

ACT No. XIV OF 1934.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 1st May, 1934.)

An Act to provide for the imposition and collection of an excise duty on sugar.

WHEREAS it is expedient to impose an excise duty on sugar produced in factories and to provide for the collection thereof; It is hereby enacted as follows:—

1. (1) This Act may be called the Sugar (Excise Duty) Act, 1934. Short title and extent.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

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

(a) "factory" means any premises wherein, or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power;

(b) "owner" includes any person expressly or impliedly authorized by the owner of a factory to be his agent in respect of such factory;

(c) "sugar" means any form of sugar containing more than ninety per cent. of sucrose;

(d) "khandsari sugar" means sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; and

(e) "palmyra sugar" means sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

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Imposition of
duty on sugar.

3. (1) A duty of excise shall be levied on all sugar produced in any factory in British India and either issued out of such factory on or after the 1st day of April, 1934, or used within such factory on or after the said date in the manufacture of any commodity other than sugar, and shall be payable by the owner of the factory.

(2) The duty payable under sub-section (1) shall be at the following rates, namely:—

- (i) on *khandsari* sugar at the rate of ten annas per cwt.;
- (ii) on all other sugar except palmyra sugar at the rate of one rupee and five annas per cwt.;
- (iii) on palmyra sugar at such rate, if any, as may be fixed in this behalf by the Governor General in Council after such enquiry as he may think fit.

Recovery of
duty with
penalty.

4. (1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding double the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Act.

Issue of sugar
from factory.

5. No person shall issue any sugar out of a factory, except in accordance with the provisions of rules made in that behalf under this Act, or, until such rules are made, in accordance with the general or special orders of the Local Government.

Power of
Governor
General in
Council to
impose
customs duty
on sugar.

6. (1) The Governor General in Council may, by notification in the Gazette of India, impose on sugar brought into British India from the territory of any State in India, not being territory which has been declared under section 5 of the Indian Tariff Act, 1894, to be foreign territory for the purposes of that section, a duty of customs equivalent to the excise duty imposed by this Act on sugar produced in British India.

(2) The Governor General in Council may, by notification in the Gazette of India, declare that the provisions of the Land Customs Act, 1924, shall apply to the levy of the duty of customs imposed under this section, and on such declaration that Act shall apply as if the expression "foreign territory" in that Act included territory forming part of a State in India.

7. Whoever

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7. Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to two thousand rupees.

Penalty for issue of sugar from factory in contravention of section 5.

8. Whoever evades or attempts to evade the payment of any duty payable by him under this Act, or fails to supply any information which he is required by any rule made under this Act to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

Penalty for evasion of duty or failure to supply information.

9. Any Court trying an offence under this Act may order that any sugar, together with the packages or coverings thereof, in respect of which the Court is satisfied that an offence under this Act has been committed, shall be forfeited to His Majesty.

Power of Courts to order forfeiture of sugar.

10. The Governor General in Council may, by notification in the Gazette of India, 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 he may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty on sugar imposed by section 3.

Application of the provisions of Act VIII of 1878 to the duty on sugar.

III of 1878.

11. (1) The Governor General in Council may, by notification in the Gazette of India, make rules to carry into effect the purposes and objects of this Act.

Power of the Governor General in Council to make rules.

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

- (a) provide for the assessment and collection of the duty and the authorities by whom functions under this Act are to be discharged, the issue of notices requiring payment, the manner in which the duty shall be payable, and the recovery of arrears;
- (b) regulate the issue of sugar out of or the use of sugar in the manufacture of commodities within any factory and provide for the appointment of officers of Government to supervise within any factory such issue or use;
- (c) impose on the owners of factories, and on persons engaged in the sale of sugar, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the

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the form of such records and returns, the particulars to be contained therein, and the manner in which they shall be verified;

- (d) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under section 9 of sugar in respect of which breaches of the Act or rules have been committed, and the disposal of sugar so detained or confiscated;
- (e) authorize and regulate the inspection or search of any place or conveyance used for the manufacture, storage or carriage of sugar; and
- (f) authorize and regulate the composition of offences against or liabilities incurred under the Act and rules.

(3) In making any rule under this section the Governor General in Council may provide that a breach of the rule shall, where no other penalty is provided by this Act, be punishable with fine not exceeding two thousand rupees.

(4) The Governor General in Council may delegate all or any of his powers under this section to a Local Government.