

**Produce Cases Act, 1966**

**15 of 1966**

**[21 May 1966]**

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**SCHEDULE 1 :- THE FIRST SCHEDULE**

**SCHEDULE 2 :- SECOND SCHEDULE**

**Produce Cases Act, 1966**

**15 of 1966**

**[21 May 1966]**

An Act to provide for the imposition of cess on certain produce for the improvement and develop ments of the methods of cultivation and marketing of produce and for matters connected therewith. BE

it enacted by Parliament in the Seventeenth Year of the Republic of India as follows:

### **1. Short Title And Extent :-**

(1) This Act may be called The Produce Case Act, 1966.

(2) It extends in the whole of Indian.

### **2. Definitions :-**

(1) In this Act, unless the context otherwise requires.--

(a) "Collector" means the officer appointed<sup>1</sup>by Central Government to perform in any specified area the duties of a Collector under the provisions of this Act and the rules made thereunder, and includes any officer subordinate to that officer whom he may, by order in writing, authorise to perform his duties under those provisions;

2[x x x x x]

3[(c) "customs airport", "customs port" and "customs station" have the meanings respectively as assigned to them in the Customs Act, 1962;]

(d) "Indian Council of Agricultural Research" means the body registered in that name under the Societies Registration Act, 1860;

(e) "lac" includes any form of manufactured or unmanufactured lac other than refuse lac;

(f) "managing agent" has the meaning assigned to it in the Companies Act, 1956;

2[x x x x x]

4[\*\*\*\*\*]

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

(k) "produce" means any goods specified in the First Schedule<sup>2</sup>[x x x]

1. For such appointments see G.S.R. 884,

2. Clauses (b), (g) and (h) omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 2 w.e.f. 21-3-81.

3. Substituted for former Clause (c) and deemed to have always been so by the Produce Cases (Amendment) Act. 1966 (49 of 1966), Section 2.

4. Clause (i) omitted by Act 30 of 1983. Prior to omission, Clause (i) was as under--.

"(i) oil-seed" does not include copra".

### **3. Imposition Of Cases :-**

(1) There shall be levied and collected as a cases, for the purposes of this Act, on every produce specified in column 2 of the First Schedule, which is exported from any<sup>1</sup>[customs station to any place] beyond the limits of India, a duty of customs at such rate, not exceeding the rate specified in the corresponding entry in column 3 thereof as the Central Government may, by notification in the Official Gazette, specify :

Provided that until such rate is specified by the Central Government, the duty of customs shall be levied and collected at the rate specified in the corresponding entry in column 4 of the said Schedule.

2[x x x x x x]

1. Substituted for the words customs port to any port and deemed always to have been so by the Produce Cases (Amendment) Act, 1966 (49 Of 1966), Section 3.

2. Sub-section (2) omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 w.e.f. 21-3-87.

#### **4. Persons Who Shall Be Liable To Pay Duty :-**

Every duty of customs leviable under this Act on any produce shall be payable by the person by whom such produce is exported from India<sup>1</sup>[x x x x x ].

1. Portion beginning with words "and every duty of excise" and ending with words "consumed or extracted" omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987). Section 4 w.e.f. 27-3-87.

#### **5. Application Of Proceeds Of Cases :-**

(1) An amount equivalent to the proceeds of the duty levied and collected under this Act, reduced by the cost of collection as determined by the Central Government, together with any moneys, received by the Central Government for the purposes of this Act, shall, after due appropriation made by Parliament by law, be utilised by the Central Government to meet the expenditure incurred in connection with measures which, in the opinion of that Government, are necessary or expedient to promote the improvement, development and marketing of produce.

(2) In particular, and without prejudice to the generality of the provisions of Sub-section (1), the proceeds of the duty levied and collected under this Act may be utilized by the Central Government for all or any of the following purposes, namely :--

