



PAKISTAN COTTON CESS ACT,

PAKISTAN CENTRAL COTTON COMMITTEE
Ministry of Food, Agriculture & Livestock.
Govt. of Pakistan.
Moulvi Tamizuddin Khan Road, Karachi.

THE COTTON CESS ACT, 1923

¹ACT No. XIV OF 1923

(As modified up to the 1st June, 1951)

[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 follow:—

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

(2) It extends to ⁴[all the Provinces and the Capital of the Federation] including ⁵[Baluchistan]^{6***}.

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 ⁷[the Provinces and the Capital of the Federation], the Collector of the district in which the mill is situated ⁸[or any other officer appointed by the ⁹[Central Government] to perform the duties of a Collector under this Act];
- (b) “the Committee” means the ¹⁰[Pakistan Central Cotton Committee] constituted under this Act;
- (c) “Cotton” means raw cotton, whether baled or loose, which has been ginned;
- (d) “Customs-collector” and “customs-port” mean respectively a Customs-collector and a customs-port as defined in section 3 of the Sea Customs Act, 1878 (*VIII of 1878*);

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

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 G.G.O. 4 of 1949, Schedule.

4 Subs. *ibid.* Arts. 3(2) and 4, for “the whole of British India”.

5 Subs. by Act 26 of 1951, s. 8, for “British Baluchistan”.

6 The original words, “and the Sonthal Parganas, except Aden”, as amended by the A.O., 1937, omitted by G.G.O. 4 of 1949, Schedule.

7 Subs. *ibid.* Arts. 3(2) and 4, for “British India”.

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

9 Subs. by the A.O., 1937 for “L.G.”.

10 Subs. by Act 30 of 1948, s. 2 (a), for “Indian Central Cotton Committee”.

(e) "mill" means any place which is a factory as defined in section 2 of the 1[Factories Act, 1934] (XXV of 1934), and in which cotton is converted into yarn or thread either for sale as such or for conversion into cotton goods as defined in section 3 of the 2* Cotton Duties Act, 1896; 3*

(f) "prescribed" means perscribed by rules under this Act.

4* * * * *

53. *Imposition of cotton cess.*— 6[(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 Central Government may fix by notification in the official Gazette.]

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

(2) The Committee shall consist of such members as the Central Government may, by notification in the official Gazette, appoint to be members, and the Central 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 be the said name sue and be sued.]

5. [Incorporation of the Committee]. Omitted by the *Indian 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.

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

1 Subs. by Act 30 of 1948, s. 2(b) for "Indian Factories Act, 1911".

2 Rep. by the Indian Finance Act, 1926 (19 of 1926), s. 3.

3 The word "and" rep. by the Indian Cotton Cess (Amendment) Act, 1939 (5 of 1939), s.2.

4 Clause(g) which was ins. *ibidi.* repealed by the Federal Laws (Revision and Declration) Act, 1951 (26 of 1951), s. 3. and II Sch.

5 The original s. 3 was re-numbered as sub-section (1) of that section by the Indian Cotton Cess (Amendment) Act, 1924 (1 of 1924), s. 3.

6 Subs. by Act 30 of 1948, s 3 (a), for original sub-section (1)

7 Proviso omitted, *ibidi.*

8 Sub-section (2) which was ins. by Act 1 of 1924, s. 3 and amended by A.O., 1937, omitted, *ibidi.*

9 Subs. *ibidi.*, s.4, for original section 4 as amended by the A.O., 1937.

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 the 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 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 it to the owner or his agent at the mill.

8. *Collection of cess on exported cotton.*—1[(1)] In respect of cotton exported by sea, the cess shall be assessed and levied by the Customs-collector at the 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 Sea Customs Act, 1878, (*VIII of 1878*), be deemed to be a duty of customs.

2[(2) In respect of cotton exported by land 3***—

(a) 4*** to any territory which is foreign territory as defined in the Land Customs Act, 1924 (*XIX of 1924*), the cess shall be assessed by such authorities and in such manner as may be prescribed, and shall, subject to the provisions of this Act and of any rules made thereunder, for all or any of the purposes of the Land Customs Act, 1924, (*XIX of 1924*), be deemed to be a duty of land customs leviable under section 5 of the Indian Tariff Act, 1894 (*VIII of 1894*); and

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(3) The Central Board of Revenue constituted under the Central Board of Revenue, Act, 1924 (*IV of 1924*), may make rules⁶ providing, on such conditions as may be specified in the rules for—

(a) the refund of the cess levied where cotton is exported by land and subsequently imported into 7(Pakistan.)

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1 The original s.8 was re-numbered as sub-section (1) of that section by the Indian Cotton Cess (Amendment) Act, 1924 (1 of 1924), s.4.

2 Subs. by the Indian Cotton Cess (Amendment) Act, 1925 (18 of 1925), s.2, for the original sub-section (2) which was inserted by Act 1 of 1924, s.4.

3 The words "on which the cess is leviable" by Act 30 of 1948, s. 6.

4 The words "where the cotton is exported" omitted, *ibid.*

5 Sub-clause (b) omitted, *ibid.*

6 For such rules, see Gen. R. and O.

7 Subs. by Act 30 of 1948 for "India; and"

8 Sub-clause (b) omitted, *ibid.*

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 ¹[Central Government] for the cancellation or modification of the assessment and, on such application, the ¹[Central 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.

