

## **GUJARAT RURAL DEVELOPMENT CESS ACT, 1984**

**4 of 1984**

**[24th February, 1984]**

### CONTENTS

1. Short title, extent and commencement
2. Definitions
3. Rural development cess
4. Liability to pay cess
5. State Rural Development Fund
6. Payment and recovery of cess and furnishing of returns
7. Penalty for failure to pay cess
8. Appeal
9. Revision of orders
10. Maintenance of accounts and registers
11. Powers to order production of accounts
12. Power of entry and inspection
13. Offences
14. Offence by companies
15. Protection of action taken in good faith
16. Power to make rules
17. Repeal and Sayings

## **GUJARAT RURAL DEVELOPMENT CESS ACT, 1984**

**4 of 1984**

**[24th February, 1984]**

An Act to provide for the creation of a fund for development of rural areas in the State of Gujarat and for the levy of rural development cess for that purpose and for matters connected therewith. It is hereby enacted in the Thirty-fifth Year of the Republic of India as follows:

### **1. Short title, extent and commencement :-**

(2) It extend to the whole of the State of Gujarat.

(3) It shall be deemed to have come into force on the 4th February 1984.

## **1** [Statement of Objects and Reasons

In order to provide for the increase in expenditure on the development of rural areas in the State, it is necessary to levy a tax on land held for carrying on excavation for the purpose of obtaining mineral oils from such land and to provide for carrying the proceeds thereof to a separate fund to be created for the development of rural areas in the State.

As the Legislative Assembly of the State of Gujarat was not in session, the Gujarat Rural Development Cess Ordinance, 1984 was promulgated to achieve the aforesaid object. This Bill seeks to replace the said Ordinance by an Act of the State Legislature.

3. The following notes on clauses explain the important provisions of the Bill:

Clause 2.~ (a) Sub-clause (a) of this clause defines the expression "annual value" for the purpose of computation of tax under section 3.

(b) Sub-clause (f) defines the expression 'specified land' as the land held for carrying on excavation for the purpose of obtaining mineral oils from such land.

Clause 3. This clause empowers the State Government to levy and collect the tax on specified lands in the State at such rate not exceeding 20 percent of annual value as may be fixed by the State Government by notification in the Official Gazette.

Clause 4. This clause provides for liability to pay cess.

Clause 5. - (a) Sub-clause (1) of this clause provides for creation of a separate fund to be called the State Rural Development Fund. (b) Sub-clause (3) of this clause empowers the State Government to prescribe the manner in which the amount in the State Rural Development Fund shall be expended.

Clause 6. This clause provides for payment and recovery of cess and furnishing of returns.

Clause 7. This clause provides for penalty not exceeding 1/4th of the amount of the tax remaining unpaid for failure to pay tax.

Clause 8.-This clause provides for appeal to such person or authority as may be prescribed by rules against an order of the Director of Geology and Mining.

Clause 9. This clause confers power of revision on the State Government.

Clause 13. This clause provides for the offences under the Act.

Clause 16. This clause empowers the State Government to make rules generally for carrying out the purposes of the Act, and particularly for the purposes specified in sub-clause (2) of this clause.

1. Pub. in Guj. Govt. Gaz., Exty. Pt. V dt. 15-2-1984 P. 7-7.

## **2. Definitions :-**

In this Act, unless the context otherwise requires,

(a) "annual value" in respect of specified land means the price charge for the mineral oils sold annually by the person who holds specified land for carrying out excavation for the purpose of obtaining mineral oils or for extraction of mineral oils:

Provided that such price shall not include any sum separately charged to such holder as tax, cess, duty, fee or such other sum as may be prescribed, by Government or local authority:

Provided further that if more than one price is chargeable for the same variety of mineral oil the maximum price chargeable for that variety of mineral oil shall be taken as the price. for such mineral oil;

(b) "cess" means the rural development cess;

(c) "mineral oils" include casing head condensate, natural gas and petroleum.

(d) "prescribed" means prescribed by rules made under this Act:

(f) "specified land" means the land held for carrying out excavation for the purpose of obtaining mineral oils or for extraction of mineral oils.

## **3. Rural development cess :-**

For the purpose of providing cost of development of rural areas in the State of Gujarat, on and from the commencement of this Act, there shall be levied and collected on all specified lands in the State a tax, to be known as rural development cess, at such rate not exceeding 20% of annual value, as may be fixed by the State Government by notification in the Official Gazette.