- (a)undertaking, assisting of encouraging, agricultural, industrial, technological and economic re search, including research on the utilization of the productsobtained from any produce;
- (b)supplying technical advice to cultivators, growers and millers;
- (c)encouraging the adoption of improved methods of cultivation and storage ofcrops;
- (d)producing, testing and distributing improved varieties of crops or assistingsuch work;
- (e)assisting in the control of insects and other pests and diseases of the crops,both in the field and in storage;
- (f)promoting the improvement of the marketing of produce and the products obtainedtherefrom in India and abroad including the setting up and adoption of gradestandards for the produce and the products obtained therefrom;
- (g)collecting statistics from cultivators, growers, dealers and occupiers of millson all relevant matters and promoting improvement in the forecasting of cropsand the preparation of all rel evant stastitics relating to the crops and theproducts obtained therefrom;
- (h)maintaining, and assisting in the maintenance of, such institutes; farms andstations as the Cen tral Government may consider necasesary;
- (i)advising and providing assistance on all matters connected with the improvementof the cultiva tion of crops (including advising on the best and most suitablevarieties of the crops to be cultivated) and the improvement of the industriesusing the crops and the products-obtained therefrom;
- (j)promoting and encouraging the co-operative movement by any connected industry;
- (k)adopting such measures as may be practicable for ensuring remunerative returnsto the growers;
- (l)organising the establishment of cultivators, growers, millers and consumersorganisations;
- (m)aiding and encouraging the establishment of exhibitions for demonstrating theuses of the pro duce and the products obtained therefrom;
- (n)adopting any other measures which the Central Government may deem to benecasesary or advisable to carry out the purposes of this Act.

(3) Inthis section, "crops" means crops or plants from which any produce isobtained 1 [and "pro duce" includes cotton].

2 [\*\* \*]

1. Inserted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 5 w.e.f. 21-3-87.

2. Section 6 omitted by the Vegetable Oils Cases Act, 1983 (30 of 1983). Section 7 (not yet enforced), Section 6 prior to omission was as under

#### **6. Refund Of Cases On Oils Exported From India :-**

There shall be refunded from out of the proceeds of cases levied and collected under this Act, on such conditions as may be prescribed, all sums collected as cases on the quantity of oils exported from India, if such oils have been extracted from oil-seed1[\* \*] crushed in a mill in India, irrespective of whether, the oil-seed1[\* \*] is produced in, or imported into India.

1. Words "or Copra" omitted by the Copra Cases Act, 1979 (4 of 1979). Section 20 w.e.f. 1-4-1979".

#### **7. Occupier To Supply Certain Particulars To Collector[Omitted] :-**

(Omitted by the Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 (21-3-87)).

#### **8. Delivery Of Monthly Returns[Omitted] :-**

(Omitted by the Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 (21-3-87)).

#### **9. Collection Of Cases Leviable On Produce Specified In Second Schedule :-**

Omitted]

[Omitted by the Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 (21-3-87)].

#### **10. Finality Of Assessment[Omitted] :-**

[Omitted by the Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3(21-3-87)].

#### **11. Collection Of Cases On Any Produce Specified In First Schedule :-**

(1) The Collector shall in respect of any produce specified in the First Schedule which is exported by sea1[or air] assess and collect the duty of customs at the customs port1[or customs air-port.] of

export.

(2) Where any produce specified in the First Schedule is exported<sup>2</sup>[by land or inland water] the duty of customs leviable under this Act on such produce shall be assessed and collected by such authority and in such manner as may be prescribed, and, until so prescribed, such duty of customs shall be levied and collected in accordance with the law in force immediately before the commencement of this Act.

(3) The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963, may, by rules, specify the conditions and restrictions subject to which--

(a) a refund may be made of the duty of customs levied on any produce specified in the First Schedule which is exported<sup>2</sup>[by land or inland-water,] where such produce is subsequently imported into India,

(b) export may be made<sup>2</sup>[by land or inland water,] without payment of any duty of customs, of any produce specified in the First Schedule which is intended to be brought back to India.

1. Inserted, and deemed always to have been so, by the Produce Cases (Amendment) Act, 1966 (49 of 1966), Section 4.

2. Substituted for the words "by land" and deemed always to have been so, by the Produce Cases (Amendment) Act, 1966 (49 of 1966), Section 4.

## **12. Recovery Of Sums Due To Government :-**

Where any duty of customs<sup>1</sup>[\*\*] demanded from any person or any penalty payable by any person under this Act is not paid,--

(a) the Collector may deduct the amount so payable from any money owing to such person which may be under the control of the Collector or any other officer; or

(b) the Collector may recover the amount so payable by detaining and selling any goods belonging to such person which are under the control of the Collector or any other officer; or

(c) if the amount cannot be recovered from such person in the manner provided in Clause (a) or Clause (b), the Collector may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the district in which such person owns any property or resides or carries on his business and the said Collector shall, on receipt of such certificate, proceed to recover from the said person the amount specified therein as if it were an arrear of land revenue.

1. Words "or excise" omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 6 w.e.f. 21-3-87.

**13. Power To Inspect Mills And Take Copies Of Account[Omitted] :-**

[Omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 (21-3-87)].

