not exceed Rs.30 a hundred Two rupees and fifty naye paise.
- ( iii ) exceeds Rs.20 a hundred but does not exceed Rs.25 a hundred Two rupees.

- ( iv ) exceeds Rs.15 a hundred but does not exceed Rs.20 a hundred.
- ( v ) exceeds Rs.10 a hundred but does not exceed Rs.15 a hundred.
- ( vi ) exceeds Rs.5 a hundred but does not exceed Rs.10 a hundred.
- ( vii ) exceeds Rs.2-8-0 a hundred but does not exceed Rs.5 a hundred.
- ( viii ) exceeds Rs.1-4-0 a hundred but does not exceed Rs.2-8-0 a hundred.
- ( ix ) exceeds 14 annas a hundred but does not exceed Rs.1-4-0 a hundred.

(2) Cigarettes of which the value - Per thousand.

- ( i ) exceeds Rs.50 a thousand naye paise.
- ( ii ) exceeds Rs.35 a thousand but does not exceed Rs.50 a thousand naye paise.
- ( iii ) exceeds Rs.30 a thousand but does not exceed Rs.35 a thousand naye paise.
- ( iv ) exceeds Rs.25 a thousand but does not exceed Rs.30 a thousand naye paise.
- ( v ) exceeds Rs.20 a thousand but does not exceed Rs.25 a thousand naye paise.
- ( vi ) exceeds Rs.15 a thousand but does not exceed Rs.20 a thousand naye paise.
- ( vii ) exceeds Rs.10 a thousand but does not exceed Rs.20 a thousand naye paise.
- ( viii ) exceeds Rs.7-8-0 a thousand but does not exceed Rs.10 a thousand.
- ( ix ) does not exceed Rs.7-8-0 a thousand naye paise.

(3) Biris in the manufacture of which any process has been conducted with the aid of machines operated with or without the aid of power.

## 12.COTTON FABRICS -

- (1) Cotton fabrics, superfine. Thirteen naye paise per square yard.
- (2) Cotton fabrics, fine. Eight naye paise per square yard.
- (3) Cotton fabrics, medium. Four naye paise per square yard.
- (4) Cotton fabrics, coarse. Three naye paise per square yard.

12ARAYON OR ARTIFICIAL SILK FABRIC. Three naye paise per

square yard.

12BWOOLLEN FABRICS Five per cent ad valorem.

## THE SECOND SCHEDULE

(See section 4)

### PART I

#### *Distribution of additional duties on sugar.*

1. In this Part, -

(a) "net proceeds", as respects any financial year, means the net proceeds of the additional duties in respect of sugar levied and collected during that financial year;

(b) "Table" means the Table at the end of this Part.

2. During each of the financial years commencing on or after the 1st April, 1958, there shall be paid -

(a) to the State of Jammu and Kashmir a sum equal to 1.25 per cent. of the net proceeds ; and

(b) to each of the States specified in the first column of the Table -

( i ) a sum equal to such percentage of one-fourth of the net proceeds as is specified against that State in the second column of the Table;

( ii ) a sum equal to the difference between the sum specified against that State in third column of the Table and the sum payable to that State under sub-clause ( i ) ; and

( iii ) if the total of the sums payable to all the States under the preceding provisions of this paragraph is less than 99 per cent. of the net proceeds by any amount, a further sum equal to such percentage of that amount as is specified against that State in the fourth column of the Table:

Provided that if during that financial year there is levied and collected in any State specified in the Table a tax on the sale or purchase of sugar by or under any law of that State, no sums shall be payable to that State under sub-clause ( ii ) or sub-clause ( iii ) of clause (b) in respect of that financial year, unless the Central Government by special order otherwise directs.

3. In respect of the financial year ending on the 31st March, 1958, the provisions of paragraph 2 (excluding the proviso) shall apply for the distribution of a part of the net proceeds, subject to the modification that each of the sums specified in the third column of the Table shall be deemed to have been replaced by one-fourth of that sum.

#### TABLE

2	3	1	4
(Rupees in lakhs)			
Andhra Pradesh	9.38	406.65	
Assam	3.46	152.55	
Bihar	10.57	308.20	
Bombay	12.17		245
Kerala	3.84	203.03	
Madhya Pradesh	7.46	407.67	
Madras	7.56	607.43	
Mysore	6.52	255.13	
Orissa	4.46	202.87	

Punjab	4.59	507.21	
Rajasthan	4.71	254.81	
Uttar Pradesh			15.94
	15.69		
West Bengal	7.59	368.65	112

## PART II

### *Distribution of additional duties on tobacco.*

4. The provisions of paragraphs 2 and 3 shall apply for the distribution of a part of the net proceeds of the additional duties on tobacco levied and collected during each financial year as they apply for the distribution of a part of net proceeds of the additional duties on sugar, subject to the modification that the references therein to the Table shall be construed as references to the Table below : -

**TABLE**

1	2	3
---	---	---

(Rupees in lakhs)

Andhra Pradesh	9.38	7510.47	
Assam	3.46	30 2.98	
Bihar			10.57
Bombay			12.17
Kerala	3.84	37 3.43	
Madhya Pradesh	7.46	32 7.10	
Madras	7.56	57 9.53	
Mysore	6.52	27 5.58	
Orissa	4.46	15 3.21	
Punjab	4.59	30 4.36	
Rajasthan	4.71	115 3.59	
Uttar Pradesh			15.94
West Bengal	7.59	40 7.31	16.13

## PART III

### *Distribution of additional duties on textiles.*

5. In this Part, -

(a) "net proceeds", as respects any financial year, means the net proceeds of the additional duties in respect of cotton fabrics, rayon or artificial silk fabrics and woollen fabrics levied and collected during that financial year;

(b) "Table" means the Table at the end of this Part.

6. During each of the financial years commencing on or after the 1st April, 1958, there shall be paid -

(a) to the State of Jammu and Kashmir a sum equal to 1.25 per cent. of the net proceeds;

(b) to each of the States specified in the first column of the Table -

(i) such sum as is specified against that State in the second column of the Table; and

(ii) if the total of the sums payable to all the States under the preceding provisions of this paragraph is less than 99 per cent. of the net proceeds by any amount, a further sum equal to such percentage of that amount as is specified against that State in the third column of the Table:

Provided that if during that financial year, there is levied and collected in any State specified in the Table a tax on the sale or purchase of cotton fabrics, rayon or artificial silk fabrics or woollen fabrics by or under any law of that State, no sums shall be payable to that State under clause (b) in respect of that financial year, unless the Central Government by special order otherwise directs.

7. In respect of the financial year ending on the 31st March, 1958, the provisions of paragraph 2 (excluding the proviso) shall apply for the distribution of a part of the net proceeds, subject to the modification that each of the sums specified in the second column of the Table shall be deemed to have been replaced by one-fourth of that sum.

**TABLE**

2	3	1
---	---	---

(Rupees in lakhs)

Andhra Pradesh	120	7.38
Assam	40	2.72
Bihar	80	11.19
Bombay	600	16.46
Kerala	38	3.10
Madhya Pradesh	83	6.97
Madras	168	7.26
Mysore	48	4.98
Orissa	50	3.32
Punjab	95	5.56
Rajasthan	50	4.36
Uttar Pradesh	400	18.19
West Bengal	204	8.51