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## PART VI

Bills introduced into the Council of the Governor General of India and  
Bills published before introduction in that Council

## GOVERNMENT OF INDIA

## LEGISLATIVE ASSEMBLY DEPARTMENT

The following Bill\* was introduced in the Legislative Assembly on the 12th November 1943 :—

L. A. BILL No. 40 OF 1943

*A Bill to consolidate and amend the law relating to central duties of excise*

WHEREAS it is expedient to consolidate and amend the law relating to central duties of excise on goods manufactured or produced in British India;

It is hereby enacted as follows :—

## CHAPTER I

**1. Short title, extent and commencement**—(1) This Act may be called the Central Excise Act, 1943;

(2) It extends to the whole of British India;

(3) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint in this behalf.

**2. Definitions**—In this Act, unless there is anything repugnant in the subject or context,—

(a) "broker" or "commission agent" means a person who in the ordinary course of business makes contracts for the sale or purchase of excisable goods or others;

(b) "Central Excise Officer" means any officer of the Central Excise Department, or any person invested by the Central Board of Revenue with any of the powers of a Central Excise Officer this Act;

(c) "curing" includes wilting, drying, fermenting and any process for rendering tobacco fit for marketing or manufacture;

(d) "excisable goods" means goods specified in the First Schedule as being subject to a duty of excise;

(e) "factory" means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods is being carried on or is ordinarily carried on;

(f) "manufacture" includes any process incidental or ancillary to the completion of a manufactured product; and

(i) in relation to tobacco includes the preparation of cigarettes, cigars, cheroots, biris, cigarette or pipe or hookah tobacco, chewing tobacco or snuff; and

(ii) in relation to salt, includes collection, removal, preparation, steeping, evaporation, boiling, or any one or more of these processes, the separation or purification of salt obtained in the manufacture of saltpetre, the separation of salt from earth or other substance so as to produce alimentary salt, and the excavation or removal of natural saline deposits or efflorescence; and the word "manufacturer" shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of excisable goods, but also any person who engages in their production or manufacture on his own account if those goods are intended for sale;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "sale" and "purchase", with their grammatical variations and cognate expressions mean any transfer of the possession of goods by one person to another in the ordinary course of trade or business for cash or deferred payment or other valuable consideration;

\*The Governor General has been pleased to give the previous sanction required by sub-section (2) of section 67 of the Government of India Act, as saved from repeal by paragraph 12 of the Government of India (Commencement and Transitory Provisions) Order, 1936, and by clause (b) of sub-section (1) of section 108 of the Government of India Act, 1935, to the introduction in the Legislative Assembly of this Bill.

(i) "saltpetre" includes *rasi*, *sajji*, and all other substances manufactured from saline earth, and *kharimun* and every form of sulphate or carbonate of soda;

(j) "salt-work" includes—

(i) a place used or intended to be used in the manufacture of salt and all embankments, reservoirs condensing and evaporating pans, buildings and waste places situated within the limits of such place;

(ii) all drying grounds and storage platforms and store houses appertaining to any such place;

(iii) land on which salt is spontaneously produced; and a "private salt-work" is one not solely owned or not solely worked by the Central Government;

(k) "wholesale dealer" means a person who buys or sells excisable goods wholesale for the purpose of trade or manufacture, and includes a broker or commission agent who, in addition to making contracts for the sale or purchase of excisable goods for others, stocks such goods belonging to others as an agent for the purpose of sale.

## CHAPTER II

## LEVY AND COLLECTION OF DUTY

**3. Duties specified in the First Schedule to be levied**—

(1) There shall be levied and collected in such manner as may be prescribed duties of excise as, and at the rates, set forth in the First Schedule on all excisable goods which are produced or manufactured in British India;

(2) The Central Government may, by notification in the official Gazette, fix, for the purpose of levying the said duties, tariff values of any articles enumerated, either specifically or under general headings, in the First Schedule as chargeable with duty *ad valorem* and may alter any tariff values for the time being in force;

(3) Different tariff values may be fixed for different classes or descriptions of the same article.

**4. Determination of value for the purposes of duty**—

Where under this act any article is chargeable with duty at a rate dependent on the value of the article, such value shall be deemed to be the wholesale cash price for which an article of the like kind and quality is sold or is capable of being sold for delivery at the place of manufacture and at the time of its removal therefrom, without any abatement or deduction whatever except trade discount and the amount of duty then payable.

**5. Power of Central Government to impose Customs duty on goods mentioned in the First Schedule**—The Central Government may, by notification in the official Gazette impose on any excisable goods brought into British India from the territory of any Indian State, not being territory which has been declared under section 5 of the Indian Tariff Act, 1934 (XXXII of 1934) to be foreign territory for the purposes of that section, a duty of customs equivalent to the duty of excise imposed by this Act on the like goods produced or manufactured in British India.

