

PRODUCE CESS ACT, 1966

15 of 1966

[21st May, 1966]

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STATEMENT OF OBJECTS AND REASONS Cotton Cess Act, 1923, Lac Cess Act, 1930, Coconut Committee Act, 1944, Oilseeds Committee Act, 1946, will cease to have effect from 1st April, 1966 on which date the Indian Central Cotton Committee, and the Indian Lac Cess Committee, the Indian Central Coconut Committee and the Indian Central Oilseeds Committee constituted under those Acts will stand dissolved, and there will be no legislative sanction for the continuance of the levy of the Cess on these produce after 31st March, 1966. 2. Although the committees have been abolished, the work done by the Committees will continue to be carried out even after 31st March, 1966. The Research Institutes and Stations and other research projects of these Committees will come under the administrative control of the Indian Council of Agricultural Research and the work relating to development, marketing and other functions will be directly looked after by the Ministry of Food and Agriculture, Department of Agriculture, assisted by Development Councils formed for this purpose by the Government. Suitable grants will be given to the Indian Council of Agricultural Research for the maintenance of the Research Institutes and for carrying on the research activities. Under the revised set-up, larger investments will be necessary on these produce in order to have an effective programme of research and development. It is therefore very necessary that the cesses on the produce are continued to be levied even after the Commodity Committees have been abolished. 3. The Bill accordingly seeks to continue the levy of cess on these produce. 4. Opportunity has also been taken to simplify the nature of cess levied on the produce and to reassess the rate of cess to be levied, in conformity with the present prices of the produce. -Gaz. of Ind., 1-4-1966, Pt. II. S. 2, Ext., p. 189.

1. Short title and extent :-

- (1) This Act may be called The Produce Cess Act, 1966.
- (2) It extends to the whole of India.

2. Definitions :-

- (1) In this Act, unless the context otherwise requires.-
 - (a) "Collector" means the officer appointed' 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;

1[(b)[x x x x x x]

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

(d) "Indian Council of Agricultural Research" means the body registered in that name under 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 Companies Act, 1956 ; ³[x 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 ³ [x x x]

1. For such appointments see G.S.R. 884, published in Gaz. of Ind., 1969, Pt. II, S. 3 (i), Ext., p. 243 (as amended by G.S.R. 2319, dt. 23-9-1969, p. 631). For conferment of duties of a Collector under the Act to Collectors of Customs, see G.S.R. 885, Gaz. of Ind., 1969, Pt. II, S. 3(i), Ext., p. 245; for appointment of District Collectors and Dy. Commissioners in the States of Mysore and Orissa as Collectors under this Act, see G.S.R. 813, published in Gaz. of Ind., 1969, Pt. II, S. 3(i), Ext., p. 231 and for similar authorisations of the said officers in the States of A.P., Haryana, Kerala, M.P., Punjab, Rajasthan, Nagaland and U.P. and of the Director of Handlooms in the State of Madras (Tamil Nadu), see G.S.R. 2241, published in Gaz. of Ind. 1968, Pt. II, S. 3(i), Ext., p. 651.

2. Substituted for former cl. (c) and deemed to have always been so by the Produce Cess (Amendment) Act. 1966 (49 of 1966). S. 2.

3. Clauses (b), (g) and (h) omitted by Cotton, Copra and Vegetable Oils Cess (Abolition) Act (4 of 1987), S. 2 (21-3-87).

4. Clause (i) omitted by Act 30 of 1983. Prior to omission, cl. (i) was as under-. "(i) oil-seed" does not include copra".

3. Imposition of cess :-

(1) There shall be levied and collected as a cess, for the purposes of this Act, on every produce specified in column 2 of the First Schedule, which is exported from any ¹[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 Cess (Amendment) Act, 1966 (49 of 1966), S. 3.

2. Sub-section (2) omitted by Cotton, Copra and Vegetable Oils Cess (Abolition) Act (4 of 1987), S. 3 (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 ¹ [x 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 Cess (Abolition) Act (4 of 1987), S. 4 (27-3-87).

