



THE COTTON CESS ACT, 1923



CONTENTS

1	Short title and extent.
2	Definitions.
3	Imposition of cotton cess.
4	Constitution of pakistan Central Cotton Committee.
5	Omitted.
6	Delivery of monthly returns.
7	Collection of cess by Collector.
8	Collection of cess on exported cotton.
9	Finality of assessment and recovery of unpaid cess.
10	Power to inspect mills and take copies of records and accounts.
11	Information acquired to be confidential.
12	Application of proceeds of cess.
12 A	Omitted.
13	Validation.
14	Dissolution of committee.
15	Power of the Federal Government to make rules.
16	Power of the Committee to make rules.
17	Publications of rules.

THE COTTON CESS ACT, 1923

¹ACT No. XIV of 1923

[16th March, 1923]

An Act to provide for the creation of a fund for the improvement and development of the growing, marketing and manufacture of cotton ²* *.

WHEREAS it is expedient to provide for the creation of a fund to be expended by a Committee specially constituted in this behalf for the improvement and development of the growing, marketing and manufacture of cotton ²* * ; It is hereby enacted as follows :—

1. Short title and extent.—(1) This Act may be called the ³* Cotton Cess Act, 1923.

⁴[(2) It extends to the whole of Pakistan.]

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

(a) “Collector” means, in reference to cotton consumed in a mill in ⁵[Pakistan], the Collector of the district in which the mill is situated ⁶[or any other officer appointed by the ⁷[Federal Government] to perform the duties of a collector under this Act];

(b) “the Committee” means the ⁸[Pakistan Central Cotton Committee] constituted under this Act ;

(c) “cotton” means raw cotton, whether baled or loose, which has been ginned ;

⁹[(d) “Collector of Customs” means an officer appointed as such under section 3 of the Customs Act, 1969 (IV of 1969);

(dd) “Customs airport” and “customs-port” mean, respectively, a customs-air-port and customs port as defined in section 2 of the Customs Act, 1969 (IV of 1969);]

¹ For Statement of Objects and Reasons, see Gaz. of India, 1923, Pt. V, p. 59; and for Report of Joint Committee, see *ibid*, 1923, Pt. V, p. 97.

This Act has been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G.G.O. 3 of 1950) ; and applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I, p. 1499.

The Act has also been extended to the Baluchistan States Union, see the Baluchistan States Union (Federal Laws) (Extension) Order, 1953 (G.G.O. 4 of 1953), as amended.

The Act has been and shall be deemed to have been brought into force in Gwadar with effect from the 8th September, 1958 by the Gwadar (Application of Central Laws) Ordinance, 1960 (37 of 1960), s. 2.

² The words “in India” rep. by the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s. 3 and II Sch.

³ The word “Indian” omitted by A.O., 1949.

⁴ Subs. by the Central Laws (Statue Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for sub-section (2), as amended by A.O., 1937, A.O., 1949 and Act 26 of 1951.

⁵ Subs. by Ordinance 21 of 1960, s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for “the Provinces and the Capital of the Federation” which had been subs. by A.O., 1949, for “British India”.

⁶ Ins. by the Indian Cotton Cess (Amdt.) Act, 1924 (1 of 1924), s. 2.

⁷ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government” which was previously amended by A.O., 1937, for “L.G.”.

⁸ Subs. by the Cotton Cess (Amdt.) Act, 1948 (30 of 1948), s. 2, for “Indian Central Cotton Committee” (with effect from the 11th January, 1949).

⁹ Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 3 and Sch., II, for clause (d).

(e) “mill” means any place which is a factory as defined in section 2 of the ¹[Factories Act, 1934], and in which cotton is converted into yarn or thread either for sale as such or for conversion into cotton goods ²[which includes all tissues and other articles (except yarn and thread) woven, knitted or otherwise manufactured, wholly or partly from cotton yarn]; ³*

(f) “prescribed” means prescribed by rules made under this Act.

4* * * * *

3. Imposition of Cotton Cess.- ⁵[(1) There shall be levied and collected on all cotton either exported from the Provinces of Pakistan to any place outside Pakistan or consumed in any mill in the Provinces of Pakistan a cess at such rate as the ⁶[Federal Government] may fix by notification, ⁷in the official Gazette.]

8* * * * *

⁹**4. Constitution of Pakistan Central Cotton Committee.-** (1) As soon as may be after the commencement of this Act the ⁶[Federal Government] shall set up the Committee.

(2) The Committee shall consist of such members as the ⁶[Federal Government] may, by notification in the official Gazette, appoint to be members, and the ⁶[Federal Government] shall appoint from among them one to be the President and another to be the Vice-President.