**6. Certain operations to be subject to licence**—The Central Government may, by notification in the official Gazette, provide that, from such date as may be specified in the notification, no person shall engage in the production or manufacture or in any process of the production or manufacture of any specified excisable goods or of saltpetre or of any specified component parts or ingredients thereof or of specified containers of such goods or in the wholesale purchase or sale (whether on his own account or as a broker or commission agent) or in the storage of such goods, except under the authority and in accordance with the terms and conditions of a licence granted under this Act.

**7. Form and Conditions of licence**—Every licence under section 6 shall be granted for such area, if any, or such period, subject to such restrictions and conditions, and in such form and containing such particulars, as may be prescribed.

**8. Restriction on possession of excisable goods**—From such date as may be specified in this behalf by the Central Government by notification in the official Gazette, no person shall, except as provided by rules made under this Act, have in his possession excisable goods in excess of such quantity as may be prescribed for the purposes of this section as the maximum amount of such goods or of any variety of such goods which may be possessed at any one time by such a person.

**9. Offences and Penalties**—Whoever commits any of the following offences, namely :—

(a) contravenes any of the provisions of a notification issued under section 6 or of section 8, or of a rule made under clause (iii) of sub-section (2) of section 37 ;

(b) evades the payment of any duty payable under this Act ;

(c) fails to supply any information which he is required by rules made under this Act to supply, or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information ;

(d) attempts to commit, or abets the commission of, any of offences mentioned in clauses (a) and (b) of this section ;

shall, for every such offence, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

**10. Power of Courts to order forfeiture**—Any Court trying an offence under this Chapter may order the forfeiture to His Majesty of any goods in respect of which the Court is satisfied that an offence under this Chapter has been committed, and may also order the forfeiture of any receptacles, packages or coverings in which such goods are contained and the animals, vehicles, vessels or other conveyances used in carrying the goods, and any implements or machinery used in the manufacture of the goods.

**11. Recovery of sums due to Government**—In respect of duty and any other sums of any kind payable to the Central Government under any of the provisions of this Act or of the rules made thereunder, the officer empowered by the Central Board of Revenue to levy such duty or require the payment of such sums may deduct the amount so payable from any money owing to the person from whom such sums may be recoverable or due which may be in his hands or under his disposal or control, or may recover the amount by attachment and sale of excisable goods belonging to such person ; and if the amount payable is not so recovered he may prepare a certificate signed by him specifying the amount due from the person liable to pay the same and send it to the Collector of the district in which such person resides or conducts his business and the said Collector, on receipt of such certificate, shall proceed to recover from the said person the amount specified therein as if it were an arrear of land-revenue.

**12. Application of the provisions of Act VIII of 1878 to central excise duties**—The Central Government may, by notification in the official Gazette, declare that any of the provisions of the Sea Customs Act, 1878, relating to the levy of and exemption from customs duties, drawback of duty, warehousing, offences and penalties, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duties imposed by section 3.

### CHAPTER III

#### POWERS AND DUTIES OF OFFICERS AND LANDHOLDERS

**13. Power to arrest**—(1) Any Central Excise officer duly empowered by the Central Government in this behalf may arrest any person whom he has reason to believe to be liable to punishment under this Act.

(2) Any person accused or reasonably suspected of committing an offence under this Act or any rules made thereunder, who on demand of any officer duly empowered by the Central Government in this behalf refuses to give his name and residence, or who gives a name or residence which such officer has reason to believe to be false, may be arrested by such officer in order that his name and residence may be ascertained.

**14. Power to summon persons to give evidence and produce documents in inquiries under this Act**—(1) Any Central Excise officer duly empowered by the Central Government in this behalf shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other

thing in any inquiry which such officer is making for any of the purposes of this Act. A summons to produce documents or other things may be for the production of certain specified documents or things or for the production of all documents or things of a certain description in the possession or under the control of the person summoned.

(2) All persons so summoned shall be bound to attend, either in person or by an authorised agent, as such officer may direct ; and all person so summoned shall be bound to state the truth upon any subject respecting which they are examined or make statements and to produce such documents and other things as may be required :

Provided that the exemptions under sections 132 and 133 of the Code of Civil Procedure shall be applicable to requisitions for attendance under this section.

(3) Every such enquiry as aforesaid shall be deemed to be a " judicial proceeding " within the meaning of section 193 and section 228 of the Indian Penal Code.

**15. Officers required to assist Central Excise officers**—All officers of Police and Customs and all officers of Government engaged in the collection of land revenue, and all village officers are hereby empowered and required to assist the Central Excise officers in the execution of this Act.

**16. Owners or occupiers of land to report manufacture of contraband excisable goods**—Every owner or occupier of land, and the agent of any such owner or occupier, in charge of the management of that land, if contraband excisable goods are manufactured thereon, shall in the absence of reasonable excuse be bound to give notice of such manufacture to a Magistrate, or to an officer of the Central Excise, Customs, Police, or Land Revenue Department, immediately the fact comes to his knowledge.