10. Power to inspect mills and take copies of records and accounts.—(1) The Collector or any officer empowered by general or special order of the ¹[Central Government] in this behalf shall have free access at all reasonable times during working hours to any mill or to any part of any mill.

(2) The Collector or any such officer may at any time, with or without notice to the owner, examine the working records, sale records and accounts of any mill and take copies of or extracts from all or any of the said records or accounts for the purpose of testing the accuracy of any return or of informing himself as to the particulars regarding which information is required for the purposes of this Act or any rules made thereunder.

(3) Where any officer other than the Collector proposes to examine under sub-section (2) any record or account containing the description or formulae of any trade process, the owner of the mill may give to the said officer, for transmission to the Collector, a written notice of objection and the officer shall thereupon seal up the record or account pending the orders of the Collectors.

11. Information acquired to be confidential.—(1) All such copies and extracts and all information acquired by a Collector or any other officer from an inspection of any mill or warehouse or from any return submitted under this Act shall be treated as confidential.

(2) If the Collector or any such officer discloses to any person other than a superior officer any such information as aforesaid without the previous sanction of the ¹[Central Government], he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine:

Provided that nothing in this section shall apply to the disclosure of any such information for the purposes of a prosecution in respect of the making of a false return under this Act.

12. Application of proceeds of cess.—(1) On the last day of each month, or as soon thereafter as may be convenient, the proceeds of the cess recovered during that month shall, after deduction of the expenses, if any, of collection and recovery, be paid to the Committee.

(2) Subject to such conditions as may be prescribed, the said proceeds and any other monies received by the Committee shall be applied to meeting the expenses of the Committee and the cost of such measures as it may, with the

previous approval of the ¹[Central Government], decide to undertake for promoting agricultural and technological research in the interests of the cotton industry in ²(Pakistan).

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13. *Validation.*—No act done or proceeding taken under this Act shall be questioned on the ground merely of the existence of any vacancy in or any defect in the constitution of the Committee or ⁴[any of its sub-committees].

14. *Dissolution of Committee.*—The ¹[Central Government] may, by notification in the ⁵[official Gazette], declare that, with effect from such date as may be specified in the notification, the Committee shall be dissolved, and on the making of such declaration all funds and other property vested in the Committee shall vest in His Majesty ⁶[for the purposes of the Central Government] and this Act shall be deemed to have been repealed.

15. *Power of the Central Government to make rules.*—(1) The ¹[Central Government] may make rules⁷ for the purpose of carrying into effect all or any of the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) for prescribing the time within which nominations shall be made under section 4 whether in the first instance or on the occurrence of vacancies;
- (b) for prescribing the term of office of the members of the Committee;
- (c) for prescribing the circumstances in which and the authority by which any member may be removed;
- (d) for the holding of a minimum number of meetings of Committee during any year;
- (e) for the maintenance by the Committee of a record of all business transacted and the submission of copies of such records to the ¹[Central Government];
- (f) for the definition of the powers of the Committee and ⁸[its officers] to enter into contracts which shall be binding on the Committee, and the manner in which such contracts shall be executed;

1 Subs. by the A.O., 1937, for "G.G. in C."

2 Subs. by Act 30 of 1948, s. 7, for India".

3 S. 12A which was ins. by the A.O. 1937, omitted, *ibid.*, s.8.

4 Subs. *ibid.* s.9. for "the Standing Finance Sub-Committee, if any".

5 Subs. by the A.O., 1937, for "Gazette of India".

6 Inserted, *ibid.*

7 For such rules, see Gen. R. and O.

8 Subs. by Act 30 of 1948, s. 11 (a), for "of the Secretary".

- (g) for the regulation of the travelling allowances of members of the committee and of their remuneration, if any;
- (h) for the definition of the powers of the Committee and ¹[its officers] in respect of the appointment, promotion and dismissal of officers and servants of the Committee, and in respect of the creation and abolition of appointments of such officers or servants;
- (i) for the regulation of the grant of pay and leave to officers and servants of the Committee, and the payment of leave allowances to such officers and servants, and the remuneration to be paid to any person appointed to act for any officer or servant to whom leave is granted;
- (j) for the regulation of the payment of pensions, gratuities, compassionate allowances and travelling allowances to officers and servants of the Committee;
- (k) for prescribing the establishment and maintenance of a provident fund for the officers and servants of the Committee, and for the deduction of subscriptions to such provident fund from the pay and allowances of such officers and servants, other than Government servants whose services have been lent or transferred to the Committee;
- (l) for prescribing the preparation of budget estimates of the annual receipts and expenditure of the Committee and of supplementary estimates of expenditure not included in the budget estimates, and the manner in which such estimates shall be sanctioned and published;
- (m) for defining the powers of the Committee; ²[its sub-committees, if any, the President and its officers], in regard to the expenditure of the funds of the Committee, whether provision has or has not been made in the budget estimates or by re-appropriation for such expenditure, and in regard to the re-appropriation of estimated savings in the budget estimates of expenditure;
- (n) for prescribing the maintenance of accounts of the receipts and expenditure of the Committee and providing for the audit of such accounts;
- (o) for prescribing the manner in which payments are to be made by or on behalf of the Committee, and the officers by whom orders for making deposits or investments or for withdrawals or disposal of the funds of the Committee shall be signed;
- (p) for determining the custody in which the current account of the Committee shall be kept, and the bank or banks at which surplus monies at the credit of the Committee may be deposited at interest, and the conditions on which such monies may be otherwise invested;
- (q) for prescribing the preparation of a statement showing the sums allotted to Provincial Departments of Agriculture or institutions not under the direct control of the Committee for expenditure on research, the actual expenditure incurred, the outstanding liabilities, if any, and the disposal of unexpended balances at the end of the year;

¹ Subs. by Act 30 of 1948, s. 11 (a) for "the Secretary".

