

THE PRODUCE CESS ACT, 1966

ACT NO. 15 OF 1966

[21st May, 1966.]

An Act to provide for the imposition of cess on certain produce for the improvement and development of the methods of cultivation and marketing of such 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. 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.

2. Definitions. In this Act, unless the context otherwise requires,--

(a) "Collector" means the officer appointed by the 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;

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2*[(c) "customs airport", "customs port" and "customs station" have the meanings respectively assigned to them in the Customs Act, 1962] (52 of 1962);

(d) "Indian Council of Agricultural Research" means the body registered in that name under the Societies Registration Act, 1860 (21 of 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 (1 of 1956);

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1. Omitted by Act 4 of 1987, s. 2.
 2. Subs. by Act 49 of 1966, s. 2, for cl. (c) (retrospectively).

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

(k) "produce" means any goods specified in the First Schedule 2***

3.

Imposition of cess.

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 3*[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.

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1. Omitted by Act 30 of 1983, s. 7 (w.e.f. 1-1-1984).
 2. Omitted by Act 4 of 1987, s. 2
 3. Subs. by Act 49 of 1966, s. 3, for "customs port to any port" (retrospectively).
 4. Omitted by s. 3, ibid.

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4.

Persons who shall be liable to pay duty.

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*xxx

5.

Application of proceeds of cess.

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 utilized 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 or 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;

1. Omitted by Act 4 of 1987, s. 4.

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- (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 in 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 [and "produce" includes cotton.]1*

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- 1. Ins. by Act 4 of 1987, s. 5.
 - 2. Omitted by Act 30 of 1983, s. 7 (w.e.f. 1-1-1984).
 - 3. Omitted by Act 4 of 1987, s. 3.

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11.

Collection of cess on any produce specified in First Schedule.

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 airport] of export.

(2) Where any produce specified in the First Schedule is exported 2*[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 (54 of 1963), may, be rules, specify the conditions and restrictions subject to which--

(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.

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1. Ins. by Act 49 of 1966, s. 4 (retrospectively).
 2. Subs. by s. 4, ibid., for "by land" (retrospectively).

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12.

Recovery of sums due to Government.

12. Recovery of sums due to Government. Where any duty of customs

1*** demanded from any persons 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.

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1. Omitted by Act 4 of 1987, s. 6.
 2. Omitted by s. 3, ibid.

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15.

Provisions of certain Acts to apply.

15. Provisions of certain Acts to apply. (1) The provisions of the Customs Act, 1962 (52 of 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.

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16.

Offences.

16. Offences. (1) Whoever--

(a) evades the payment of any duty of customs ^{2***} 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.

17.

Limitation of prosecution.

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.

1. Omitted by Act 4 of 1987, s. 3.
2. Omitted by s. 7, *ibid*.

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18.

Composition of offences.

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.

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 authorized by the Central Government for anything 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 thereunder.

20.

Power to make rules.

20. 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--

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(e) 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 2*[by land or inland water]; and

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

21.

Power to remove difficulties.

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

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1. Omitted by Act 4 of 1987, s. 8.
 2. Subs. by Act 49 of 1966, s. 5, for "by land" (retrospectively).

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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 directions shall be made after the expiry of a period of three years from the date of commencement of this Act.

22.

Rules of be laid before Parliament.

22. Rules of 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 1*[two or more successive sessions, and if, before the expiry of the session immediately following the session] 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. Subs. by Act 4 of 1987, s. 9.