**17. Punishment for connivance at offences**—Any owner or occupier of land, or any agent of such owner or occupier in charge of the management of that land, who wilfully connives at any offence against the provisions of this Act or of any rules made thereunder shall for every such offence be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

**18. Searches and arrests how to be made**—All searches made under this Act or any rules made thereunder and all arrests made under this Act shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1898 (V of 1898), relating respectively to searches and arrests made under that Code.

**19. Disposal of persons arrested**—Every person arrested under this Act shall be forwarded without delay to the nearest Central Excise officer empowered to send persons so arrested to a Magistrate, or, if there is no such Central Excise officer within a reasonable distance, to the officer-in-charge of the nearest police-station.

**20. Procedure to be followed by officer-in-charge of police-station**—The officer-in-charge of a police-station to whom any person is forwarded under section 19 shall either admit him to bail to appear before the Magistrate having jurisdiction, or in default of bail forward him in custody to such Magistrate.

**21. Inquiry how to be made by Central Excise officers against arrested persons forwarded to them under section 19**—(1) When any person is forwarded under section 19 to a Central Excise officer empowered to send persons so arrested to a Magistrate, the Central Excise officer shall proceed to enquire into the charge against him.

(2) For this purpose the Central Excise officer may exercise the same powers and shall be subject to the same provisions as the officer-in-charge of a police-station may exercise and is subject to under the Code of Criminal Procedure, 1898 (V of 1898), when investigating a cognizable case :

Provided that—

(a) if the Central Excise officer is of opinion that there is sufficient evidence or reasonable ground of suspicion against the accused person, he shall forward him to a Magistrate having jurisdiction in the case ;

(b) if it appears to the Central Excise officer that there is not sufficient evidence or reasonable ground of suspicion against the accused person, he shall release the accused person on his executing a bond, with or without sureties as the Central Excise officer may direct, to appear, if and when so required before the Magistrate having jurisdiction, and shall make a full report of all the particulars of the case to his official superior.

**22. Vexatious search, seizure, etc., by Central Excise officer**—Any Central Excise or other officer exercising

powers under this Act or under the rules made thereunder who—

(a) without reasonable ground of suspicion searches or causes to be searched any house, boat or place ;

(b) vexatiously and unnecessarily detains, searches or arrests any person ;

(c) vexatiously and unnecessarily seizes the moveable property of any person, on pretence of seizing or searching for any article liable to confiscation under this Act ;

(d) commits, as such officer, any other act to the injury of any person without having reason to believe that such act is required for the execution of his duty ;

shall for every such offence, be punishable with fine which may extend to five hundred rupees.

**23. Failure of Central Excise officer in duty**—Any Central Excise officer who ceases or refuses to perform or withdraws himself from the duties of his office, unless he has obtained the express written permission of the Collector of Central Excise, or has given to his superior officer two months' notice in writing of his intention or has other lawful excuse, shall on conviction before a Magistrate be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to three months' pay, or with both.

#### CHAPTER IV

##### TRANSPORT BY SEA

**24. Penalties for carrying excisable goods in certain vessels.**—When any excisable goods are carried by sea in any vessel other than a vessel of the burden of three hundred tons and upwards, the owner and master of such vessel shall each be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

**25. Exceptions**—Nothing in section 24 applies to—

(a) any excisable goods covered by a permit granted under rules made under this Act ;

(b) any excisable goods covered by a pass granted by any officer whom the Central Board of Revenue may appoint in this behalf ;

(c) such amount of excisable goods carried on board any vessel for consumption by her crew or by the passengers or animals (if any) on board as the Central Board of Revenue may from time to time exempt from the operation of section 24.

**26. Power of stoppage, search and arrest**—When any officer empowered by the Central Board of Revenue, to act under this section has reason to believe, from personal knowledge or from information taken down in writing, that any excisable goods are being carried, or have within the previous twenty-four hours been carried, in any vessel so as to render the owner or master of such vessel liable to the penalties imposed by section 24, he may require such vessel to be brought to and thereupon may—

(a) enter and search the vessel ;

(b) require the master of the vessel to produce any documents in his possession relating to the vessel or the cargo thereof ;

(c) seize the vessel if the officer has reason to believe it liable to confiscation under this Act, and cause it to be brought with its crew and cargo into any port in British India ; and

(d) where any excisable goods are found on board the vessel, search and arrest without a warrant any person on board the vessel whom he has reason to believe to be punishable under section 24.

**27. Penalties for resisting officer**—Any master of a vessel refusing or neglecting to bring to the vessel or to produce his papers when required to do so by an officer acting under section 26, and any person obstructing any such officer in the performance of his duty, may be arrested by such officer without a warrant, and shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees, or with both.

**28. Confiscation of vessel and cargo**—(1) Every vessel (including all appurtenances) in which any excisable goods are carried so as to render the owner or master of such vessel liable to penalties imposed by section 24, the cargo on board such vessel and the excisable goods in respect of which an offence under this Act has been committed shall be liable to confiscation on the orders of the officer empowered in this behalf by the Central Government.