² Subs. *ibid.* s. 11 (b), for "the Standing Finance Sub-Committee, if any, the President and the Secretary, respectively".

- (r) the assessment, levy, and payment of the cotton cess in respect of cotton exported by sea ¹[or by land]; and
- (s) any other matter which is to be or may be prescribed.

16. Power of the Committee to make rules.—The Committee may, with the previous sanction of the ²[Central Government], make rules³ consistent with this Act and with any rules made under section 15 to provide for all or any of the following matters, namely :—

- (a) for the appointment of ⁴[appropriate sub-committees] and the delegation thereto of any powers exercisable under this Act by the Committee;
- (b) for prescribing the method of appointment, removal and replacement and the term of office of members of the ⁵[sub-committees], and for the filling of vacancies therein;
- (c) for the appointment of the dates, times and places for meetings of the Committee and the ⁵[sub-committees], and for regulating the procedure to be observed at such meetings;
- (d) for determining the circumstances in which security may be demanded from officers and servants of the Committee, and the amount and nature of such security in each case;
- (e) for determining the times at which, and the circumstances in which, payments may be made out of the provident fund and the conditions on which such payments shall relieve the fund from further liability;
- (f) for determining the contribution, if any, payable from the funds of the Committee to the provident fund;
- (g) for regulating generally all matters incidental to the provident fund and the investment thereof;
- (h) for defining the powers and duties of the ⁶[officers] of the Committee.

17. Publication of rules.—All rules made under section 15 or section 16 shall be published in the ⁷[official Gazette] and, on such publication, shall have effect as if enacted in this Act.

1 Ins. by the Indian Cotton Cess (Amendment) Act, 1924 (1 of 1924), s. 5.

2 Subs. by the A.O., 1937, for "G.G. in C."

3 For such rules see Gen. R. and O.

4 Subs. by Act 30 of 1948, s. 12, for "a Standing Finance Sub-Committee".

5 Subs. *ibid.* for "Standing Finance Sub-Committee".

6 Subs. *ibid.*, for "Secretary".

7 Subs. by the A.O., 1937 for "Gazette of India".

MINISTRY OF FOOD AND AGRICULTURE

(Agriculture Division)

NOTIFICATION

Karachi, the 5th July, 1952

No. F. 6-129/51-FAC (i)—In exercise of the powers conferred by Section 4 of the Cotton Cess Act, 1923, and in supersession of the Ministry's Notification No. F. 34-7 (27)-Dev., dated the 17th January, 1949, the Central Government is pleased to reconstitute the Pakistan Central Cotton Committee whose composition will as be follows:—

- (i) The Minister for Agriculture in the Government of Pakistan.
- (ii) Representative of the Ministry of Agriculture.
- (iii) Representative of the Ministry of Economic Affairs.
- (iv) The Co-operation and Marketing Adviser to the Government of Pakistan.
- (v) Director of Plant Protection.
- (vi) The Agricultural Development Commissioner to the Government of Pakistan, or in case of a vacancy in his office, the Deputy Agricultural Development Commissioner for the time being.
- (vii) The Textile Commissioner to the Government of Pakistan.
- (viii) Three persons to represent respectively the Ministries of Finance, Commerce and Communications in the Government of Pakistan nominated by the respective Ministries.
- (ix) The Directors of Agriculture, Punjab, Sind, Bahawalpur, Khairpur and East Bengal.
- (x) Director of Research, Pakistan Central Cotton Committee.
- (xi) Director of Scientific and Industrial Research.
- (xii) One Cotton Botanist or Cotton Breeder from Punjab, one from Sind and one from Bahawalpur nominated by the respective Provincial and State Government.
- (xiii) Five representatives of cotton growing interests one each from Punjab, Sind, Bahawalpur, Khairpur and East Bengal.
- (xiv) Two persons to represent respectively cotton ginners and the textile industry, nominated by the Ministry of Industries in the Government of Pakistan.
- (xv) Two persons to represent respectively cotton merchants and cotton exporters, nominated by the Ministry of Commerce in the Government of Pakistan.
- (xvi) One representative of banking interests, nominated by the Ministry of Finance on the Government of Pakistan.
- (xvii) Such additional members as the Central Government may by notification in the Official Gazette appoint.

The Minister for Food and Agriculture in the Government of Pakistan shall be the President of the Committee.

This notification shall be deemed to have taken effect with effect on and from the 1st April, 1952.

A. M. KHAN, Dy. Secy.,

The Pakistan Cotton Cess Rules, 1950

MINISTRY OF FOOD AND AGRICULTURE

(Agriculture Division)

NOTIFICATION

Karachi, the 18th March, 1950

(As modified upto the 5th July, 1952)

No. F. 10-3/50-C.—In exercise of the powers conferred by section 15 of the Cotton Cess Act, 1923 (XIV of 1923) and in supersession of all previous rules on the subject, the Central Government is pleased to make the following rules:—

1. *Short title.*—These rules may be called the Pakistan Cotton Cess Rules, 1950.

