

**COTTON, COPRA AND VEGETABLE OILS CESS (ABOLITION)  
ACT, 1987**

**4 of 1987**

**[21st March, 1987]**

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STATEMENT OF OBJECTS AND REASONS At present under the Produce Cess Act, 1966, cess on cotton is being levied at the rate of one rupee per bale of 181.4 kilograms of cotton and in the case of unbaled cotton, at the rate of 28 paise per 50 kilograms of cotton, consumed in any mill. The average annual collection of cess on cotton is to the tune of Rs. 64 lakhs. The proceeds of this cess are utilised to meet the expenditure incurred in connection with measures to promote the improvement, development and marketing of produce under the Act, which includes cotton. Similarly, cess on copra is being levied under the Copra Cess Act, 1979 at the rate of five rupees per quintal of copra, consumed in any mill. The collection of cess on copra is of the order of about Rs. 70 lakhs per annum. It is the main source of finance for the Coconut Development Board set up under the Coconut Development Board Act, 1979. Cess on vegetable oils is also being levied at the rate of five rupees per quintal of vegetable oil under the Vegetable Oils Cess Act, 1983. The estimated total collection from the cess on vegetable oils is of the order of about Rs. 7 crores per annum. It is the main source of finance for the National Oilseeds and Vegetable Oils Development Board set up under the National Oilseeds and Vegetable Oils Development Board Act, 1983. 2. As an endeavour to reduce the number of cesses and multiplicity of taxes, it is proposed to abolish the cess on cotton, copra and vegetable oils and provide necessary funds through budgetary allocations for the plans and programmes for the development of produce. 3. For the purpose of abolition of the cess, it is proposed to amend the Produce Cess Act, 1966 and repeal the Copra Cess Act, 1979 and the Vegetable Oils Cess Act, 1983. The amendments made to the Coconut Development Board Act, 1979 by clause 10 of the Bills is of a consequential nature. A provision is also being included in the Bill (vide clause 13) for the recovery of uncollected cess. 4. The Bill seeks to achieve the above objects. -Gaz. of India, 8-12-86, Pt. II, S:2, Ext. p. 33. (No. 58).

## CHAPTER 1 PRELIMINARY

### **1. Short title :-**

This Act may be called the Cotton, Copra and Vegetable Oils Cess (Abolition) Act, 1987.

## CHAPTER 2 AMENDMENTS TO THE PRODUCE CESS ACT, 1966

**2. Amendment of section 2 :-**

In Section 2 of the Produce Cess Act, 1966 (hereafter in this Chapter referred to as the Produce Cess Act),-

(a) clauses (b), (g) and (h) shall be omitted;

(b) in clause (k), the words "or the Second Schedule" shall be omitted.

**3. Omission of sections 3(2), 7, 8, 9, 10, 13, 14, 15(2) and the Second Schedule :-**

Sub-section (2) of section 3 , section 7 , section 8, section 9, section 10, section 13, section 14, sub-section (2) of section 15 and the Second Schedule of the Produce Cess Act shall be omitted.

**4. Amendment of section 4. :-**

In s.4 of the Produce Cess Act, 1966 , the portion beginning with the words "and every duty of excise" and ending with the words "consumed or extracted" shall be omitted.

**5. Amendment of section 5. :-**

In S.5 of the Produce Cess Act, in sub-section (3), the following words shall be inserted at the end, namely:- 'and "produce" includes cotton.'

**6. Amendment of section 12 :-**

In s.12 of the Produce Cess Act, 1966 , in the opening portion, the words "or excise" shall be omitted.

**7. Amendment of section 16 :-**

In s.16 of the Produce Cess Act, 1966 , in sub-section (1), in clause (a), the words "or excise" shall be omitted.

**8. Amendment of section 20 :-**

In S.20 of the Produce Cess Act, in sub-section (2), clauses (a), (b), (c) and (d) shall be omitted.

**9. Amendment of section 22 :-**

In s.22 of the Produce Cess Act, 1966, for the words "two successive sessions, and if, before the expiry of the session in which it is so laid", the words "two or more successive sessions, and if, before the expiry of the session immediately following the session" shall be substituted.

**CHAPTER 3**

**AMENDMENT TO THE COCONUT DEVELOPMENT BOARD ACT, 1979**

**10. Amendment of section 13 :-**

Amendment incorporated in 1979 Act].

CHAPTER 4

REPEAL OF THE COPRA CESS ACT, 1979 AND THE VEGETABLE OILS CESS ACT, 1983

**11. Repeal of Act 4 of 1979 :-**

The Copra Cess Act, 1979 is hereby repealed.

**12. Repeal of Act 30 of 1983 :-**

The Vegetable Oils Cess Act, 1983 is hereby repealed.

CHAPTER 5

COLLECTION OF ARREARS OF DUTIES OF EXCISE

**13. Collection and payment of arrears of duties of excise :-**

Notwithstanding anything contained in the amendments made to the Produce Cess Act, 1966 or the repeal of the Copra Cess Act, 1979 or the Vegetable Oils Cess Act, 1983, by this Act, any duty of excise, levied under any of the said Acts immediately before the commencement of this Act, but has not been collected before such commencement, shall be liable to be collected after such commencement in accordance with the provisions of the said Acts for being paid into the Consolidated Fund of India as if this Act had not been enacted.