(2) Whenever any Custom-officer is satisfied that any article is liable to confiscation under this section he may seize such article, and shall at once report the seizure to his superior officer for the information of the officer empowered to order confiscation under sub-section (1) and

such officer may, if satisfied on such report or after making such inquiry as he thinks fit, that the article so seized is liable to confiscation, either declare it to be confiscated, or impose a fine in lieu thereof not exceeding the value of the article.

**29. Jurisdiction**—Any offence punishable under section 24 or section 27 may be deemed to have been committed within the limits of the jurisdiction of the Magistrate of any place where the offender is found, or to which, if arrested under section 26 or section 27, he may be brought.

**30. Power to exempt from operation of this Chapter**—The Central Government, may, by notification in the official Gazette, exempt the carriage of excisable goods within any local limits or in any class of vessels from the operation of this Chapter, and by like notification, again subject such carriage to the operation of this Chapter.

#### CHAPTER V

##### SPECIAL PROVISIONS RELATING TO SALT

**31. Special and permanent rights of manufacturing salt to be recognised**—The proprietor of a private salt-work who has by virtue of a sanad granted by the British or any former Government, a special and permanent right to manufacture salt, or to excavate or collect natural salt, shall on application made in accordance with the rules made under this Act be entitled to a licence for such purpose and to the annual renewal thereof, unless on a breach of the provisions of this Act, his licence has been cancelled by an officer duly empowered by the Central Government in this behalf.

**32. Rights of ordinary proprietors of existing salt-works**—Every proprietor of a private salt-work, other than a private salt-work, to which section 31 applies, of which, under the provisions of section 17 of the Bombay Salt Act, 1890 (Bom. II of 1890) the proprietor was entitled on application to a licence to manufacture or to excavate or collect natural salt at such work, shall continue to be entitled, on application made in accordance with the rules made under this Act, to a licence for such purpose and to the annual renewal thereof, unless on a breach of the provisions of this Act his licence has been cancelled by an officer duly empowered by the Central Government in this behalf :

Provided that the Collector of Central Excise may at any time withdraw or withhold a licence from the proprietor of any such salt-work, if no salt has been manufactured, excavated or collected in such salt-work for the three years ending on the thirtieth day of June last preceding the date of his order, or, with the previous sanction of the Central Board of Revenue, if such salt-work has not produced, on an average, during the said three years, at least five thousand maunds of salt per annum.

#### CHAPTER VI

##### ADJUDICATION OF CONFISCATIONS AND PENALTIES

**33. Power of adjudication**—Where by the rules made under this Act any thing is liable to confiscation or any person is liable to a penalty, such confiscation or penalty may be adjudged—

(a) without limit, by a Collector of Central Excise ;

(b) up to confiscation of goods not exceeding five hundred rupees in value, and imposition of penalty not exceeding two hundred and fifty rupees, by an Assistant Collector of Central Excise :

Provided that the Central Board of Revenue may, in the case of any officer performing the duties of an Assistant Collector of Central Excise, reduce the limits indicated in clause (b) of this section, and may confer on any officer the powers indicated in clause (a) or (b) of this section.

**34. Option to pay fine in lieu of confiscation**—Wherever confiscation is adjudged under this Act or the rules made thereunder, the officer adjudging it shall give the owner of the goods an option to pay in lieu of confiscation such fine as the officer thinks fit.

**35. Appeals**—(1) Any person deeming himself aggrieved by any decision or order passed by a Central Excise officer under this Act or the rules made thereunder may, within three months from the date of such decision or order, appeal therefrom to the Central Board of Revenue, or, in such cases as the Central Government directs, to any Central Excise officer not inferior in rank to an Assistant Collector of Central Excise and empowered in that behalf by the Central Government. Such authority or officer may thereupon make such further inquiry and pass such order as he thinks fit, conforming, altering or annulling the decision or order appealed against :

Provided that no such order in appeal shall have the effect of subjecting any person to any greater confiscation

or penalty than has been adjudged against him in the original decision or order.

(2) Every order passed in appeal under this section shall subject to the power of revision conferred by section 36, be final.

**36. Revision by Central Government**—The Central Government may on the application of any person aggrieved by any decision of order passed under this Act or the rules made thereunder by any Central Excise officer or by the Central Board of Revenue, and from which no appeal lies, reverse or modify such decision or order.

#### CHAPTER VII

##### SUPPLEMENTAL PROVISIONS

**37. Power of Central Government to make rules**—

(1) The Central Government may make rules to carry into effect the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(i) provide for the assessment and collection of duties of excise, the authorities by whom functions under this Act are to be discharged, the issue of notices requiring payment, the manner in which the duties shall be payable, and the recovery of duty not paid;

(ii) prohibit absolutely, or with such exceptions, or subject to such conditions as the Central Government thinks fit, the production or manufacture, or any process of the production or manufacture, of excisable goods, or of any component parts or ingredients or containers thereof, except on land or premises approved for the purpose;

(iii) prohibit absolutely, or with such exceptions, or subject to such conditions as the Central Government thinks fit, the bringing of excisable goods into British India from the territory of any specified Prince or Chief in India or the transit of excisable goods from any part of British India to any other part thereof;