2. *Definition.*—In these rules “Act” means the Cotton Cess Act, 1923.

3. *Term of Office.*—(1) The term of office of the members mentioned in clauses (1) to (XI) of Notification No. F. 6-129/51-FAC (1), dated the 5th July, 1952, of the Ministry of Food and Agriculture (Agriculture Division) shall be the term for which they hold the office by virtue of which they are members.

(2) The term of office of every other member of the Committee shall be three years from the 1st of July of the year in which he is appointed.

(3) If a vacancy amongst the members occurs by death, resignation or otherwise, another member shall be appointed thereto who shall hold office for the unexpired period of the term of his predecessor.

(4) A member shall be eligible for re-appointment.

4. *Minimum number of Meetings.*—Not less than two meetings of the Committee shall be held each year.

5. *Records of business.*—A record shall be maintained of all business transacted by the Committee, and copies of which shall be submitted to the Central Government, to all Provincial Governments and to all bodies by whom members may be nominated.

6. *Power to contract.*—(1) Subject to the provisions of sub-rule (3) of rule 13, the Committee may enter into contracts provided that every contract which extends over a period of more than three years or involves expenditure in excess of Rs. 30,000 shall require the previous sanction of the Central Government.

(2) The Committee may by resolution delegate to the Standing Finance Sub-committee, President or Vice-President such power of entering into contracts on its behalf as it may think fit.

(3) Contracts shall not be binding on the Committee unless they are executed by the President or the Vice-President and are certified by the Common seal of the Committee.

(4) Neither the President nor the Vice-President nor any member of the Committee shall be personally liable for any assurance or contract made by the Committee, but any liability arising under such assurance or contract shall be discharged from the moneys at the disposal of the Committee.

7. *Allowances and remuneration.*—(1) Save with the previous sanction of the Central Government no remuneration other than travelling allowance and halting allowance shall be paid to any member of the Committee on account of his services as such.

(2) A member of the Committee who is not an official shall be entitled to draw in respect of any journey performed for the purpose of attending a meeting of the Committee or of a duly constituted sub-committee thereof, such travelling and halting allowances as may be fixed from time to time.

(3) The Committee may direct that such travelling and halting allowances as would be admissible to its members shall be paid to any member of the Committee in respect of any journey performed for the purpose of attending a meeting of any other organization to which he is appointed as a representative of the Committee.

8. *Appointments of Officers and Servants.* (1).—Appointments of officers and servants of the Committee shall be made as follows:—

(a) appointments of Secretary and Director of Research shall be made by the Central Government;

(b) appointments with a maximum pay of Rs. 600 p.m. or above shall be made by the Committee on the recommendation of an expert sub-committee nominated for the purpose of which the President or the Vice-President shall be the Chairman. The Committee may delegate the power of making these appointments to the Standing Finance Sub-Committee. The previous sanction of the Central Government will be necessary for the creation of such posts;

(c) appointments to posts on a maximum salary above Rs. 200 and below Rs. 600 shall be made by a Selection Board consisting of the Vice-President, Director of Research and the Secretary, Previous sanction of the Standing Finance Sub-Committee will be necessary for the creation of such posts;

(d) appointments of posts with maximum salary of Rs. 200 p.m. will be made by the Vice-President. Previous sanction of the Standing Finance Sub-Committee for the creation of such posts for a period of 1 year or more will be necessary.

(2) The authority competent to dismiss, promote or demote an officer or servant of the Committee shall be the authority empowered to appoint such officer or servant. An appeal shall lie against the order of dismissal or demotion to the authority next above the authority passing the order and the order of the appellate authority shall be final.

(3) The Committee may by resolution delegate to the Standing Finance Sub-Committee, President, Vice-President, Director of Research or Secretary, such of its powers under this rule as it may deem fit.

(4) The Committee shall have the power to create new posts subject to the condition that—

(i) the post is for a period not exceeding 5 years;

(ii) the maximum pay of the post does not exceed Rs. 600; and

(iii) budget provision exists.

(5) The Committee may by resolution delegate the powers conferred by sub-rule (4) to the Standing Finance Sub-Committee, President and Vice-President provided that no delegation of the power to create a post shall be made to an authority which is not empowered to make appointments to that post.

9. *Leave, Pay and Allowances.*—(1) The grant of leave, pay and allowances to permanent Government servants whose services have been lent or transferred to the Committee shall be regulated by the Central Government.

(2) The grant of leave, pay and allowances to officers and servants of the Committee, who are not Government servants, shall be regulated by the Committee, who may delegate such of its powers in this respect as it may deem fit to the Standing Finance Sub-Committee, President or Vice-President, Director of Research or Secretary.

(3) In exercising the powers conferred by sub-rule (2) the Committee shall, so far as may be, apply the principles of the Supplementary Rules made by the Central Government under the Fundamental Rules.

(4) Save with the previous sanction of the Central Government no travelling allowance shall be paid to any officer or servant of the Committee in excess of the amount which would be admissible under the said Supplementary Rules to a Government servant of the corresponding grade.

10. *Provident Fund.*—(1) In this rule “servant” means a salaried officer or servant of the Committee other than a Government servant whose services have been lent or transferred to the Committee.

