
MOLASSES CONTROL ORDER, 1961

CONTENTS

1. Short title and commencement
2. Definitions
3. Restrictions on sale
4. Restrictions on removal
5. Storage of molasses
6. Grading of molasses
7. Maximum price at which molasses may be sold
8. Additional functions of the Molasses Controller
9. Maintenance of accounts, etc
10. Powers of entry, search and seizure etc

SCHEDULE 1 :- SCHEDULE

SCHEDULE 2 :- SCHEDULE

SCHEDULE 3 :- SCHEDULE

MOLASSES CONTROL ORDER, 1961

No. S. O. 770, dated the 29th March, 1961.-In exercise of the powers conferred by S.18G of the Industries (Development and Regulation) Act, 1951, the Central Government hereby makes the following Order, namely:

1. Short title and commencement :-

- (1) This Order may be called the Molasses Control Order, 1961.
- (2) It shall come into force in a State on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf for such State, and different dates may be appointed for different States.

2. Definitions :-

In this Order, unless the context otherwise requires,-

- (a) "molasses" means the mother liquor produced in the final stage of manufacture of sugar by the vacuum-pan process from sugarcane or gur;
- (b) "sugar factory" means an industrial undertaking in any part of which a manufacturing process connected with the production of sugar by means of vacuum-pan process is being carried on and is ordinarily so carried on with the aid of power,
- (c) "Molasses Controller" means an officer appointed as such by a State Government for the purposes of this Order and includes any person empowered by a State Government to exercise all or any of the functions of the Molasses Controller under this Order;
- (d) "State Government" in the case of Union Territory means the Administrator

of the Union Territory.

3. Restrictions on sale :-

1 [(1)] Every owner of a sugar factory shall, notwithstanding any contract to the contrary, sell the entire quantity of molasses or such portion thereof produced by him or held in stock by him, to any person or persons as may be specified by general or special order in each case by the Molasses Controller and shall not dispose of such molasses in any other manner.]

2 [(2)] While issuing an order under sub-clause (1), the Molasses Controller shall have due regard to the following namely :

- (a) the estimated availability of molasses and the demand for the same in the State;
- (b) the purpose for which molasses is required;
- (c) the requirement of the persons who are actual users of molasses;
- (d) the need for ensuring supply of molasses-
 - (i) to distilleries which produce alcohol for meeting the requirements of Defence purposes. Government purposes or alcohol based industries;
 - (ii) to any other industry which uses molasses;
- (e) where molasses have been supplied to a person earlier, the fact as to how such molasses had been consumed by him; and
- (f) any other relevant factor.]

1. Renumbered by S.O. 634 (E), dated the 31st October, 1975.

2. Ins. by S.O. 634 (E).

4. Restrictions on removal :-

No owner of a sugar factory shall remove or permit the removal of any molasses, whether sold or unsold, from any part of his factory to any place outside such factory except with the written permission of the Molasses Controller.

5. Storage of molasses :-

Every owner of a sugar factory shall provide-

- (i) one or more covered storage tanks within the premises of the sugar factory for the safe preservation of molasses in stock with him;
- (ii) adequate safeguards against leakage or any other accident likely to damage the quality of molasses stored in the tank;
- (iii) adequate arrangements to prevent the mixing of old and deteriorated molasses with fresh molasses;
- (iv) adequate facilities for handling of molasses including taking out of samples and the pumping and loading of molasses into tank wagons, tank lorries or other containers.

6. Grading of molasses :-

Molasses shall be classified into three grades as specified under the Indian Standards Specifications for cane molasses No. IS : 1162- 1958.

7. Maximum price at which molasses may be sold :-

(1) No molasses of the grades specified in column 1 of the Schedule appended hereto other than molasses which may be specifically released by the Molasses Controller for purposes of export, shall be sold at a price higher than specified in column 2 thereof.

(2) No molasses specifically released by the Molasses Controller for purposes of export shall be sold to any exporter of molasses at a price higher than Rs. 9.75 per kilogram f.o.b. Indian Port.

NOTE.-The price fixed in the Schedule is exclusive of any excise duty or cess that may be levied under any law but includes cost of loading the molasses in tank wagons or tank lorries as may be arranged between the owner of a sugar factory and the purchaser.]

8. Additional functions of the Molasses Controller :-

In addition to the powers specified in other clauses of this Order, the Molasses Controller may also-

(a) prescribe the procedure for ascertaining annual requirements of molasses by different consumers or industrial undertakings and for allocating supplies to them from sugar factories;

(b) prescribe conditions for despatch of molasses and for payment of price thereof;

(c) nominate officers subordinate to him to supervise arrangements for storage and sale of molasses and to inspect the premises;

(d) prescribe the procedure for testing and fixing the price of molasses.