**14. Information Required To Be Confidential[Omitted] :-**

[Omitted by Cotton, Copra und Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 (21-3-87)].

**15. Provisions Of Certain Acts To Apply :-**

(1) The provisions of the Customs Act, 1962, and the rules and regulations 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 duties of customs on any produce specified in the First Schedule as they apply in relation to the levy and collection of duty payable to the Central Government under that Act.

1[\* \* \* \*]

1. Omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 3 w.e.f. 21-3-87.

**16. Offences :-**

(1) Whoever--

(a) evades the payment of any duty of customs<sup>1</sup>[\* \*] payable under this Act, or

(b) fails to furnish any return or information which it is his duty to furnish under this Act or furnishes a return or information which is false in material particulars or which he does not believe to be true, or

(c) obstructs the Collector or any other officer in the performance of his duties under this Act or any rules made there under, shall 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.

(2) Any Court trying an offence under this Act may direct that any produce in respect of which it is satisfied that an offence punishable under this Act has been committed shall be forfeited to

Government and may also direct that all packages, coverings or receptacles in which such produce is contained and every animal, vehicle, vessel or other conveyance used in carrying such produce shall be forfeited to Government.

1. Words "or excise" omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 7 w.e.f. 21-3-87.

### **17. Limitation Of Prosecution :-**

No prosecution for any offence punishable under this Act shall be instituted against any person except by, or with the consent of the Collector.

### **18. Composition Of Offences :-**

Any offence punishable under this Act may, either before or after the institution of the prosecution, be compounded by the Collector or any other officer authorised by him in this behalf on payment to the Central Government, for the purposes of this Act, of such sum as the Collector or such officer, as the case may be, thinks fit.

### **19. Protection Of Action Taken In Good Faith :-**

(1) No suit, prosecution or other legal proceeding shall lie against the Central Government or any person authored by the Central Government for any thing which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

(2) No suit or other legal proceeding shall lie against the Central Government or any person authorized by the Central Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of any of the provisions of this Act or any rule or order made there under.

### **20. Power To Make Rules :-**

1[Power to make rules

(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :--

2[\* \* \* \*]



(a) the authority by which and the manner in which the duties of customs leviable under this Act shall be collected on any produce specified in the First Schedule which is exported<sup>3</sup>[by land or inland water;]

(b) any other matter which is required to be, or may be prescribed.

1. For Produce Cases Rules, 1969, see Gazette of India, 28-3-1969, Pt. II, Sec. 3(i), Extra, page 249.

2. Substituted for the words by land and deemed to have been always so by the Produce Cases (Amendment) Act, 1966 (49 of 1966), Section 5.

3. Clause (j) to (d) omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 8 w.e.f. 21-3-87.

## **21. Power To Remove Difficulties :-**

If any difficulty arises in giving effect to the provisions of this Act, the central Government may, by order, make such directions not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for the removal of the difficulty :

Provided that no such direction shall be made after the expiry of a period of three years from the date of commencement of this Act.

## **22. Rules To Be Laid Before Parliament :-**

Every rule made under this Act shall be laid as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in<sup>1</sup>[two or more successive sessions, and if before the expiry of the session immediately following the session] in which it is laid or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under the rule.

1. Substituted for the words "two successive sessions, and if, before the expiry of the session in which it is so laid" by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987), Section 9 (w.e.f. 21-3-87).

## **SCHEDULE 1**

THE FIRST SCHEDULE

[See Section 3 (1)]

1. Lac produced in India. Rupees two and thirty paise per quintal Rupees two and thirty paise per quintal.
  2. Refuse lac produced in India Rupee one and seventy paise per quintal. Rupee one and seventy paise per qaintal.
  3. Cashew Kernal. 11/2 per cent, of the tariff value. " 1 per cent, of the tariff value."
- 2 [Explanation.--Inthis Schedule, the expression "tariff value" has the meaning assignedto it in the Customs Act. 1962.]
- 1.Inserted by the Procedure Cases (Amendment) Act,1966(49 of 1966), Section 6(15-12-1966).
  2. Added by theProcedure Cases(Amendment) Act, 1966 (49 of 1966), Section 6 (15-12-1966).

## **SCHEDULE 2**

### SECOND SCHEDULE

[SEE Section3 (2)]

[Omitted by Cotton, Copra and Vegetable Oils Cases (Abolition) Act (4 of 1987).  
Section 3 (21-3-87).