(2) The Committee shall establish and maintain a *contributory provident fund* for the benefit, of its servants and shall frame rules for the admission of its servants to subscribe to that fund.

(3) The Committee may direct under what conditions in the case of any of its servants or of any class of its servants, subscription to the fund shall be compulsory or optional, but a servant who in the exercise of an option so conferred elects to subscribe to the fund shall not thereafter be permitted to cease subscribing thereto.

(4) A servant who is required or elects to subscribe to the fund shall subscribe thereto such fraction not exceeding one-twelfth, as may be determined by the Committee, of the pay earned by him while on duty and may at his option subscribe in addition like fraction of his leave pay.

(5) Subscriptions to the fund shall be recovered monthly in respect of and by deduction from the subscriber's pay for the preceeding month, the amount to be recovered in accordance with sub-rule (4) being calculated to the nearest whole anna.

11. Budget.—(1) Every year the committee shall prepare a budget for the ensuing year and shall submit it for the sanction of the Central Government on or before such date as Government may appoint.

(2) The budget shall be in such form as the Central Government may direct and shall include statemets of—

- (a) the estimated opening balance;
- (b) the estimated receipts from the cotton cess and from other sources;
- (c) the proposed expenditure classified under such major heads as the Central Government may direct.

(3) Supplementary estimates of expenditure shall be submitted for the sanction of the Central Government in such form and on such dates as Government may direct.

12. Power to incur expenditure.—(1) Subject to the provisions of the Act and the rules framed thereunder the Committee may incur such expenditure as it may think fit and may delegate to any of its officers or to the Standing Finance Sub-Committee such financial powers as it may consider expedient: Provided that, save with the sanction of the Central Government, no expenditure shall be incurred which is in excess of the sanctioned budget allotment under any major head.

(2) Re-appropriations within a major head of expenditure may be made by the Committee which may delegate its powers in this respect to the Standing Finance Sub-Committee, President and Vice-President.

(3) Re-appropriation between major heads of expenditure shall not be made save with the previous sanction of the Central Government.

13. Audit and publication of accounts.—(1) The Committee shall maintain accounts of all receipts and expenditure.

(2) Such accounts shall be audited annually by auditors appointed in this behalf by the Committee and such auditors, may disallow any item which in their opinion has not been spent in accordance with the Act or these rules.

(3) If any item is so disallowed, an appeal shall lie to the Central Government whose decision shall be final.

(4) The accounts of receipts and expenditure relating to each financial year, together with the auditor's report thereon, shall be submitted to the Central Government as soon as may be after the close of that year. The accounts and auditor's report shall be published.

(5) The accounts of receipts shall include a statement of all sums received by the Committee during the financial year which shall be shown under the following heads:—

- (a) moneys received under section 12 of the Act;
- (b) other moneys received by the Committee;
- (c) interest received from the investment of such moneys as aforesaid.

(6) Total receipts only shall be shown under each of the head specified in sub-rule (5) and the opening balance shall also be stated.

(7) Expenditure incurred during the financial year shall be shown under the following heads:—

- (a) administration of the Committee;
- (b) measures taken for promoting agricultural research;
- (c) measures taken for promoting technological research.

(8) The closing balance of the year shall be shown at the foot of the accounts on the expenditure side.

14. Custody and disbursement of funds.—(1) The current account of the Committee shall be kept in a Bank, approved by the Central Government, and all moneys at the disposal of the Committee excepting petty cash and moneys placed in fixed deposit or invested in accordance with the provisions hereinafter contained, shall be paid into that account.

(2) Any funds not required for current expenditure may be placed in fixed deposit with any Bank approved in this behalf by the Central Government or invested in the name of the Committee in any security in which trust property may lawfully be invested under the Indian Trusts Act, 1882.

(3) Placing of money in fixed deposit and the investment thereof and the disposal of moneys so placed or invested shall required the sanction of the Standing Finance Sub-Committee, or if no such Sub-Committee is in existence, the President or Vice-President.

(4) Payments by or on behalf of the Committee shall be made in cash or by cheque drawn against the current account of the Committee.

(5) The cheques referred to in sub-rule (4) and all orders for making deposits or investments or for the withdrawal of the same or for the disposal in any other manner of the funds of the Committee shall be signed by the Secretary and countersigned by the Vice-President or in his absence by a member nominated by the Standing Finance Sub-Committee.

(6) The Committee shall have power to take money on loan from any Bank against the securities held by the Committee, upon the following conditions:—

- (a) No such loan shall be taken without the previous sanction of the Standing Finance Sub-Committee and every document effecting such loan shall be signed by the Secretary, and be countersigned by the Vice-President or in his absence by a member of the Standing Finance Sub-Committee, and be sealed with the common seal of the Committee.

- (b) the total of such loans outstanding at any one time shall not exceed Rs. 1,00,000.

15. Annual statements of grants-in-aid.—Every provincial Department of Agriculture to which sums have been allotted by the Committee for expenditure on research and every other institution not under the direct control of the Committee to which sums have been so allotted shall furnish to the Committee at the close of each financial year statements of the sums so allotted, of the actual expenditure incurred therefrom, of the outstanding liabilities, if any, and of the unexpended balances of sums so allotted.

16. Form and Verification of return.—The return referred to in section 6 of the Act shall be in Form 'A' annexed to these rules and shall be verified in the manner set forth at the foot of the said Form.