#### **4. Liability to pay cess :-**

The rural development cess shall be leviable on the person who holds specified land for carrying out excavation for the purpose of obtaining mineral oils or for extraction of mineral oils.

#### **5. State Rural Development Fund :-**

(1) The proceeds of the rural development cess and penalties (other than fines) recovered under this Act shall first be credited to the Consolidated Fund of the State and after deduction of the expenses of collection and recovery there from shall, under appropriation duly made by law in this behalf, be entered in, and transferred to, a separate fund called the State Rural Development Fund.

(2) Any amount transferred to the State Rural Development Fund under sub-section (1) shall be charged on the Consolidated Fund of the State.

#### **6. Payment and recovery of cess and furnishing of returns :-**

(3) Any arrears of cess shall be recoverable as arrears of land revenue.

#### **7. Penalty for failure to pay cess :-**

#### **8. Appeal :-**

(1) Any person, who is aggrieved by any order of the Director of Geology and Mining under this Act, may file an appeal before such person or authority, in such manner, within such time, and on payment of such fees, as may be prescribed.

(2) The appeal shall be heard and decided in such manner as may be prescribed.

#### **9. Revision of orders :-**

Provided that no record of any proceeding of the Director of Geology and Mining shall be called for

(i) in a case where an appeal from the order passed therein has been filed, when such appeal is pending, and

(ii) in a case where an appeal has not been filed from such order, before the expiry of the time prescribed for filing such appeal. (2) No order shall be revised under sub-section (1) by the State Government of its own motion and no application under that sub-

section by any aggrieved person for the revision of any order shall be entertained by the State Government, after the expiry of two years from the date of such order.

Explanation. In computing the period of limitation for the purpose of sub-section (2),

(a) any period during which the record of any proceeding shall not be called for under the proviso to subsection (1), and

(b) any period during which any proceeding under this section is stayed by an order or injunction of any court, shall be excluded.

## MISCELLANEOUS

### **10. Maintenance of accounts and registers :-**

Every person liable to pay cess under this Act shall keep and maintain accounts and registers in such forms as may be prescribed in respect of quantity of mineral oils produced by him from specified land and the sale proceeds thereof received by him.

### **11. Powers to order production of accounts :-**

The Director of Geology and Mining or any officer empowered in this behalf by the State Government may by an order in writing require any person liable to pay cess under this Act, to produce such accounts registers and documents and to furnish such information relating to the quantity of mineral oil produced from specified land or the sale proceeds thereof received by him, as may be specified in the order,

### **12. Power of entry and inspection :-**

(1) Any officer authorised by the State Government in this behalf may at all reasonable times enter into, inspect and search any specified land and any place where the person liable to pay cess under this Act ordinarily keeps books of accounts, registers and, documents relating to excavation for obtaining mineral oils from such land for the purpose of verifying whether the provisions of this Act or any rules made thereunder are being complied with.

(2) All searches made under sub-section (1) shall be in accordance with the provisions of the Code of Criminal Procedure 1973, (2 of 1974.)

### **13. Offences :-**

Whoever

(a) fails to pay cess within the time stipulated therefor, or

(d) knowingly produces false accounts, registers or documents or knowingly furnishes incorrect information, or

#### **14. Offence by companies :-**

(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

#### **15. Protection of action taken in good faith :-**

No suit or other proceeding shall lie against the State Government for anything which is in good faith done or intended to be done in pursuance of this Act or any rules made thereunder.

#### **16. Power to make rules :-**

(1) The State Government may, by notification in the Official Gazette make rules to carry out the purpose of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government may make rules for all or any of the following matters, namely :

(e) any other matter which is required or allowed by this Act to be prescribed.

(3) The power to make rules conferred by this section shall, except

on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as possible after they are made and shall be subject to rescission by the State Legislature, or to such modification as the State Legislature may make, during the session in which they are so laid or the session immediately following.

(5) Any rescission or modification so made by the State Legislature shall be published in the Official Gazette and shall thereupon take effect.

### **17. Repeal and Sayings :-**

(1) The Gujarat Rural Development Cess Ordinance 1984 (Guj. Ord. 3 of 1984), is hereby repealed.

(2) Notwithstanding such repeal anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under this Act.