(iv) regulate the removal of excisable goods from the place where produced, stored or manufactured or subjected to any process of production or manufacture and their transport to or from the premises of a licensed person, or a bonded warehouse, or to a market;

(v) regulate the production or manufacture, or any process of the production or manufacture, the possession, storage, and wholesale sale of excisable goods or of any component parts or ingredients or containers thereof;

(vi) provide for the employment of officers of the Crown to supervise the carrying out of any rules made under this Act;

(vii) require a manufacturer or the licensee of a warehouse to provide accommodation within the precincts of his factory or warehouse for officers employed to supervise the carrying out of regulations made under this Act and prescribe the scale of such accommodation;

(viii) provide for the appointment, licensing, management and supervision of bonded warehouses and the procedure to be followed in entering goods into and clearing goods from such warehouses;

(ix) provide for the distinguishing of goods which have been manufactured under licence, of materials which have been imported under licence, and of goods on which duty has been paid, or which are exempt from duty under this Act;

(x) impose on persons engaged in the production, wholesale sale (whether on their own account or as brokers or commission agents), storage or manufacture of excisable goods, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained therein, and the manner in which they shall be verified;

(xi) require that excisable goods shall not be sold or offered or kept for sale in British India except in prescribed containers, bearing a banderol, stamp or label of such nature and affixed in such manner as may be prescribed;

(xii) provide for the issue of licences and transport permits and the fees, if any, to be charged therefor;

Provided that the fees for the licensing of the manufacture and refining of salt and saltpetre shall not exceed, in the case of each such licence, the following amounts, namely:—

	Rs.
Licence to manufacture and refine saltpetre and to separate and purify salt in the process of such manufacture and refining.	50
Licence to manufacture saltpetre .. .. .	2
Licence to manufacture sulphate of soda (Kharinun) by solar heat in evaporating pans.	10

	Rs.
Licence to manufacture sulphate of soda (Kharinun) by artificial heat.	2
Licence to manufacture other saline substances	2

(xiii) provide for the detention of goods, plant, machinery or material, for the purpose of exacting the duty, the procedure in connection with the confiscation, otherwise than under section 10 or section 28, of goods in respect of which breaches of the Act or rules have been committed, and the disposal of goods so detained or confiscated;

(xiv) authorise and regulate the inspection of factories and provide for the taking of samples, and for the making of tests, of any substance produced therein, and for the inspection or search of any place or conveyance used for the production, storage, sale or transport of excisable goods;

(xv) authorise and regulate the composition of offences against, or liabilities incurred under, this Act or the rules made thereunder;

(xvi) provide for the grant of a rebate of the duty paid on goods which are exported out of India or shipped for consumption on a voyage to any port outside India:

Provided that rules made under this clause shall provide that when steel ingots on which the duty of excise imposed by this Act has been paid, or articles of iron or steel manufactured in British India from such ingots, are exported out of India, there shall be payable to the exporter of such ingots or articles, subject to such conditions as may be prescribed, a refund at the following rates, namely:—

on ingots, blooms and billets—

a refund at the rate of four rupees per ton, on other manufactures of iron or steel—

(a) not fabricated—a refund at the rate of five and one-third rupees per ton;

(b) fabricated—a refund at the rate of six rupees per ton;

(xvii) exempt any goods from the whole or any part of the duty imposed by this Act;

(xviii) define an area no point in which shall be more than one hundred yards from the nearest point of any place in which salt is stored or sold by or on behalf of the Central Government, or of any factory in which saltpetre is manufactured or refined, and regulate the possession, storage and sale of salt within such area;

(xix) define an area round any other place in which salt is manufactured, and regulate the possession, storage and sale of salt within such area;

(xx) authorise the Central Board of Revenue or Collectors of Central Excise appointed for the purposes of this Act to provide, by written instructions, for supplemental matters arising out of any rule made by the Central Government under this section.

(3) In making rules under this section, the Central Government may provide that any person committing a breach of any rule shall, where no other penalty is provided by this Act, be liable to a penalty not exceeding two-thousand rupees and that any article in respect of which any such breach is committed shall be confiscated.

**38. Publication of rules and notifications**—All rules made and notifications issued under this Act shall be made and issued by publication in the official Gazette. All such rules and notifications shall thereupon have effect as if enacted in this Act.

**39. Repeal of enactments**—The enactments specified in the Second Schedule are hereby repealed to the extent mentioned in the fourth column thereof. But all rules made, notifications published, licences, passes or permits granted, powers conferred and other things done under any such enactment and now in force shall, so far as they are not inconsistent with this Act, be deemed to have been respectively made, published, granted, conferred or done under this Act.

**40. Bar of suits and limitation of suits and other legal proceedings**—(1) No suit shall lie against the Central Government or against any officer of the Crown in respect of any order passed in good faith or any act in good faith done or ordered to be done under this Act.

(2) No suit, prosecution, or other legal proceeding shall be instituted for anything done or ordered to be done under this Act after the expiration of six months from the accrual of the cause of action or from the date of the act or order complained of.