17. Check of return by Collector.—For the purpose of satisfying himself of the correctness of any such return the Collector shall check the same in such manner as he thinks fit and may for this purpose seize the records and accounts of the mill to which the return relates to be examined and compared with the entries in the return.

18. Form of notice under section 7 (1).—The notice referred to in sub-section (1) of section 7 of the Act shall be in Form 'B' annexed to these rules.

19. Assessment under section 7 (2).—If the owner of any mill fails to furnish in due time the return referred to in section 6 of the Act, or furnishes a return which the Collector after completion of the check referred to in rule 17 believes to be incorrect or defective, the Collector shall, subject to the provisions of the Act, use such methods as he may think fit for the ascertainment of the amount payable under the Act and shall assess the same accordingly.

20. Assessment under section 8 (2).—(1) An assessment under sub-section (2) of section 8 of the Act shall be made by the land customs officer incharge of a land customs station established under the Land Customs Act, 1924 (XIX of 1924).

(2) In such assessment the amount by which the consignment of cotton under assessment exceeds the number of completed hundreds of pounds avoirdupois contained therein may be left out of account.

(3) A person aggrieved by such assessment shall be entitled to appeal to the authority, if any, to whom he would have been entitled to appeal if the assessment had been made under the Land Customs Act, 1924 (XIX of 1924).

A. M. KHAN, Dy. Secy.,

The Pakistan Central Cotton Committee

PROVIDENT FUND RULES

(Agriculture Division)

NOTIFICATION

Karachi, the 29th June 1950.

No. F. 10-3/50-C. (ii).—In exercise of the powers conferred by section 16 of the Cotton Cess Act, 1923 (XIV of 1923), the Pakistan Central Cotton Committee, with the previous sanction of the Central Government and in supersession of all previous rules on the subject, is pleased to make the following rules:—

1. (1) These rules may be called the Pakistan Central Cotton Committee Provident Fund Rules.

(2) In these rules—

- (a) "Family" includes any of the following relatives of a deceased subscriber, namely, his widow, child, minor brother, unmarried sister, widow and child of a deceased son and parent, and where no nearer relative of the subscriber is alive, a paternal grand parent;
- (b) "Servant of the Committee" means a salaried officer or servant of the Committee, other than a Government servant whose services have been lent or transferred to the Committee;
- (c) "The Act" means the Cotton Cess Act, 1923 (Amendment) Act, 1948;
- (d) "The Committee" means the Pakistan Central Cotton Committee constituted under the Act;
- (e) "The Fund" means the Provident Fund constituted and established under the Act; and
- (f) "Member" means a member of the Fund.

2. There shall be constituted and established as from the 1st day of April 1950, a fund for the benefit of all servants of the Committee except such servants as the Committee may in their absolute discretion decide not to admit to Membership thereof.

3. (1) Subject to the provisions of rule 2, every servant of the Committee in receipt of a salary in excess of Rs. 30 per month shall become a member of and shall subscribe to, the fund. Every servant of the Committee in receipt of a salary of Rs. 30 p.m. or less, may at his option become a member of, and subscriber to, the fund.

(2) Subscriptions to the fund shall be at the rate of one-twelfth of the monthly salary of each member, provided that in the case of a member employed for specified period under a specific agreement, the rate shall be such not exceed-

ing one-twelfth as may be provided in the agreement. The Committee shall have the power to deduct from the salary of any member such sum as may be required to pay any contribution due by him to the fund.

4. The fund shall consist of (1) subscription and contributions which are to be carried to the fund in accordance with these rules, (2) such additions to the fund as the Committee may at any time decide to make (3) the income of the fund and (4) the income from investments made under rule 6.

5. The fund shall be vested in and managed by the Committee and these rules shall be interpreted by the Committee whose decision on such interpretation shall be final and binding upon the members.

6. All moneys (including the net income of the fund for the time being available for distribution) from time to time received by the Committee and not presently required for making any payments pursuant hereto, may be utilised by the Committee by way of loan from the fund carrying interest at a rate to be fixed by the Standing Finance Sub-Committee, and the Committee may at any time repay any such loan, and any moneys which the Committee may not desire to utilise by way of loan, or which may have been so repaid by the Committee may be invested in any security in or upon which trust moneys may lawfully be invested under the Trust Act, 1882, or may be placed in deposit with any bank, or banks approved by the Central Government under sub-rule (2) of rule 14 of the Pakistan Cotton Cess Rules, 1950. All such investments may at any time be varied or transferred into or for others of a like nature as may seem expedient to the Committee.

7. The Committee shall contribute to the fund on the 30th June each year a sum which shall be equal to the aggregate of the subscription of the members since the preceding 1st day of July.

8. A separate account in Form 'A' annexed to these rules shall be maintained for each member and such account shall show—

- (a) the members' subscriptions;
- (b) the amount which the Committee may credit under rule 10 as income derived from such subscriptions;
- (c) the member's share of the Committee's contribution and of such additions to the fund as the Committee may, in their discretion, decide to make; and
- (d) the amount which the Committee may credit under rule 10 as income derived from the member's share of the Committee's contributions and additions.