(3) The Committee shall be a body corporate by the name of the Pakistan Central Cotton Committee, having perpetual succession and a common seal with powers to acquire and hold property both movable and immovable, and to contract, and shall by the said name sue and be sued.]

¹⁰[(4) Nothing contained in the Industrial Relations Ordinance, 1969, (XXIII of 1969) shall apply to or in relation to the Committee or any of the officers, advisers and employees appointed by it.]

5. [Incorporation of the Committee.] Omitted by the Cotton Cess (Amendment) Act, 1948 (XXX of 1948), s. 5.

6. Delivery of monthly returns.- (1) The owner of every mill shall furnish to the Collector, on or before the seventh day of each month, a return stating the total amount of cotton consumed or brought under process in the mill during the preceding month, together with such further information in regard thereto as may be prescribed:

Provided that no return shall be required in regard to cotton consumed or brought under process before the commencement of this Act.

¹ Subs. by Act 30 of 1948, s. 2, for “Indian Factories Act, 1911”. (with effect from the 11th January, 1949).

² Subs. by Ord. 27 of 1981, s. 3 and Sch. II, for “as defined in section 3 of the (Cotton Duties Act, 1896)”. The words in crotchets were previously amended by the Indian Finance Act, 1926 (19 of 1926), s. 3.

³ The word “and” omitted by the Indian Cotton Cess (Amdt.) Act, 1939 (5 of 1939), s. 2.

⁴ Clause (g) which was added by Act 5 of 1939, s. 2, rep. by the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s. 3 and Sch. II.

⁵ The original section 3 was re-numbered by the Indian Cotton Cess (Amdt.) Act, 1924 (1 of 1924), s. 3, as sub-section (1) of that section, which has been subs. by Act 30 of 1948, s. 3 (a).

⁶ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

⁷ For such notifi., see Gaz. of P., 1957, Pt. I, p. 13.

⁸ The proviso to sub-section (1), and sub-section (2) omitted by Act 30 of 1948, s. 3 (b).

⁹ Subs. *ibid.*, s. 4, for section 4, as amended by A.O., 1937 and Acts 14 of 1929, s. 2, 5 of 1939, s. 3 and 34 of 1939.

¹⁰ Sub-section (4) added by the Cotton Cess (Amdt.) Ordinance, 1980 (13 of 1980), s. 2.

(2) Every such return shall be made in such form and shall be verified in such manner as may be prescribed.

7. Collection of cess by Collector.- (1) On receiving any return made under section 6, the Collector shall assess the cotton cess payable in respect of the period to which the return relates, and if the amount has not already been paid shall cause a notice to be served upon the owner of the mill requiring him to make payment of the amount assessed within ten days of the service of the notice.

(2) If the owner of any mill fails to furnish in due time return referred to in section 6 or furnishes a return which the Collector has reason to believe is incorrect or defective, the Collector shall assess the amount payable by him in such manner, if any, as may be prescribed, and the provisions of sub-section (1) shall thereupon apply as if such assessment had been made on the basis of a return furnished by the owner:

Provided that, in the case of a return which he has reason to believe is incorrect or defective, the Collector shall not assess the cess at an amount higher than that at which it is assessable on the basis of the return without giving to the owner a reasonable opportunity of proving the correctness and completeness of the return.

(3) A notice under sub-section (1) may be served on the owner of a mill either by post or by delivering it or tendering to it the owner or his agent at the mill.

¹**[8. Collection of cess on exported cotton.-** (1) In respect of cotton exported by air, land or sea, cess shall be assessed and levied by the Collector of Customs at the customs-airport or customs-port of export, and, subject to the provisions of this Act and of any rules made thereunder, shall, for all or any of the purposes of the Customs Act, 1969, (IV of 1969) be deemed to be a duty of customs.

(2) The Central Board of Revenue constituted under the Central Board of Revenue Act, 1924, (IV of 1924) may make rules providing, on such conditions as may be specified in the rules, for the refund of the cess levied where cotton is exported by land and subsequently imported into Pakistan].

9. Finality of assessment and recovery of unpaid cess.— (1) An assessment made in accordance with the provisions of section 7 or section 8 shall not be questioned in any Court.

(2) Any owner of a mill who is aggrieved by an assessment made under section 7 may, within three months of service of the notice referred to in sub-section (1) of that section, apply to the ²[Federal Government] for the cancellation or modification of the assessment and, on such application, the ²[Federal Government] may cancel or modify the assessment and order the refund to such owner of the whole or Part, as the case may be, of any amount paid thereunder.

(3) Any sum recoverable under section 7 may be recovered as an arrear of land revenue.

¹ Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 3 and Sch. II, for section 8, which was previously amended by various enactments.

² Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" which was previously amended by A.O., 1937, for "L.G.".