THE PUNJAB SUGARCANE (REGULATION OF PURCHASE AND SUPPLY) ACT, 1953

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[1]THE PUNJAB SUGARCANE (REGULATION OF PURCHASE AND SUPPLY) ACT, 1953

PUNJAB ACT NO. 40 OF 1953

[Received the assent of the Governor of Punjab on the 30th October, 1953, and was first published in the Punjab Government Gazette (Extraordinary), of the 2nd November, 1953.]

1	2	3	4
Year	No.	Short title	Whether repealed or otherwise affected by legislation
1953	40	The Punjab Sugarcane (Regulation of Purchase and Supply) Act, 1953	Extended to the territories which, immediately before the 1st November, 1956, were comprised in the State of Patiala and East Punjab States Union by Punjab Act 18 of 1958[2] Amended by Punjab Act 19 of 1959[3] Amended by Punjab Act 25 of 1964[4] Amended by Punjab Act 7 of 1966[5] Amended by Haryana Adaptation of Laws Order, 1968[6] Amended by Haryana Act 22 of 1970[7] Amended by Haryana Act 8 of 1971[8]

1. For Statement of Objects and Reasons, *see Punjab Government Gazette* (Extraordinary), 1953, page 1630; for proceedings in the Assembly and Council, *see* Punjab Legilative Assembly and Council Debates, 1953.

2. For Statement of Objects and Reasons, *see Punjab Government Gazette* (Extraordinary), 1958, page 546.

3. For Statement of Objects and Reasons, *see Punjab Government Gazette* (Extra), 1959, page 382.

4. For Statement of Objects and Reasons, *see Punjab Government Gazette* (Extra), 1964, pages 935-937.

5. For Statement of Objects and Reasons, *see Punjab Government Gazette* (Extra), 1965, page 1144.

6. *See Haryana Government Gazette* (Extra), dated 29th October, 1968, pages 531-567.

7. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), 1970, page 619.

8. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), 1971, page 244.

1	2	3	4
Year	No.	Short title	Whether repealed or otherwise affected by legislation
			Amended by Haryana Act 5 of 1972[1] Amended by Haryana Act 43 of 1973[2] Amended by Haryana Act 9 of 1974[3] Amended by Haryana Act 14 of 1978[4]

An Act to regulate the purchase and supply of sugarcane required for use in sugar factories.

It is hereby enacted as follows :—

Short title, extent and commencement.

1. *(1)* This Act may be called the Punjab Sugarcane (Regualtion of Purchase and Supply) Act, 1953.

(2) It extends to the whole of the State of [5][Haryana.]

(3) It shall come into force at once [6][in the principal territories and on the 15th May, 1958 in the transferred territories.]

Definitions.

2. In this Act, unless the context otherwise requires,—

(1) "assigned area" means an area assigned to a factory under this Act ;

(2) "Board" means the Sugarcane Control Board ;

(3) "cane" means sugarcane intended for use in a [7][factory or Khandsari sugar manufacturing unit ;]

(4) "Cane Commissioner" means the officer appointed by the Government to perform the functions of Cane Commissioner ;

1. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), 1972, page 50.
2. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), dated, the 2-11-1973; page 2002.
3. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), dated, the 14-1-1974 ; page 138.
4. For Statement of Objects and Reasons, *see Haryana Government Gazette* (Extra), dated, the 11-3-1978 ; page 330.
5. Substituted for the word "Punjab" by the Haryana Adaptation of Laws Order, 1968.
6. Added by *ibid.*
7. Substituted by Haryana Act 14 of 1978.

(5) "cane-grower" means a person including a tenant who cultivates cane either himself or through members of his family or through hired labour, and who is not a member of a Cane-growers' Co-operative Society;

(6) "Cane-growers' Co-operative Society" means society registered under Co-operative Societies Act, 1912, one of the objects of which is to sell cane grown by its members ;

(7) "Collector" means the Chief Revenue Authority of a district ;

[2][*(8)* "crushing season" means such period as the State Government may, by notification, specify ;]

(9) "factory" means a sugar factory wherein 20 or more workers are working or were working, on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power ;

(10) "Government" means the Government of the [1][State of Haryana] ;

[3][*(10A)* "Khandsari sugar manufacturing unit" means a unit engaged or ordinarily engaged in the manufacture or production of khandsari sugar with the aid of a crusher driven by any mechanical power ;]

[4][*(11)* "occupier of a factory or Khandsari sugar manufacturing unit" means the person who has control over the affairs of a factory or Khandsari sugar manufacturing unit and where the said affairs are entrusted to the managing agent, such agent ;]

(12) "prescribed" means prescribed by rules made under this Act ;

(13) "State" means the [1][State of Haryana].