Item No.	Description of goods	Rate of duty
9	TOBACCO— <i>cancelld.</i>	
	<i>Manufactured</i>	
	IV—Cigars and cheroots of which the value—	
	(i) exceeds Rs. 30 a hundred	Six rupees ..
	(ii) exceeds Rs. 25 a hundred but does not exceed Rs. 30 a hundred.	Five rupees ..
	(iii) exceeds Rs. 20 a hundred but does not exceeds Rs. 25 a hundred.	Four rupees ..
	(iv) exceeds Rs. 15 a hundred but does not exceed Rs. 20 a hundred.	Three rupees ..
	(v) exceeds Rs. 10 a hundred but does not exceed Rs. 15 a hundred.	Two rupees ..
	(vi) exceeds Rs. 5 a hundred but does not exceed Rs. 10 a hundred.	One rupee ..
	(vii) exceeds Rs. 2-8-0 a hundred but does not exceed Rs. 5 a hundred.	Eight annas ..
	(viii) exceeds Rs. 1-4-0 a hundred but does not exceed Rs. 2-8-0 a hundred.	Four annas ..
	(ix) exceeds Rs. 10 but does not exceed Rs. 1-4-0 a hundred.	Two annas ..
10	TYRES— "Tyre" means a pneumatic tyre in the manufacture of which rubber is used and includes the inner tube and the outer cover of such a tyre.	Ten per cent <i>ad valorem</i>
11	VEGETABLE PRODUCT— "Vegetable product" means any vegetable oil or fat which, whether by itself or in admixture with any other substance, has by hydrogenation or by any other process, been hardened for human consumption.	Five rupees per cwt.

SECOND SCHEDULE  
(See Section 39)

Year	No.	Short Title	Extent of repeal
1879	XVI	The Transport of Salt Act, 1879	The whole
1882	XII	The Indian Salt Act, 1882	The whole
1889	IV	The Madras Salt Act, 1889	The whole
		(Madras)	
1890	II	The Bombay Salt Act, 1890	The whole
		(Bombay)	
1908	X	The Indian Salt-duties Act, 1908.	The whole
1917	II	The Motor Spirit (Duties) Act, 1917.	The whole
1922	XII	The Indian Finance Act, 1922	The whole
1930	XVIII	The Silver (Excise Duty) Act, 1930.	The whole
1931		The Indian Finance (Supplementary and Extending) Act, 1931.	The whole
1934	XIV	The Sugar (Excise Duty) Act, 1934.	The whole
1934	XVI	The Matches (Excise Duty) Act, 1934.	The whole
1934	XXIII	The Mechanical Lighters (Excise Duty) Act, 1934.	The whole
1934	XXXI	The Iron and Steel Duties Act, 1934.	The whole
1938	XIII	The Sind Salt Law Amendment Act, 1938.	The whole
1941	X	The Tyres (Excise Duty) Act, 1941.	The whole
1943	X	The Tobacco (Excise Duty) Act, 1943.	The whole
1943	XI	The Vegetable Product (Excise Duty) Act, 1943.	The whole

STATEMENT OF OBJECTS AND REASONS

The administration of internal commodity taxation in British India has grown up piecemeal over many years and has been considerably expanded during the last decade. Hitherto the introduction of a new central duty of excise has required the enactment of a self-contained law and the preparation of a separate set of statutory rules. There are now no less than 10 separate excise Acts (the excise on kerosene being covered by a part of the Indian Finance Act, 1922) and 11 sets of statutory rules; and there are also 5 Acts relating to salt, the duty on which is by a wide margin the oldest of our taxes on indigenous commodities. The taxes being closely akin to one another, the methods of collection follow the same general pattern, and many of the provisions of the various acts are identical or closely similar; and this is the case also with many of the statutory rules. This agglomeration of statutes and regulations dealing

with similar matters is neither convenient for the public nor conducive to well-organised administration. Moreover, under this disjunctive arrangement, we have not, and cannot readily construct, a comprehensive code of standing instructions for the governance of the excise staff and each set of statutory rules is burdened with departmental instructions in which the public has no concern or interest and which, even taken together, do not form an adequate administrative code.

2. It is accordingly proposed to consolidate in a single enactment all the laws relating to central duties of excise and to the tax on salt and to embody therein a Schedule, similar to that in the Indian Tariff Act, 1934, setting forth the rates of duty leviable on each class of goods. At the same time the statutory rules will be similarly amalgamated and disembarrassed of their unnecessary detail. The Act and the consolidated statutory rules, together with as many manuals of departmental instructions as may be necessary, will then form a complete Central Excise Code, which will simplify the administration of this branch of the revenue system and aid such further development as may be necessary; and any proposal for a new excise which may hereafter be laid before the Legislature may then take the simpler and more convenient form of a clause in the annual Finance Bill.

