

## THE SALT CESS ACT, 1953

(Received the assent of the President on the 26<sup>th</sup> December, 1953, and brought into force on the 2<sup>nd</sup> January, 1954- Ministry of Production notification No.SRO.2378 dated 29<sup>th</sup> December, 1953).

### NO.49 OF 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.

BE it enacted by Parliament as follows :-

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 except the State of Jammu and Kashmir.

(3) **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 work "manufacturer" shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of 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;

(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 Excise and Salt Act, 1944 (1 of 1944).

(ii) all drying grounds and storage platforms and tore houses appertaining to any such places;

(iii) land on which salt is spontaneously produced,

(d) **'prescribed'** means prescribed by rules made under this Act.

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 naya paise per forty kg. and salt manufactured in any salt factory whether owned by Govt. or not.

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 utilized 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;

(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- 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 Excise and Salt Act, 1944 (1 of 1944) and published with the notification of the former Finance Department (Revenue Division) No.3, dated the 29<sup>th</sup> 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 charges shall be deemed to have been paid or payable in accordance with law; and

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

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 objects 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 utilized in the manufacture of any other product of industry.

(3) Every rule made by the Central Govt. under this section 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 two successive sessions, and if before the expiry of the session in which it is so levied or the session immediately following both Houses agree in making any modification in the rules or both Houses agree that the rule should not be made, the rule shall therefore have effect only in such modified form or be of no effect as the case may be, so however, that any such modification or amendment shall be without prejudiced to the validity of anything previously done under that rule.

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**MINISTRY** **OF** **INDUSTRY**  
**NOTIFICATION**  
New Delhi the 6<sup>th</sup> June, 1964

S.O. 2167- In exercise of the powers, conferred by Section 6 of the Salt Cess Act, 1953 (49 of 1953), and in supercession of the Salt Cess Act, 1953 the Central Govt. hereby makes the following rules, namely :-

1. Short title :- These rules may be called the Salt Cess Rules, 1964
2. Definitions :- In these rules, unless the context otherwise requires,
  - a. "Act" means the Salt Cess Act, 1953 (49 of 1953)
  - b. "Agent" means any person who is recognised by the Salt Officer as the person expressly or impliedly authorised by the salt manufacturer to be his agent in respect of his salt factory or of the salt manufactured in his factory.
  - c. "Cess" means of the cess levied and collected under section 3 of the act;
  - d. "Cooperative Society" means, a Co-operative Society registered under the Cooperative Societies Act, 1912 (2 of 1912) or under any law for the time being in force);
  - e. "Form" means a form appended to these rules;

- f. "Licence" means a licence issued under the rule 103 of the Central Excise Rules, 1944 and a "licensee" means a person or group of persons holding individually or jointly, a licence;
- g. "Salt Officer" means an officer of the Salt Department not below the rank of an Inspector having jurisdiction over the land or premises where salt is manufactured;
- h. "Salt Works" means an any defined area within a salt factory which used for the manufacture of salt and which is separately registered as such in public accounts;

1. Cess when and by whom payable :- The cess shall be paid by the manufacturer in advance subject to the provisions contained in Rule 5.
2. Manner of payment of Cess :- All payments on account of cess shall be made by way of demand draft issued by a scheduled bank, payable in favour of designated officer of the Salt Department or paid through challan to the credit of "038-Union Excise Duties- Salt" directly in designated banks in advance, every fortnight.
3. Removal of salt from factory :- Save as otherwise provided no salt shall be removed from any salt factory, whether for the consumption or for manufacture of any other commodity, unless the cess due thereon has been paid in advance.

'Provided that a manufacturer shall maintain a Personal Ledger Account (PLA) in Form-G and debit day-to-day cess charges on the consignments removed and shall furnish a monthly cess account in Form-H along with extract copy of the Personal Ledger Account, Invoices and Bills to the Salt Officer.

Provided further that the said manufacturer may open an "Account current" with the Salt Officer and keep in such account, at all times, an amount sufficient in the opinion of the Commissioner to cover the amount of cess leviable on salt intended to be removed from the place of manufacture or storage during a period of fifteen days; the account current being settled by the Salt Officer at intervals not exceeding one month;

Provided also that the Salt Officer shall scrutinize the monthly cess account in respect of the said manufacturer and make necessary entries in his record';

6. Omitted

7. Omitted
8. Salt once removed not to be brought back :- No. Salt which has been removed from a salt factory in accordance with these rules shall be brought back into it without proper intimation to the Salt Officer.
9. Exemption from payment of cess :- In the following cases, salt shall be exempt from payment of cess to the extent specified against each.

(a) Salt exported by sea from India.....the whole.

(b)Salt manufactured by any person or group of persons in a salt work, the area of which does not exceed 4.04686 Hectare..... the whole.

(c) Salt manufactured in a Salt Work by a cooperative society the area held by each individual member thereof being 4.04686 Hectares or less..... the whole.

(d) Salt manufactured in a salt work the area of which exceeds 4.04686, but does not exceed 40.4686..... one half.

(e) Salt manufactured in a salt work by a cooperative society the area held by each individual member thereof being more than 4.04686 Hectare not more than 40.4686 Hectares..... one half.

(f) Salt despatched from India to Nepal through the agencies of the State Trading Corporation of India Ltd., New Delhi and Salt Trading Corporation Ltd., Kathmandu, Nepal..... the whole.

10. Storage of Salt :- Every manufacturer shall keep all salt in the salt factory heaped or stacked in an orderly manner so as to facilitate the estimation of quantity.