Sugarcane Control Board.

3. *(1)* The Government shall establish and constitute a Sugarcane Control Board for the State and ascribe to it such duties and functions in pursuance of the provisions of this Act, as may be prescribed.

1. Substituted for the word "Punjab" by the Haryana Adaptation of Laws Order, 1968.
2. Substituted by Haryana Act 14 of 1978.
3. Inserted by *ibid.*
4. Substituted by *ibid.*

(2) The Board shall consist of fifteen members.

(3) The term of the Board shall be three years, provided that the Government may dissolve the Board before the expiry of its term if it is satisfied that it is necessary to do so.

(4) No proceedings of the Board shall be rendered invalid for the mere fact that there was one or more unfilled vacancy in the Board at the time that such proceeding took place.

Appointment of Cane Commissioner.

4. The Government may appoint any officer to be the Cane Commissioner and may also appoint such other staff, body or committee as may be necessary for the performance of any duty or function under this Act.

Determination of occupier for purposes of this Act.

[1][**5.** Where the occupier of a factory or Khandsari sugar manufacturing unit is a firm or a company or other association, any one of its partners or directors or members may be prosecuted and punished under this Act for any offence for which the occupier of the factory or Khandsari sugar manufacturing unit is punishable.]

Appointment of an agent.

6. *(1)* No cane shall be purchased for a sugar factory unless its occupier has, in the prescribed form sent a notice of such intention to the Cane Commissioner, nominating one or more person as agents for making such purchases, and no agent shall be changed without prior notice in writing to the Cane Commissioner :

[2][Provided that the occupier of a factory shall not nominate any person to be the purchasing agent at an out cane purchasing centre if such a person has worked as purchasing agent at that centre for a total period of three years :

Provided further that such a person may be renominated as a purchasing agent at that centre after a period of at least five years has expired since he last so served.]

(2) Any person appointed as agent under sub-section (1) shall deposit as security a sum of rupees one thousand in cash or Government Promissory Notes and no person shall be deemed to have been appointed as agent untill such deposit is made, and he has been given a licence in the manner prescribed.

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1. Substituted by Haryana Act 14 of 1978.
2. Added by *ibid.*

Licensing of Purchasing.

7. *(1)* No person shall act as purchasing agent under this Act, unless he has been licensed as such in the prescribed manner.

(2) No person other than a purchasing agent shall be employed by an occupier of a factory to do any work in connection with any transaction for the purchase of cane within the State.

(3) A licence shall not be granted to any person under sub-section *(1)* unless such person has paid the prescribed deposit or furnished the prescribed security and the Cane Commissioner may subject to rules made in this behalf, in case of any breach of the conditions of the licence, order that the deposit paid or security furnished in respect of such licence shall be forfeited to Government or shall not be returned before the prescribed period or that the whole or any portion of such deposit or security shall be paid to any person who has suffered any loss owing to any misconduct or default of such licensee.

[1][*(4)* Any person aggrieved by an order of the Cane Commissioner made under sub-section *(3)* may, within a period of thirty days of the date of such order, prefer an appeal to the Government in such form and manner as may be prescribed.]

Duties of an agent.

8. *(1)* The agent or agents of a sugar factory shall maintain an office in one or more places within the State, as may be required by the Cane Commissioner, and shall maintain such accounts and submit such returns and statements as may be prescribed.

[2][*(2)* [* * * * *]

Penalty and cognizance of offences.

[3][**9.** *(1)* If any person contravenes any of the provisions of this Act, or of any rule made thereunder, he shall be punishable with rigorous imprisonment for a term which may extend to one year, or with fine which may extend to five thousand rupees or with both.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences punishable under this Act and the rules made thereunder shall be cognizable.]

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1. Inserted by Haryana Act 14 of 1978.
2. Omitted by *ibid.*
3. Substituted by *ibid.*

Estimate of quantity of cane required by factory.

10. *(1)* The Cane Commissioner may order the occupier of any factory to submit to him on or before any specified date, an estimate of the quantity of cane intended to be purchased for his factory during any particular crushing season.

(2) On receipt of an estimate, the Cane Commissioner shall cause the same to be submitted to the Sugarcane Control Board for their approval. The Sugarcane Control Board shall be competent to confirm, modify or reject the estimate,and in case of its not being rejected, to assign the area from which the cane may be purchased on such terms and conditions as it may deem fit.

