

THE SALT CESS ACT, 1953

ACT NO. 49 OF 1953

[26th December, 1953.]

An Act to provide for the levy and collection of a cess on salt for the purpose of raising funds to meet the expenses incurred on the salt organisation maintained by Government and on the measures taken by Government in connection with the manufacture, supply and distribution of salt.

1.

Short title, extent and commencement.

1. Short title, extent and commencement. (1) This Act may be called the Salt Cess Act, 1953.

(2) It extends to the whole of India 1\*\*\*.

(3) It shall come into force on such 2\* date as the Central Government may, by notification in the Official Gazette, appoint.

2.

Definitions.

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

(a) "manufacture" in relation to salt includes collection, removal, preparation, steeping, evaporation, boiling or any one or more of these processes, the separation or purification of salt obtained in the manufacture of saltpetre, the separation of salt from earth or other substance so as to produce alimentary salt, and the excavation or removal of natural saline deposits or efflorescence; and the word 'manufacturer' shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of a salt but also any person who engages in its production or manufacture on his own account if the salt is intended for sale.

Explanation.--In this clause, 'saltpetre' includes rasi sajji, and all other substances manufactured from saline earth, and kharinun and every form of sulphate or carbonate of soda;

(b) 'salt' includes swamp salt, spontaneous salt, and salt or saline solutions made or produced from any saline substances or from salt earth;

The Act comes into force in Pondicherry on 1.10.1963 vide Reg. 7 of 1963, s. 3 and Sch. I.

Extended to and brought into force in Dadra and Nagar Haveli (w.e.f. 1-7-1965) by Reg. 6 of 1963, s. 2 and Sch. I. and in Goa, Daman and Diu (w.e.f. 1-6-1969) by notification No. So. 2872, Dated 4-6-1969

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1 The words "except the State of Jammu and Kashmir" omitted by Act

62 of 1956, s. 2 and Sch.

2 2nd January, 1954, vide Notification No. S.R.O. 2378, dated the 29th December, 1953, see Gazette of India, Extraordinary. 1953, Pt. II, Sec. 3, p. 3601.

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(c) "salt factory" includes--

(i) a place used or intended to be used in the manufacture of salt and all embankments, reservoirs, condensing and evaporating pans, buildings, and waste places situated within the limits of such place, as defined from time to time for the purposes of the Central Excises and Salt Act, 1944; (1 of 1944)

(ii) all drying grounds and storage platforms and storehouses appertaining to any such place;

(iii) land on which salt is spontaneously produced;

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(e) "prescribed" means prescribed by rules made under this Act.

3.

Levy and collection of cess on salt.

3\*[3. Levy and collection of cess on salt. There shall be levied and collected in such manner as may be prescribed, a cess in the nature of an excise duty at the rate of fourteen naye paise per forty kilograms on all salt manufactured in India in any salt factory, whether owned by Government or not.]

4.

Application of proceeds of cess.

4. Application of proceeds of cess. The proceeds of the duty levied under this Act, reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be utilised on all or any of the following objects, namely:--

- (a) meeting the expenditure incurred in connection with the salt organisation maintained by the Central Government;
- (b) meeting the cost of measures taken in connection with the manufacture, supply and distribution of salt by Union agencies and the regulation and control of the manufacture, supply and distribution of salt by other agencies; and in particular, measures for--
  - (i) the establishment and maintenance of research stations and model salt farms;
  - (ii) the establishment, maintenance and expansion of salt factories;

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1 Certain words omitted by Act 34 of 1961, s. 2.

2 Cl. (d) omitted by s. 2, *ibid.*

3 Subs. by s. 3. *ibid.*, for s. 3.

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(iii) fixing the grades of salt;

(iv) promoting and encouraging co-operative effort among manufacturers of salt; and

(v) promoting the welfare of labour employed

in the salt industry.

5.

Validation of charges levied on salt before the commencement of this Act.

5. Validation of charges levied on salt before the commencement of this Act. The charge in respect of the manufacture or production of salt imposed by the rule made by the Central Government under section

37 of the Central Excises and Salt Act, 1944 (1 of 1944) and published with the notification of the former Finance Department (Revenue Division) No. 3 dated the 29th March, 1947, shall be deemed

to have been levied under this Act as if this Act was in force on the day on which the charge was so imposed and accordingly,--

(a) any sum paid or payable by way of such charge shall be deemed to have been paid or payable in accordance with the law; and

(b) no claim shall lie in any Court for the refund of any such so paid.

6.

Power to make rules.

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

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for--

(a) the assessment and collection of the cess levied under this Act;

(b) the determination of the cost of collection of the cess;

(c) the manner in which accounts relating to the proceeds of the cess shall be maintained;

(d) the manner in which the proceeds of the cess may be applied on the object specified in section 4;

(e) the exemption from the whole or any part of the cess

levied under this Act--

- (i) in respect of salt exported from India;
- (ii) in respect of salt manufactured by any specified categories of small manufacturers; and
- (iii) in respect of salt utilised in the manufacture of any other product of industry.

1\*[(3) Every rule made by the Central Government under this section shall be laid as soon as may be after it is made before each

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1 Ins. by Act 34 of 1961, s. 4.

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House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or 1\*[in 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 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 that rule.]

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1 Subs. by Act 4 of 1986, s. 2 and Sch. (w.e.f. 15.5.1986.)