9. All expenses of the fund shall be met from the income of the fund.

10. So much of the income of the fund as the Committee may from time to time make available for distribution shall be credited on the 30th June in each year to the accounts of the members in the manner following, that is to say: In column 3 of the account referred to in rule 8, there shall be credited to each member a sum bearing the same proportion to the total sum made available for distribution by the Committee as the net income earned by the total subscriptions

to the fund of the members in column 2 bears to the total subscriptions to the fund at date of such crediting, and in column 5 shall be credited to each member a sum bearing the same proportion to the balance of the income so made available as aforesaid at the amount standing to the credit of the member in column 4 bears to the total amount standing to the credit of all members in that column at the date of such crediting:

Provided that the amount credited to the account of each member in column 3 shall not be less than the amount which would have been earned by the subscriptions of members in column 2, if these subscriptions had been deposited in the Post Office Savings Bank from time to time as received.

11. The accounts of the fund shall be made up yearly to the 30th of June.

12. On the 30th of June in every year the investments of the fund shall be valued and any difference between the value so found and the value of the same investments on the preceding 30th June and between the value so found of any investments purchased the preceding 12 months and the purchase price of such investments, shall be transferred to a separate account to be called "The Investment Fluctuation Account". When the amount standing to the credit of a member shall become payable the amount shall be reduced by a sum that bears the same proportion to the sum standing to his credit as the amount standing to the debit of the Investment Fluctuation Account shall bear to the value of the said investments as found on the preceding 30th June. If the said Investment Fluctuation Account shall be at credit, the amount standing to the credit of the member only shall be payable to him.

13. All amounts which the Committee shall decide to treat as lapses and forfeitures shall be transferred to a separate account to be called "The Lapse and Forfeiture Account" and shall be used and applied by the Committee as a Reserve Fund to meet any loss or depreciation of or in the investments for the time being of the fund. Any profit arising on any of the said investments shall be transferred to the Lapse and Forfeiture Account. If and when the Committee shall be of the opinion that the amount to the credit of the Lapse and Forfeiture Account is sufficient to meet any possible loss or depreciation or in the said investments, the surplus, if any, may be divided amongst the members in such proportion as the Committee may decide.

14. (1) When the amount standing to the credit of a member who has been dismissed from the service of the Committee for grave misconduct, becomes payable, the Committee may direct that the whole or any part of the contributions of the Committee, and of any interest accrued thereon, shall be deducted from the amount standing to the credit of the member and such amount shall be transferred to the Lapse and Forfeiture Account.

(2) When the amount standing to the credit of a member becomes payable, the Committee may direct that any amount due under a liability incurred by the member to the Committee upto the total amount of the contributions of the Committee to the account of the member with interest thereon, shall be deducted from the amount payable to the member and that the amount so deducted shall be paid to the Committee or to the fund as the case may be.

(3) When the amount standing to the credit of a member becomes payable on his resignation from the service of the Committee before having completed five years therein, the Committee may direct that the whole or any part of the contributions of the Committee to the credit of the account of such member and of any interest accrued thereon, shall be deducted from the amount standing to the credit of the member and the amount so deducted shall be transferred to the Lapse and Forfeiture Account. Ordinarily the Committee will not direct any such deduction to be made in a case where (a) the member shall have been transferred with the previous consent of the Committee to permanent Government service, (b) a member shall have joined the service of the Committee in connection with a scheme which was expected to continue for five years at least, but which by reason of any unforeseen circumstance has been completed or abandoned within that period, and (c) a member established to the satisfaction of the Committee that his retirement is necessitated by incapacity for further service.

15. Subject to any adjustment under rule 12 and to any deduction under rule 14, the amount standing to the credit of a member shall become payable only on the death or on the retirement of that member from the service of the Committee.

16. The Committee may at any time make an advance to a member from the amount standing to his credit in the fund in respect of his own contributions in the case of sickness or for other good reason or for payment of insurance premia and any such advance shall carry interest, either simple or compound, at such rate, and shall be repaid at such time and in such manner as the Committee may direct.

17. (1) The account of a member shall be closed—

(a) In the event of his death on the next day thereafter.

(b) In the event of retirement or dismissal from the service of the Committee on the day thereof.

(2) When the account of a member is closed, such amount if any, as the Committee may decide, shall be added thereto in respect of interest and the contributions of the Committee for the period from the 30th June preceding the death, retirement or dismissal, as the case may be, of the member to the date of the closing of his accounts.

(3) No contribution or interest shall be credited to the account of a member in respect of any period after the date on which his account shall be closed.

18. Every member on joining the fund shall furnish to the Committee a nomination in Form 'B' annexed to these rules showing how he wishes the amount standing to his credit in the fund to be disposed of on his death. Such nomination may at any time be revoked and replaced by a fresh nomination. A nomination shall be operative only upon delivery thereof to the Committee.

19. Subject to any adjustment under rule 12, and to any deduction under Rule 14 on the death of a member while in the service of the Committee.

(a) If a nomination made by the member in accordance with the provisions of Rule 18 subsists, the amount standing to his credit in the fund,

or the part thereof to which the nomination relates, shall be paid to his nominee or nominees in the proportion specified in the nomination, subject to the provisions of section 4 of the Provident Funds Act, 1925;

- (b) If no such nomination subsists, or if such nomination relates only to a part of the amount standing to his credit in the fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall be paid to his nominees in equal shares.

20. Every member shall sign an agreement in Form 'C' annexed to these rules, agreeing to abide and be bound by these rules.

21. (1) The fund may be wound up—

- (a) if the Committee be dissolved by notification under section 14 of the Cotton Cess Act, 1923;
- (b) by resolution of the Committee approved by the Central Government.