11. Maintenance of stock account :- Every manufacturer shall-

- (a) maintain true and correct account of the stock of salt in the factory in such form and in such manner as may be specified by the Commissioner; and
- (b) When so required by the Salt Officer, permit inspection of the account of produce it for his inspection.

12. Deleted

13. Submission of returns :- Every manufacturer shall submit to the Salt Officer on or before the tenth of every month a return in form 'E' of all stocks of salt manufactured in and issued from the Salt Factory during the previous month.

14. Recovery of cess short levied :- Where through inadvertance error or misconstruction of the part of the Salt Officer, or through any mis-statement as to the quantity of description of such salt on the part of manufacturer or his agent or for any other reason cess, has been short levied or corroneously refunded the persons chargeable with the Cess so short levied or the person to whom such refund has been erroneously made, shall on written demand made by the Salt Officer within three months from the date on which the cess was short-levied or refunded, pay the deficiency or repay the amount refunded.

15. Refund of cess :- No cess which has been paid and of which a refund, in whole or in part, is claimed in consequence of the same having been paid through inadvertance, error or misconstruction shall be refunded, unless a written claim is made with Salt Officer within three months from the date of the payment or adjustment, as the case may be.

16. Expenditure from cess :- All expenditure of a capital nature shall be debited to the Head "40 Capital. Out-lay on Industrial Development Salt." All other expenditure shall be debited to the various sub-heads and detailed heads prescribed under the Head "35-Industries-Salt."

17. Cost of collection of cess :- The Commissioner shall work out at the close of each financial year the expenditure on the collection of cess in respect of all salt factories and the amount so worked out shall with the approval of the Central Govt. be treated as the cost of collection of the cess.

18. Proforma account :-

1. After the close of each financial year the Commissioner shall compile in form 'F' a proforma account outside the Govt. account showing the receipts into and the expenditure from the cess account during the year and the balance remaining at that end of the year.
2. The proforma account shall be audited by the Pay & Accounts Officer(Salt) or any other Officer duly authorized by him in this behalf.
3. A copy of the proforma account duly audited and certified by the Pay & Accounts Officer(Salt) or such officer shall be forwarded to the Central Govt. on or before the end of January following the financial year to which the accounts relates.
4. The account shall also be incorporated in the annual Administration Report of the Salt Organisation.

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**FORM 'F'**  
(See Rule 18)

Receipt and Expenditure from the Cess

| Receipts  | Amt. | Expenditure  | Amt |
|---|------|--|-----|
| 1. Opening Balance                                  | Rs.  | 1. Cost of collection of Cess proportional share of expenditure  | Rs. |
| 2. Amount of collection on account of cess          |      | 2.(i) Salt Commissionr's Head Office<br><br>(ii) Regional Headquarters Office  |     |
| 3. Amount realised on account of loans and advances |      | 3.Expenditure on-<br><br>(i)Supervisory establish-ment and staff employed in Regions excluding the cost and supervision charges on account licensees works, except amount recovered by way of special Cess.<br><br>(ii) Expenditure on Engineering(workshop)<br><br>(iii) Establishment maintenance and expansion of factories research stations and model farms not declared as |     |

|  |  |  |  |
|--|--|--|--|
|  |  | Commercial concerns.<br><br>(iv) Welfare of labour employed on Salt Industry.<br><br>(v) Loans and advances for remodeling and readjustment of Salt (works) factories.<br><br>(vi) Subsidy and grants-in-aid etc.<br><br>(vii) Closing balance carried over. |  |
| 4. Interest realised on loans and advances.                              |  |  |  |
| 5. Other receipts that may be treated as creditable to Cess Collections. |  |  |  |
| Total :  |  | Total :  |  |

**Salt Commissioner**

Certified that the above figures have been reconciled with those booked in Govt. Accounts.

Accounts Officers  
Pay & Accounts Officer(Salt)  
Salt Commissioner's Office Jaipur

Jaipur

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**FORM 'E'**  
(See Rule 13)

Monthly return of salt manufactured and issued

Name of of factory and Address Month.....

| S. No | Variety of salt | Quantity of salt at the end of previous month | Price | Quantity of salt manufactured during the month | Total of cols. 3&5 | Quantity of salt removed from the factory on payment of cess | Cess Rate Amount | Quantity of salt removed for export without payment of Cess | Quantity of salt removed without payment of cess for manufacture of other commodities | Quantity of salt other than that covered by Cols. 7,10 &11 removed from the factory | Remarks |
|-------|-----------------|---|-------|--|--------------------|--|------------------|---|---|---|---------|
| 1     | 2               | 3   | 4     | 5  | 6                  | 7  | 8                | 9   | 10  | 11  | 12      |
|       |                 |   |       |  |                    |  |                  |   |   |   |         |

I/We declare that I/we have compared the above particulars with the record of my/our factory and that they are in so far as I/we ascertain, accurate and complete.

Signature of manufacturer



**FORM 'H'**  
(See first proviso under Rule 5)

MONTHLY CESS ACCOUNT IN RESPECT OF M/S..... FOR THE  
MONTH OF.....

| Opening balance of cess | Amount desposited during the month | Total (1+2) | Quantity of salt removed during the month | Rate of cess | Amount of cess adjusted | Closing balance of cess | Remarks |
|-------------------------|------------------------------------|-------------|---|--------------|-------------------------|-------------------------|---------|
| 1                       | 2                                  | 3           | 4   | 5            | 6                       | 7                       | 8       |
|                         |                                    |             |   |              |                         |                         |         |