

## **SUGAR (REGULATION OF PRODUCTION) ACT, 1961**

**55 of 1961**

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## **SUGAR (REGULATION OF PRODUCTION) ACT, 1961**

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STATEMENT OF OBJECTS AND REASONS "Due to large increases in production of sugar in 1959-60 and 1960-61, there has been a heavy accumulation of stocks in the factories, resulting in considerable storage and financial difficulties during the 1960-61 working seasons. On a review of the entire sugar situation and considering the likely demand for internal consumption and exports, it is found necessary, in the interest of the sugar industry as well as the cane growers, to regulate future production of sugar. It is therefore, proposed- (a) to empower the Central Government to fix the quantity of sugar which may be produced in a factory during a year, and (b) to levy a special duty of excise on sugar produced in excess of the quantity so fixed. In order to achieve these objects, the Sugar (Regulation of Production) Ordinance, 1961, was promulgated on the 29th September, 1961. This Bill merely seeks to replace the Ordinance."-Gaz. of Ind., 1961 Pt. II, Section 2, Extra., p. 813.

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

(1) This Act may be called THE SUGAR (REGULATION OF

PRODUCTION) ACT, 1961.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 1st day of November, 1961.

## **2. Definitions :-**

In this Act, unless the context otherwise requires,-

(a) "Central Excises Act" means Central Excises and Salt Act, 1944;

(b) "factory" means any premises (including the precincts thereof), where- in or in any part of which sugar is being manufactured by the vacuum pan process, or, wherein or in any part of which, any - manufacturing process connected with the production of sugar by the vacuum pan process is being carried on or is ordinarily carried on;

(c) "owner" shall have the meaning assigned to it in Sugar Export Promotion Act, 1958 ;

(d) "permissible quota" means the quota referred to in section 3;

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

(f) "sugar" means any form of sugar, whether wholly or partially manufactured, but does not include-

(i) "khandsari sugar", that is to say, sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; or

(ii) "palmyra sugar", that is to say, sugar manufactured from jaggery obtained by boiling 'the juice of the palmyra palm;

(g) "year" means the year beginning on the first day of November and ending on the thirty-first day of October in the following year.

## **3. Fixation of permissible quota :-**

(1) The Central Government may, by order in writing, fix from time to time, in accordance with the prescribed formula, the quantity of sugar which may be produced in a factory during any year.

(2) In prescribing the formula referred to in sub-section (1), the Central Government shall have regard to-

(a), the quantity of sugar available at the commencement of the year in the territories to which this Act extends;

(b) the quantity of sugar which, in its opinion, would be reasonably required for consumption during the year in the territories to which this Act extends;

(c) the quantity of sugar which, in its opinion, is likely to be required for export during the year;

(d) the working capacity of the factory during the relevant period;

(e) the number of days on which the factory actually worked during the relevant period;

(f) the quantity of sugar produced expressed as percentage of the sugar- cane crushed during the relevant period, and

(g) such other matters as may be prescribed.

(3) The order referred to in sub-section (1) shall be communicated to the owner of each factory and the quantity fixed under the order for any year shall be deemed to be the permissible quota in respect of the factory for that year.

#### **4. Levy and collection of special excise duty :-**

(1) Where the quantity of sugar produced in a factory during any year exceeds the permissible quota fixed for it for that year, there shall be levied and collected on the quantity of sugar which is produced in excess of the permissible quota a special duty of excise at the rate at which the duty of excise is chargeable on sugar under the Central Excises Act for the time being in force.

(2) The special duty of excise referred to in sub-section (1) shall be in addition to the duty of excise chargeable on sugar under the Central Excises Act or any other law for the time being in force and shall be paid by the owner to such authority as may be specified in the notice demanding the payment of duty and within such period not exceeding ninety days as may be specified in such notice.

(3) If any such owner does not pay the whole or any part of the duty payable by him within the period referred to in sub-section (2), he shall be liable to pay in respect of every period of thirty days or part thereof during which the default continues a penalty which may extend to ten per cent. of the duty outstanding from time to time, the penalty being adjudged in the same manner as

the penalty to which a person is liable under the rules made under the Central Excises Act, is adjudged.

(4) The provisions of the Central Excises Act and the rules made there- under, including those relating to refunds and exemptions from duty shall, so far as may be, apply in relation to the levy and collection of the special duty of excise or any other sum referred to in this section as they apply in rela- tion to the levy and collection of duty on sugar or other sums of money payable to the Central Government under that Act or the rules made there- under : Provided that no refund of the special excise duty or other sum shall be granted, if the whole or any part of the sugar in respect of which such duty or sum is payable under this section, is exported out of India.

#### **5. Delegation of powers :-**

The Central Government may, by notification <sup>1</sup> in the Official Gazette, direct that any power conferred on it by this Act shall, subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the Central Government as may be specified in the notification.

1. Powers are also exercisable by the Chief Director, in the Directorate of Sugar and Vanaspati, New Delhi or by any other officer appointed by the Central Government-See G. S. R. 73 of 1962, Gaz. of Ind., 1962, Pt. II, S. 3 (i), Ext., p. 62.

#### **6. Protection of action taken under Act :-**

No suit, prosecution or other legal proceeding shall lie against the Central Government or any of its of- ficers for or in respect of anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

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

(1) The Central Government may, by notifica- tion in the Official Gazette, make rules <sup>1</sup> for carrying out the purposes of this Act.

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

(a) the formula for fixing the quota under section 3 , and the relevant period referred to in clauses (d), (e) and (f), and the matters referred to in clause (g) of sub-section (2) of that section;

(b) the submission by owners to such authority as may be specified in this behalf, of returns or reports or other information relating to the manufacture and stocks of sugar;

(c) the manner in which the accounts of the factory in respect of the manufacture of sugar may be maintained;

(d) the inspection of records and registers of factories;

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

(3) In making a rule under this section, the Central Government may direct that a breach thereof shall be punishable with fine which may extend to five thousand rupees.

(4) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

1. For Sugar (Regulation of Production) Rules, 1962, see. Gaz. of Ind., 15-1-1962 Pt. II. S. 3 (i), Ext., p. 59.

## **8. Repeal and saving :-**

(1) The Sugar (Regulation of Production) Ordinance, 1961, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in exercise of any of the powers conferred by or under the said Ordinance shall be deemed to have been done or taken in exercise of the powers conferred by or under this Act as if this Act were in force on the day on which such thing was done or action was taken.