

THE COTTON FABRICS (ADDITIONAL EXCISE DUTY)

See India Code,
Vol. VII B.

ACT, 1957

No. 33 OF 1957

[17th September, 1957]

An Act to provide for the levy and collection in certain circumstances of an additional duty of excise on cotton fabrics issued out of mills.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Cotton Fabrics (Additional Excise Duty) Act, 1957.

(2) It extends to the whole of India.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act,—

(a) "cotton fabrics" has the meaning assigned to it in the First Schedule to the Central Excises and Salt Act, 1944;

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(b) "export" means taking out of India by sea, land or air;

(c) "export quota" means the export quota referred to in section 3;

(d) "mill" means any building or place in which cotton yarn is spun and cotton fabrics are manufactured by machinery moved otherwise than by manual labour, and includes every part of such building or place;

(e) "owner"—

(i) with reference to any mill or group of mills the possession of which has been transferred by lease, mortgage or otherwise, means the transferee so long as his right to possession subsists; and

¹ 15th January 1958. See Notification No. S.R.O. 201, dated 10th January 1958, Part II Section 3, page 138.

(ii) with reference to any mill or group of mills for which an agent is employed, means the agent if, and in so far as, he has been duly authorised by the owner in that behalf;

(f) "year" means the year beginning on the 1st day of April.

3. (1) The export quota in respect of all cotton fabrics manufactured by any mill, or by any group of mills under a common owner, for any year shall be such quantity as the Central Government may, by notification in the Official Gazette, fix, and in fixing any such export quota the Central Government shall have regard to—

(a) the quantity of cotton fabrics exported by such mill or group of mills during the relevant period;

(b) the additional quantity of cotton fabrics that such mill or group of mills may normally be expected to produce on the new looms installed therein after the 1st day of April, 1957, in pursuance of any licence or permission granted under the Industries (Development and Regulation) Act, 1951; and

(c) where the quota is to be fixed for any year subsequent to the quota first fixed for any mill or group of mills, the actual quantity of cotton fabrics produced in that mill or group of mills during any previous year for which an export quota has been fixed.

(2) The owner of any mill or group of mills shall, within such time as the Central Government may fix in this behalf, intimate to the Central Government the relevant period chosen by him for the purpose of his mill or group of mills, and such relevant period shall be any such year, out of the three years commencing on the 1st day of April, 1953, and ending with the 31st day of March, 1956, as he may choose for the purpose:

Provided that if within the time fixed in this behalf no such intimation is received from any such owner, the relevant period shall be such as the Central Government may fix in this behalf having regard to the cotton fabrics exported by that mill or group of mills during the said period of three years.

(3) Notwithstanding anything contained in sub-section (2),—

(i) where in the case of any mill or group of mills the relevant period cannot be chosen or fixed by reason of the fact that it came into existence or commenced working only during

or after the expiry of the three years referred to in sub-section (2), or

(ii) where the mill or group of mills, during the said period of three years, has not issued cotton fabrics for export, or

(iii) where any mill out of a group of mills has been transferred during any year and by reason of such transfer it is necessary to fix the export quota for the mill so transferred,

the Central Government may, by notification in the Official Gazette, fix the export quota in respect of the mill or group of mills, as the case may be, to be such quantity as in its opinion is reasonable, having regard to the capacity of the mill or group of mills, the export quota fixed for mills of a similar description and to the other circumstances of the case.

(4) The export quota fixed for any mill or group of mills for any year may be revised at any time during that year if the Central Government is of opinion that due to increased production, or to unforeseen causes adversely affecting production or for any other reason it is necessary to increase or diminish the export quota for that year.

Levy of additional excise duty on cotton fabrics.

4. (1) Where the quantity of cotton fabrics exported by any mill or group of mills in any year (whether the cotton fabrics were manufactured during that year or at any time previous thereto) falls short of the export quota for that year by any quantity (hereinafter referred to as the said quantity), there shall be levied and collected on so much of the cotton fabrics issued by the said mill or group of mills during that year for consumption in India as is equal to the said quantity a duty of excise at the rates applicable thereto as specified in the Schedule.

(2) The duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on cotton fabrics under any other law for the time being in force and shall be paid by the owner of the mill or group of mills concerned to such authority as may be specified in the notice demanding payment of the duty and within such period, not exceeding ninety days, as may be specified in such notice.

(3) If any such owner does not pay the whole or any part of the duty payable by him within the period referred to in sub-section (2), he shall be liable to pay in respect of every period of thirty days or part thereof during which the default continues a penalty which may extend to ten per cent. of the duty outstanding from time to

time, the penalty being adjudged in the same manner as the penalty to which a person is liable under the rules made under the Central Excises and Salt Act, 1944, is adjudged.

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(4) The provisions of the Central Excises and Salt Act, 1944, and the rules 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 the duty of excise or any other sum referred to in this section as they apply in relation to the levy and collection of the duty on cotton fabrics or other sums of money payable to the Central Government under that Act or the rules made thereunder.

5. The Central Government may, by notification in the Official Gazette, direct that any power conferred on it by this Act shall, subject to such conditions, if any, as may be specified in the direction, be exercisable also by such officer or authority subordinate to the Central Government as may be specified in the direction.

Delegation of powers.

6. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act, including, in particular, the submission by mills to such authority as may be specified in this behalf of returns or other information relating to the manufacture or issue of cotton fabrics.

Power to make rules.

(2) All rules made under this section shall be laid for not less than thirty days before each House of Parliament, as soon as may be, after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

THE SCHEDULE

[See section 4(1)]

Rate of duty

The duty leviable under section 4 shall be—

(a) where the said quantity does not exceed 5 per cent. of the export quota . . . Six naye paise per square yard.

(b) where the said quantity exceeds 5 per cent. of the export quota but does not exceed 10 per cent. thereof :

(i) on the quantity which does not exceed 5 per cent. of the export quota Six naye paise per square yard.

(a) on the balance Nine *naye paise* per square yard.

(c) where the said quantity exceeds 10 per cent. of the export quota :

(i) on the quantity which does not exceed 5 per cent. of the export quota Six *naye paise* per square yard.

(ii) on the quantity which exceeds 5 per cent. of the export quota but does not exceed 10 per cent. thereof Nine *naye paise* per square yard.

(iii) on the balance Twelve *naye paise* per square yard.
