

*Ser. India Code  
Vol. - V. A*

## Act No. VII of 1948

[PASSED BY THE DOMINION LEGISLATURE]

An Act to impose a cess on ~~certain cotton textiles manufactured in the Provinces of India.~~ *[the manufacture of Certain Cotton textiles]*

(Received the assent of the Governor General on the 1st March 1948).

**W**HEREAS it is expedient to impose a cess on ~~certain cotton textiles manufactured in the Province of India:~~

It is hereby enacted as follows:—

**1. Short title, extent and commencement.**—(1) This Act may be called the ~~Cotton Textiles Cess Act, 1948.~~

*(2) [the 1956]* It extends to all <sup>whole</sup> ~~the~~ Provinces of India ~~except part States~~.

(3) It shall be deemed to have come into force on the 31st day of December 1947.

**2. Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

(a) "cloth" and "yarn" mean respectively the cloth and yarn of which prices fixed by any order made under Section 3 or continued by Section 17 of the Essential Supplies (Temporary Powers) Act, 1946, were in force immediately before the commencement of this Act;

(b) "producer" means a person engaged in the production of cloth or yarn or both by power as defined in clause (f) of Section 2, of the Factories Act, 1934 (XXV of 1934).

**3. Levy of Cess.**—The Central Government may, by notification in the official gazette, levy on any cloth or yarn held in stock by a producer or a wholesale dealer on such date as the Central Government may fix in this behalf a cess at such rate as may be specified in the notification.

**4. Effect on Contracts.**—Where before the date mentioned in Section 3 a producer or wholesale dealer has made a contract of sale in respect of any cloth or yarn on which a cess is levied under that section, it shall be lawful for him to charge the amount of the cess to the buyer in addition to the contract price.

**5. Payment of Cess.**—The cess shall be paid by the producer or the wholesale dealer as the case may be to such authority within such time and in such manner as may be specified in the notification.

**6. Penalty for non-payment.**—If any cess payable under this Act is not paid as prescribed, it shall be deemed to be in arrears and the authority appointed in this behalf by the Central Government may, after such enquiry as he deems fit, impose on the producer or the dealer a penalty not exceeding the amount of cess in arrears.

**7. Recovery of Cess and Penalty.**—The amount of cess in arrears and any sum imposed as penalty under Section 6 shall, without prejudice to any other liability incurred under this Act be recovered as arrears of land revenue.

*1. Subs. by A.O. 1956.*

*2. Subs. by A.O. (No. 3) 1956.*

**8. Power of inspection, entry and search.**—Any authority authorised by the Central Government in this behalf may, with a view to securing compliance with this Act,—

- (a) require any producer or dealer to furnish to such authority such information relating to his business as that authority may specify;
- (b) inspect or cause to be inspected any books or other documents belonging to or under the control of such producer or dealer;
- (c) enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any cloth or yarn in respect of which he has reason to believe that a contravention of this Act has been or is about to be committed.

**9. Penalty for evasion of cess or failure to comply with order under Section**

**8.**—(1) Whoever evades or attempts to evade the payment of cess payable by him under this Act or fails to comply with any order issued to him under clause (a) of Section 8 or furnishes any information which is false and which he knows or has reasonable cause to believe to be false or does not believe to be true, shall be punishable with imprisonment which may extend to 6 months or with fine which may extend to two thousand rupees or with both.

(2) Any court trying any offence under this Act may order that any cloth or yarn together with the packages or coverings thereof in respect of which the court is satisfied that an offence under this Act has been committed shall be forfeited to the Central Government.