(2) In the event of the fund being wound up the fund shall be divided amongst the members by payment to each member of a sum which shall bear the same proportion to the aggregate, market value of the securities and un-invested cash (if any) constituting the fund on the date of such division as the amount standing to the credit of the member in his individual account on the date of such division bears to the aggregate of the amounts standing to the credit of the individual accounts of all the members on the same date. The amount, if any, standing to the credit of the Lapse and Forfeiture Account constituted under Rule 13 shall also be divided amongst the members in such proportion as the Committee may decide.

FORM 'A'

PAKISTAN CENTRAL COTTON COMMITTEE PROVIDENT

FUND

Form of Member's Account (Rule 8)

Name of Employee _____

Date	Members contributions	Annual Addition on account of income on Members contributions	Committee's Annual Contributions and other additions	Income on Committee's contributions and additions	Initials of controlling officer	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

FORM 'B'

Form of Declaration (Rule 18)

I hereby declare that I wish, in the event of my death, the amount at my credit in the Pakistan Central Cotton Committee Provident Fund to be distributed among the persons mentioned below in the manner shown against their names :—

Name and address of the nominee or nominees	Relationship, if any, with the member	Whether major or minor; if minor, state his age	Amount of Share of deposit
(1)	(2)	(3)	(4)

Station :

Two witnesses Signature :

Date :

 1 _____
 2 _____
 Signature of Member.

FORM 'C'

Form of Agreement (Rule 20)

I hereby declare that I have read the Pakistan Central Cotton Committee Provident Fund Rules and that I agree to abide and be bound by them.

Dated _____ day of _____ 19 _____ at _____

Name in full:

Date of Birth:

Date of joining appointment:

Nature of appointment:

Salary per mensem:

Rupees

Signature

Name

Address:

Occupation:

Witness:

Name

Address:

Occupation:

Notes for information of member

Note 1.—Any sum payable under clause (a) of Rule 19 to a nominee who is a dependent of a member, or to a dependent under clause (b) of the same rule vests in such nominee or dependent under sub-section (2) of section 3 of the Provident Fund Act, 1925.

Note 2.—When the member leaves no dependents and no nomination made by him in accordance with the provisions of rule 19 subsists, or if such nomination relates only to part of the amount standing to his credit in the fund, (ii) of clause (c) of sub-section (i) of section 4 of the Provident Funds Act, 1925, are applicable to the whole amount on the part to which the nomination does not relate.

A. M. KHAN, Dy. Secy.,

MINISTRY OF FOOD AND AGRICULTURE

(Agriculture Division)

NOTIFICATION

Karachi, the 29th June 1950

No. F. 10-3/50-C. (i)—In exercise of the powers conferred by Section 16 of the Cotton Cess Act, 1923, (XIV of 1923), the Pakistan Central Cotton Committee, with the previous sanction of the Central Government and in supersession of all previous rules on the subject, is pleased to make the following rules:

1. The Pakistan Central Cotton Committee, here-in-after referred to as the Committee, shall appoint annually a Standing Finance Sub-Committee of nine members (here-in-after referred to as "The Finance Sub-Committee") which shall hold office for twelve months commencing from the 1st July.
2. The Vice-President of the Committee for the time being shall be *ex-officio* Chairman of the Finance Sub-Committee.
3. Any casual vacancy occurring amongst the members of the Finance Sub-Committee may be filled by the remaining members of the Finance Sub-Committee from amongst the members of the Committee, subject to the approval of the President of the Committee.
4. If any member of the Finance Sub-Committee be absent from Pakistan the remaining members may in their discretion declare his absence to constitute a casual vacancy and fill the same in accordance with Rule 3.
5. The Chairman of the Finance Sub-Committee shall preside at all the meetings of that Committee and in his absence the members shall elect one person from amongst themselves as Chairman to preside at such meetings.
6. Four members of the Finance Sub-Committee including the Chairamn shall constitute a quorum at any meeting of the Finance sub-Committee.
7. Meetings of the Finance Sub-Committee shall ordinarily be convened by the Chairman but may be convened by the Secretary of the Committee either on the written request of no less than four members of the Finance Sub-Committee or, in case of emergency, on his own initiative.
8. Four clear day's notice of every meeting of the Finance Sub-Committee shall be given to each member who shall for the time being be in Pakistan except in case of emergency when, at the discretion of the Vice-President, two clear day's notice shall be sufficient.

9. In case of a difference of opinion amongst the members of the Finance Sub-Committee the opinion of the majority shall prevail.
10. In the case of equality of votes on any question to be decided by the Finance Sub-Committee the Chairman shall have a casting or second vote.
11. Subject to such restrictions as may at any time be imposed by the Committee, the Finance Sub-Committee shall exercise all the powers of the Committee in regard to the control and disposal of the funds of the Committee, and such other powers as may be delegated to it by the Committee.
12. The Finance Sub-Committee, or the President or the Vice-President may require any officer or servant appointed by the Committee and whose duties involve financial responsibility, to furnish security for the due performance of his duties and may fix the amount and nature of the security so required.
13. *Powers and duties of the Secretary*:—The Secretary shall keep a record of the proceedings of the Committee and of its Sub-Committees. The Director of Research and the Secretary shall be responsible for the control of the staff working respectively under them subject to the directions of the Committee issued in this behalf.

A. M. KHAN, Dy. Secy.,