5. Application of proceeds of cess :-

(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 research, including research on the utilization of the products obtained from any produce;

(b) supplying technical advice to cultivators, growers and millers;

(c) encouraging the adoption of improved methods of cultivation and storage of crops;

(d) producing, testing and distributing improved varieties of crops or assisting such 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 obtained therefrom in India and abroad including the setting up and adoption of grade standards for the produce and the products obtained therefrom;

(g) collecting statistics from cultivators, growers, dealers and occupiers of mills on all relevant matters and promoting improvement in the forecasting of crops and the preparation of all relevant statistics relating to the crops and the products obtained therefrom;

(h) maintaining, and assisting in the maintenance of, such institutes; farms and stations as the Central Government may consider necessary;

(i) advising and providing assistance on all matters connected with the improvement of the cultivation of crops

(including advising on the best and most suitable varieties of the crops to be cultivated) and the improvement of the industries using 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 returns to the growers:

(l) organising the establishment of cultivators', growers', millers' and consumers' organisations:

(m) aiding and encouraging the establishment of exhibitions for demonstrating the uses of the produce and the products obtained therefrom:

(n) adopting any other measures which the Central Government may deem to be necessary or advisable to carry out the purposes of this Act.

(3) In this section, "crops" means crops or plants from which any produce is obtained ¹[and "produce" includes cotton].² [* * *]

1. Inserted by Cotton, Copra and Vegetable Oils Cess (Abolition) Act (4 of 1987), S. 5 (21-3-87).

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

6. Refund of cess on oils exported from India :-

There shall be refunded from out of the proceeds of cess levied and collected under this Act, on such conditions as may be prescribed, all sums collected as cess on the quantity of oils exported from India, if such oils have been extracted from oil-seed ¹[* * *]crushed in a mill in India, irrespective of whether, the oil-seed ¹ [* * *] is produced in, or imported into India.

1. Words "or Copra" omitted by the Copra Cess Act, 1979 (4 of 1979), section 20 (1-4-1979)".

7. Occupier to supply certain particulars to Collector :-

Omitted by the Cotton, Copra and Vegetable Oils Cess (Abolition) Act (4 of 1987), S. 3 (21-3-87)1.

8. delivery of monthly returns :-

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

9. Collection of cess leviable on produce specified in Second Schedule :-

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

10. Finality of assessment :-

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

11. Collection of cess 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 sea ¹[or air] assess and collect the duty of customs at the customs port ¹[or customs air-port,] of export:

(2) Where any produce specified in the First Schedule is exported ³[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 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 ²[by land or inland-water,] where such produce is subsequently imported into India,

(b) export may be made ² [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 Cess (Amendment) Act, 1966 (49 of 1966), S. 4.

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

12. Recovery of sums due to Government :-

Where any duty of customs ¹ [* * *] 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 Cess (Abolition) Act (4 of 1987), S. 6(21-3-87).

13. Power to inspect mills and take copies of account :-

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

14. Information acquired to be confidential :-

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

15. Provisions of certain Acts to apply :-

(1) The provisions of 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 Cess (Abolition) Act (4 of 1987), S. 3 (21-3-87).

16. Offences :-

(1) Whoever-

(a) evades the payment of any duty of customs ¹ [* *] 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 thereunder, 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 Cess (Abolition) Act (4 of 1987), S. 7 (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.

SCHEDULE 1

1

S.No.	Name of the produce.	The maximum rate at which duty of customs may be collected.	Actual rate at which duty of customs is to
1	2	3	4
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, not exceeding 10 percent, of the tariff value."]			
[Explanation.- In this Schedule, the expression "tariff value" has the meaning assigned to it in the Customs Act, 1962.]			

SCHEDULE 2

2

[See section 3(2)] [Omitted by Cotton, Copra and Vegetable Oils Cess (Abolition) Act (4 of 1987), S. 3 (21-3-87).