(3) If the Sugarcane Control Board is of the opinion that a survey of any area is necessary for the purpose of assigning it to a factory, the Cane Commissioner shall cause such survey to be made and report the result to the Sugarcane Control Board. The cost of such survey shall be payable by the occupier of such factory.

Survey of area.

11. *(1)* Every survey mentioned hereinbefore shall be made by an officer authorised by the Cane Commissioner in the manner prescribed.

(2) Every person owning or occupying land in any area in respect of which a survey is being made shall afford to the officer making the said survey such assistance and facilities for making the said survey as may be necessary.

(3) Any amount due from the occupier of a factory in respect of a survey shall be recoverable from such occupier as an arrear of land revenue.

Power to declare varieties of cane to be unsuitable for use in factories.

12. The Government may, on the recommendation of the Sugarcane Control Board, declare unsuitable for all or any factory cane of any variety grown in any area specified in such notification, and no agent shall be competent to purchase any cane declared unsuitable for his factory.

Prohibition of distribution of certain kinds of seed cane.

13. *(1)* The occupier of a factory or any other person acting on his behalf shall not distribute seed-cane of any variety to any person to be used by cane-growers or the members of Canegrowers', Co-operative Societies in any area if the same has been declared under this Act, to be unsuitable for the factory.

(2) The occupier of a factory or any other person acting on his behalf shall not plan cane of any variety, declared under this Act, to be unsuitable for the factory.

Purchase of cane in assigned area.

14. *(1)* A cane-grower or a Cane-growers Co-operative Society in an assigned area may sell by the date prescribed in this behalf, to the occupier of the factory to which the area is assigned, cane grown by the cane-grower or by the members of such Cane-growers' Co-operative Society as the case may be, not exceeding the quantity prescribed for such grower or Cane-growers' Co-operative Society.

(2) The agent of a factory shall enter into an agreement with a cane-grower or with a Cane-growers' Co-operative Society, as the case may be, in such form, by such date and on such terms and conditions as may be prescribed, for the purpose of purchasing the cane offered in accordance with sub-section *(1).* No person other than the agent aforementioned shall purchase or enter into an agreement to purchase cane grown by members of a Cane-growers' Co-operative Society from any other person except in accordance with such agreement.

(3) Except with the permission of the Government, cane grown in an assigned area shall not be purchsed by any person other than the agent of the factory for which such area has been assigned.

(4) It shall be competent for the prescribed authority to specify any area within the assigned area of a factory, the entire cane of which area the agent of the said factory shall be bound to purchase, and the cane-growers' or Cane-growers' Co-operative Society shall be bound to sell to the said agent.

Purchase of cane outside the assigned area.

15. If the cane-growers or Cane-growers' Co-operative Society or Societies in the assigned area are not willing to enter into agreement to supply, or fail to supply the requisite quantity of cane, the agent may, after giving the prescribed notice to the Cane Commissioner, purchase the balance of the cane required by him from outside the assigned area [1][if permitted by the Cane-Commissioner.]

Payment.

[2][**15A.** *(1)* The occupier of a factory shall make such arrangement for the payment of price of cane as may be prescribed.

(2) As soon as cane is supplied to a factory, the occupier of such factory shall be liable to pay the price of cane so supplied.

1. Added by Haryana Act 43 of 1973.
2. Inserted by *ibid.*

(3) Where the occupier liable under sub-section *(2)* makes default in payment of the price for a period exceeding fourteen days from the date of supply of cane to the factory, he shall be liable to pay interest thereon at such rate [1][not exceeding fifteen per cent per annum], as the State Government may, by notification, determine from the said date.]

Maintenance of register.

16. *(1)* The agent of a factory for the purposes of which an area has been assigned shall maintain a register in the prescribed form and manner.

[2][*(1A)*. The occupier of a Khandsari sugar manufacturing unit shall maintain a register in the prescribed form and manner.]

(2) The Government may prescribe the procedure for—

(a) the correction of entries in, and the addition of new entries to, such register;

(b) the payment of costs in connection with such correction or addition, and the manner in which such costs shall be realized ; and

(c) the supply, on payment, of copies of entries in the register.

Tax on the purchase of cane.

17. [4][*(1)* The State Government may,—

(i) after consultation with the Sugarcane Control Board, impose a tax not exceeding two rupees per quintal on the purchase of cane by or on behalf of a sugar factory; and

(ii) impose a tax not exceeding one rupee per quintal on the purchase of cane by or on behalf of a Khandsari Sugar manufacturing unit,

and when a tax is so imposed it shall be notified in the Official Gazette, and shall be levied, charged and collected in the manner prescribed.]

