

M&TP Act

1. In the Finance Act, 2000, amendments were made in the Medical and Toilet Preparations Act, 1955 (M&TP Act), to replace the existing Schedule so as to change all the rates of duty to *ad valorem*. A provision was also made enabling the Central Government to notify Retail Sale Price (RSP) based assessment in respect of specified goods where RSP is required to be declared. The said amendments were to come into force from an appointed date to be notified. 1st March, 2003 has been appointed as the date on which the said amendments shall come into effect. (Notification No.1/2003-M&TP, dated 1-3-2003)

2. The effective rates of duty on different categories of medicinal preparations and toilet preparations will now be as follows:

S. No.	Description	Rate of duty
1.	(a) Allopathic medicinal preparations containing alcohol, narcotic drug or narcotic (b) Ayurvedic/Unani/Indigenous system medicinal preparations not containing alcohol but containing narcotic drug or narcotic (c) Toilet preparations containing alcohol, narcotic drug or narcotic	16%
2.	Ayurvedic/Unani/Indigenous system medicinal preparations containing alcohol which are prepared by distillation or to which alcohol has been added	6%
3.	(a) Ayurvedic/Unani/Indigenous system medicinal preparations containing self generated alcohol capable of being consumed as ordinary alcoholic beverages (b) Homoeopathic preparations containing alcohol	4%
4.	Ayurvedic/Unani/Indigenous system medicinal preparations containing self generated alcohol not capable of being consumed as ordinary alcoholic beverages	Nil

(Notification No.2/2003-M&TP, dated 1-3-2003)

3. Toilet preparations containing alcohol, narcotic drug or narcotic, have been notified for retail sale price based assessment and the abatement being allowed will be 40% of the retail sale price. (Notification No.3/2003-M&TP, dated 1-3-2003).