3. The intention of the Bill is to reproduce provisions already existing in the Acts which it is proposed to repeal, but in the process certain small amendments have been made, either in modernising the language or for dovetailing the provisions and otherwise adapting them to present circumstances. These amendments are the minimum consistent with such blending and adaptation.

4. The combination of a number of separate measures, each of which has been moulded to fit its particular subject, necessarily includes their special features as well as those which are common to others in the group and it follows that certain provisions which have hitherto applied only to certain goods will, after consolidation, become applicable over the whole field, either as a matter of course or by notification as circumstances may require. In particular the Bill provides that certain features of the salt law relating to transport by small coastal craft will become adaptable, as necessary, in the administration of other excise duties.

5. No interference of any kind is made in any of the existing duties. These have been merely collected from the various Acts and reproduced in the Schedule; and the item relating to salt has been so worded as to preserve to the Central Legislature the right which it has so long exercised of voting annually on the rate of duty to be fixed.

6. There follows in the form of Notes on Clauses a tabular statement shewing the source of each provision of the Bill.

NEW DELHI: 10th November 1943

A. J. RAISMAN

NOTES ON CLAUSES

Clause	Sources	Remarks
2	(a) Tobacco (Excise Duty) Rules, r. 2 (ix).	
	(b)	Formal.
	(c) Tobacco (Excise Duty) Act, 1943, s. 2 (b).	
	(d)	Formal.
	(e) Motor Spirit (Duties) Act, 1917, s. 2; Matches (Excise Duty) Act, 1934, s. 2 (a); Mechanical Lighters (Excise Duty) Act, 1934, s. 2 (a); Sugar (Excise Duty) Act, 1934, s. 2 (a); Tyres (Excise Duty) Act, 1941, s. 2 (a); Tobacco (Excise Duty) Act, 1943, s. 2 (g); Vegetable Product (Excise Duty) Act, 1943, s. 2 (a).	
	(f) (i) Tobacco (Excise Duty) Act, 1943, s. 2 (e); (ii) Indian Salt Act, 1882, s. 3; Madras Salt Act, 1889, s. 3. (j);	The general definition is new and is designed to cover <i>inter alia</i> the refinement of motor spirit and the assembling of mechanical lighters. The last portion is from the Tobacco (Excise Duty) Act, 1943.
	(g)	Formal.
	(h) Tobacco (Excise Duty) Act, 1943, s. 2 (d).	
	(i) Indian Salt Act, 1882, s. 3.	

Clause	Sources	Remarks	Clause	Sources	Remarks
(j)	Bombay Salt Act, 1890, s. 3 (h).		12		
(k)	Tobacco (Excise Duty) Act, 1943, s. 2. (e).		13	All Excise Duty Acts.	
3 (1)	All Excise Duty Acts.		14	Indian Salt Act, 1882, s. 17 ;	
(2) & (3)	Indian Tariff Act, 1934, ss. 2 (2), 2 (3).		15	Madras Salt Act, 1889, s. 50 ;	
	Tyres (Excise Duty) Act, 1941, s. 3 (2) ;		16	Madras Salt Act, 1889, s. 59 ;	
5	Tobacco (Excise Duty) Act, 1943, s. 4.		17	Bombay Salt Act, 1890, s. 53.	
	Sugar (Excise Duty) Act, 1934, s. 6 ;		18	Indian Salt Act, 1882, s. 24 ;	
	Tobacco (Excise Duty) Act, 1943, s. 5 ;		19	Madras Salt Act, 1883, s. 68 ;	
	Vegetable Product (Excise Duty) Act, 1943, s. 7.		20	Bombay Salt Act, 1890, s. 41.	
6	Indian Salt Act, 1882, s. 6 ;			Madras Salt Act, 1889, s. 70 ;	
	Madras Salt Act, 1889, s. 8 ;			Criminal Procedure Code, 1898, s. 45.	
	Bombay Salt Act, 1890, s. 11 ;			Indian Salt Act, 1882, s. 14.	
	Matches (Excise Duty) Act, 1934, s. 9 ;			Madras Salt Act, 1889, s. 51 ;	
	Mechanical Lighters (Excise Duty) Act, 1934, s. 7 ;			Bombay Salt Act, 1890, s. 40.	
7	Tobacco (Excise Duty) Act, 1943, s. 6.			Madras Salt Act, 1889, s. 53 ;	
	Bombay Salt Act, 1890, s. 36 ;			Bombay Salt Act, 1890, s. 44.	
	Tobacco (Excise Duty) Act, 1943, s. 7.			Madras Salt Act, 1889, s. 55 ;	The Madras provision requires that the accused person shall be forwarded to, or directed to appear before, a Salt officer: the Bombay provision requires the Police officer to investigate the offence. The draft clause merely requires the Police officer to forward the accused person to a Magistrate.
8	Tobacco (Excise Duty) Act, 1943, s. 8.		21	Bombay Salt Act, 1890, s. 45.	
	Indian Salt Act, 1882, s. 9 ;		22		
	Madras Salt Act, 1882, s. 74 ;		23	Madras Salt Act, 1889, s. 65 ;	
	Bombay Salt Act, 1890, s. 47 ;		24 to 30	Bombay Salt Act, 1890, s. 46.	
	All Excise Duty Acts.		31	Indian Salt Act, 1882, s. 25 ;	
10	Indian Salt Act, 1882, s. 9 ;		32	Madras Salt Act, 1889, s. 77 ;	
	Madras Salt Act, 1889, s. 71 ;		33 to 36	Bombay Salt Act, 1890, s. 48.	
	Matches (Excise Duty) Act, 1934, s. 15 ;			Madras Salt Act, 1889, s. 78 ;	
	Mechanical Lighters (Excise Duty) Act, 1934, s. 12 ;			Bombay Salt Act, 1890, s. 48A.	
	Sugar (Excise Duty) Act, 1934, s. 9 ;			Transport of Salt Act, 1879, ss. 2 to 8.	
	Tobacco (Excise Duty) Act, 1943, s. 11.			Bombay Salt Act, 1890, s. 10.	
11	Madras Salt Act, 1889, s. 84 ;			Bombay Salt Act, 1890, s. 17.	
	Bombay Salt Act, 1890, s. 56 ;			Sea Customs Act, 1878, ss. 182, 183, 188 and 191.	
	All Excise Duty Act.		37 (1)	All Excise Duty Acts.	
			(2)	(i) All Excise Duty Acts.	
				(ii) Indian Salt Act, 1882, s. 6 ;	
				Tobacco (Excise Duty) Act, 1943, s. 14 (2) (ii).	