9. Maintenance of accounts, etc :-

Every owner of a sugar factory and every industrial undertaking receiving or using molasses shall maintain such books, accounts and records relating to the production of molasses and its disposal as the Molasses Controller may prescribe and furnish such returns or other information relating thereto as may, from time to time, be called for by the Molasses Controller.

10. Powers of entry, search and seizure etc :-

(1) Any person authorised in this behalf by the Central Government or a State Government may, with a view to securing compliance with this Order or to satisfying himself that this Order has been complied with,-

(a) stop and search, or authorize person, to stop and search any person, boat, motor or any vehicle or receptacle used or capable of being used for the transport of molasses;

(b) enter and search and authorize any person to enter and search any place;

(c) seize or authorize the seizure of any molasses in respect of which he suspects that any provision of this Order has been, is being or is about to be

(2) The provisions ¹ [S.100 Code Of Criminal Procedure, 1973], relating to search and seizure shall, so far as may be, apply to searches and seizures under this clause.

1. Subs. by S.O. 638 (E), dated the 31st October, 1975

SCHEDULE 1

SCHEDULE

Grade of molasses Price
Grade 1 ... 67 paise per 100 kilograms. Grade 2 ... 53 paise per 100 kilograms. Grade 3 ... 40 paise per 100 kilograms.
NOTE.-For quality of molasses below Grade 3, the price will be 40 for every 40 kilograms reducing sugar contained therein. [Application for provisions of the Order to molasses prepared by open pan process-(1) The provisions of this Order shall apply to and in relation to molasses prepared by the open pan process (that is to say, mother liquor produced in the final stage of the manufacture of khandsari sugar by the open pan process) from sugarcane or gur with the aid of power as they apply to and in relation to mother liquor produced in final stage of the manufacture of sugar by the vacuum pan process from sugarcane or gur with the aid of power : Provided that in such application, the Schedule to this Order shall have effect as if for the Schedule, the following Schedule had been substituted, namely

SCHEDULE 2

SCHEDULE

Grade of molasses Price
1 2
Grade K-I Total reducing sugar by weight above 60 Rs. 9.00 per 100 \ \ \ \ \ \ \ \ kilograms. per cent. Grade K-II Total reducing sugar by weight from 55 to Rs. 7.50 per kilograms. 60 per cent. Grade K-III As per specification of Grade I cane Rs. 6.00 per 100 \ \ \ \ \ \ \ \ kilograms. molasses. Grade K-IV As per specification of Grade II cane Rs. 4.80 per 100 \ \ \ \ \ \ \ \ kilograms. molasses. Grade K-V Rs. 3.60 per 100 \ \ \ \ \ \ \ \ kilograms.
1 2
As per specification of Grade III cane molasses. Rs. 3.60 per 100 kilograms. Below grade K-V Rs. 3.60 for every 40 kilograms reducing \ \ \ \ \ \ \ \ sugar content therein.
NOTE.-From the price fixed under the above Schedule, 33 1/3 per cent., thereof shall be accounted for and funded separately by the producers, and shall be utilised for erection of adequate storage facilities in accordance with the orders that may be issued by the Central Government for the regulation of such funds. (2) Notwithstanding that the provisions of this Order have come into force in any State, the provisions of sub-clause (1) shall not come into force in that State unless the Central Government, by notification in the Official Gazette, otherwise directs.)

SCHEDULE 3

SCHEDULE

(See Cl. 7)
Grade of molasses Price

Grade I Rs. 6.00 per kilograms. Grade II Rs. 4.80 per kilograms. Grade III Rs. 3.60 per 100 kilograms. Below Grade III Rs. 3.60 for every 40 kilograms reducing sugar content therein.

NOTE.-From the price fixed under the above Schedule for different grades of molasses, the below mentioned amounts shall be accounted for and funded separately by the producers and shall be utilised for erection of adequate storage facilities in accordance with the orders that may be issued by the Central Government for the regulation of such funds: Grade I molasses Rs. 2.00 per 100 kilograms. Grade II molasses \ \ \ Rs. 1.60 per 100 kilograms. Grade III molasses \ \ \ Rs. 1.20 per 100 kilograms. Below Grade III molasses \ \ Rs. 1.20 for every 40 \ \ \ \ \ kilograms reducing sugar \ \ \ \ \ content therein.]