[3][*(2)* If the tax levied under sub-section *(1)* is not paid on or before the due date, interest [5][at such rate, not exceeding fifteen per cent per annum, as the State Government may, by notification, determine from time to time,] shall be charged on the amount of tax from the said date till the date of payment.

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1. Substituted by Haryana Act 14 of 1978.
2. Inserted by *ibid.*
3. Substituted by Haryana Act 43 of 1973.
4. Substituted by Haryana Act 9 of 1974 and further substituted by Haryana Act 14 of 1978.
5. Substituted by Haryana Act 14 of 1978.

(3) All sums due as tax or interest, and not paid by the due date, shall be recoverable as arrears of land revenue.]

Power to refund tax on cane utilized for manufacturing sugar exported out of India.

[1][**17-A.** The Government, if satisfied that a factory has exported out of India any quantity of sugar manufactured by it, may refund to such factory, whether prospectively or retrospectively, the amount of tax imposed on, and paid by, it under section 17 in respect of the cane purchased by it and utilized in manufacturing the quantity of sugar so exported.]

Power to exempt tax on the purchase of cane.

[2][**17-B.** The Government, if satisfied that it is necessary on account of low recovery of sugar from cane or with a view to encourage or regulate the supply of cane to or its purchase by sugar factories, may, from time to time by notification in the Official Gazette, exempt or refund, in whole or in part, the tax payable or paid under section 17.]

Levy of surcharge.

[3][**17-C.** *(1)* In addition to the tax payable under section 17, there shall be paid by or on behalf of a sugar factory a surcharge at the rate of two percentum on the amount of such tax.

(2) The provisions of this Act shall, so far as may be, apply in relation to the surcharge payable under sub-section *(1),* as they apply to the tax payable under this Act.

(3) The State Government may, by notification, discontinue the levy of the surcharge at any time.]

Power to compound offences.

[4][**18.** On the application of a person accused of an offence under this Act or the rules made thereunder, the Cane Commissioner or any other officer authorised by the State Government in this behalf may accept from him a sum of money not exceeding two thousand rupees by way of composition for such offence at any stage before the judgment in the case has been announced.]

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1. Section 17-A. instered by Punjab Act 7 of 1966.
2. Section 17-B. instered by Haryana Act 8 of 1971.
3. Section 17-C. instered by Haryana Act 5 of 1972.
4. Substituted by Haryana Act 14 of 1978.

Bar of suit or other proceedings.

19. No suit, prosecution or other legal proceeding shall lie against the Government or against any person for anything which is in good done or intended to be done under this Act or the rules framed thereunder.

Power to make rules.

20. *(1)* The Government may make rules to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for—

(a) the constitution, powers, duties and procedure of the Sugarcane Control Board ;

(b) the powers and duties of the Cane Commissioner ;

(c) the authorities by which any functions under this Act or the rules made thereunder are to be performed ;

[1][*(cc)* the form and manner in which an appeal may be preferred ;]

(d) the form in which any notices required under this Act should be given ;

(e) the procedure to be followed in making a survey under this Act, the manner of calculating the cost of such survey, the amount to be deposited in connection therewith and the assistance to be afforded by owners and occupiers of land to the officer making such survey ;

(f) the form of agreement to be entered into for the purchase of cane, the date by which such agreement should be made and the terms and conditions thereof ;

(g) the quantity of cane which may be purchased in an assigned area during any particular crushing season ;

(h) the posting of notices and the maintenance of records, registers and accounts and the submission of returns, the supply of copies of entries therein and the fees to be charged for the same ;

1. Inserted by Haryana Act 14 of 1978.

(i) the method by which the minimum price of cane is to be fixed under this Act ;

(j) the form and manner in which applications for licences may be made, the terms and conditions of each licence, their renewal, suspension and cancellation and the fees to be charged for the same;

(k) the correct weighment of cane, the provision of facilities for weighment and for checking weighments, and timings of weighments;

(l) the payment of the price for cane; and

(m) any other matter which is to be or may be prescribed under this Act.

Repeal of the Sugarcane Act, 1934, and the Sugarcane (Punjab Amendment Act, 1943) and saving.

21. The Sugarcane Act, 1934 (Act XV of 1934) in so far as it is applicable to the State of Punjab, and the Sugarcane (Punjab Amendment) Act, 1943 (Punjab Act IX of 1943), are hereby repealed. Any thing done or any action taken in exercise of powers conferred by, or under repealed Acts, or purporting to have been done or taken under the Punjab Sugar Factories Control Act, 1950 (Punjab Act I of 1950) shall, to the extent of being consistent with the provisions of this Act, as if this Act were in force at the time when such thing was done or such action was taken.