Clause	Sources	Remarks	Clause	Sources	Remarks
(di)	Indian Salt Act, 1882, s. 27 ; Matches (Excise Duty) Act, 1934, s. 7 ; Mechanical Lighters (Excise Duty) Act, 1934, s. 6 ; Tyres (Excise Duty) Act, 1941, s. 7.			Mechanical Lighters (Excise Duty) Act, 1934, s. 15 (2) (f) ; Sugar (Excise Duty) Act, 1934, s. 11 (2) (c) ; Tobacco (Excise Duty) Act, 1934, s. 14 (2) (vii) ; Vegetable Product (Excise Duty) Act, 1943, s. 4 (3).	
(dc)	Indian Salt Act, 1882, s. 6 ; Madras Salt Act, 1889, s. 85A ; Bombay Salt Act, 1890, s. 58 ; All Excise Duty Acts, except the Iron and Steel Duties Act, 1934.		(xxi) All Excise Duty Acts. (xx) Iron and Steel Duties Act, 1934, s. 9 (2) (d) ; Matches (Excise Duty) Act, 1934, s. 18 (2) (j) ; Mechanical Lighters (Excise Duty) Act, 1934, s. 15 (2) (h) ; Sugar (Excise Duty) Act, 1934, s. 11 (2) (f) ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (x).		
(de)	Indian Salt Act, 1882, s. 6 ; Madras Salt Act, 1889, s. 85A ; Bombay Salt Act, 1890, s. 58 ; Matches (Excise Duty) Act, 1934, s. 18 (2) (g) ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (iv).		(xxi) Iron and Steel Duties Act, 1934, s. 7 ; Matches (Excise Duty) Act, 1934, s. 19 ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (x).		
(di)	Sugar (Excise Duty) Act, 1934, s. 11 (2) (b) ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (iv).		(xxii) Indian Salt Act, 1882, s. 7 (b) ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (xx) ; All Excise Duty Acts, by derivation from the Sea Customs Act, 1878, s. 23.		
(vii)	..	New.	(xxiii) Indian Salt Act, 1882, s. 6 (d).		
(diii)	Tobacco (Excise Duty) Act, 1943, s. 14 (2) (c).		(xix) Indian Salt Act, 1882, s. 6 (e).		
(ix)	Matches (Excise Duty) Act, 1934, s. 18 (2) (c) ; Mechanical Lighters (Excise Duty) Act, 1934, s. 15(2)(b).		(xx) Tobacco (Excise Duty) Act, 1943, s. 14 (2) (xiii).		
(x)	All Excise Duty Acts.		(3) All Excise Duty Acts.		
(xi)	Matches (Excise Duty) Act, 1934, ss. 8 (2) and 18 (2)(k).		Indian Salt Act, 1882, s. 29 ; Madras Salt Act, 1889, s. 80 ; Bombay Salt Act, 1890, s. 60.	38	
(xii)	Indian Salt Act, 1882, s. 6 ; Madras Salt Act, 1889, s. 85 (a) ; Matches (Excise Duty) Act, 1934, s. 18 (2) (f) ; Mechanical Lighters (Excise Duty) Act, 1934, s. 15 (2) (e) ; Tobacco (Excise Duty) Act, 1943, s. 14 (2) (vii).		Madras Salt Act, 1889, s. 87.	39 40	Formal.
(xiii)	Madras Salt Act, 1889, s. 85 ; Bombay Salt Act, 1890, s. 52 ; Matches (Excise Duty) Act, 1934, s. 18 (2) (h) ;				

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