

**ACTS AND RULES RELATING
TO SUGAR INDUSTRY
[Amendments Incorporated
Till October, 2017]**

**EC Act
Sugar (Control) Order
Sugarcane (Control) Order**



isma
indian sugar mills association

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**THE ESSENTIAL COMMODITIES ACT,
1955
(duly amended till 2009)**

THE
ESSENTIAL COMMODITIES ACT, 1955
[CENTRAL ACT No. 10 OF 1955]
(Duly amended till 2009)

An Act to provide, in the interests of the general public, for the control of the production, supply and distribution of, and trade and commerce in certain, commodities.

[1 April, 1955]

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:

1. Short title and extent.—(1) This Act may be called the Essential Commodities Act, 1955.

(2) It extends to the whole of India ¹[x x x x x].

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

²[(ia) **“Code”** means the Code of Criminal Procedure, 1973 (2 of 1974);] and

³[⁴[(iia)] **“Collector”** includes an Additional Collector and such other officer, not below the rank of Sub-Divisional Officer, as may be authorised by the Collector to perform the functions and exercise the powers of the Collector under this Act;]

⁵[(a) x x x x x]

(b) **“Food-crops”** include crops of sugarcane;

1 The words ‘except the State of Jammu and Kashmir’ omitted by Act No. 25 of 1968, w.e.f. 15-8-1968

2 Clause (i-a) inserted by Act No. 18 of 1981, w.e.f. 1-9-1982.

3 Inserted by Act No. 92 of 1976, w.e.f. 2-9-1976

4 Clause (ia) re-numbered as clause (iia) by Act No. 18 of 1981, w.e.f. 1-9-1982.

5 Clause (a) omitted by Act No. 54 of 2006, w.e.f. 12-2-2007.

(c) **“Notified order”** means an order notified in the Official Gazette;

⁶[(cc) **“Order”** includes a direction issued thereunder;]

⁷[(d) **“State Government”**, in relation to a Union territory, means the administrator thereof;]

⁸[(e) **“Sugar”** means—

- (i) any form of sugar containing more than ninety per cent of sucrose, including sugar candy;
- (ii) khandsari sugar or bura sugar or crushed sugar or any sugar in crystalline or powdered form; or
- (iii) sugar in process in vacuum pan sugar factory or raw sugar produced therein.]

⁹[(f) Words and expressions used but not defined in this Act and defined in the Code shall have the meanings respectively assigned to them in that Code.]

¹⁰**[2A. Essential commodities declaration, etc.—(1)** For the purposes of this Act, “essential commodity” means a commodity specified in the Schedule.

(2) Subject to the provisions of sub-section (4), the Central Government may, if it is satisfied that it is necessary so to do in the public interest and for reasons to be specified in the notification published in the Official Gazette, amend the Schedule so as to —

(a) add a commodity to the said Schedule;

(b) remove any commodity from the said Schedule, in

6 Clause (cc) inserted by Act No. 36 of 1967, w.e.f. 30-12-1967.

7 Clause (d) substituted by the Adaptation of Laws (No. 3) Order, 1956.

8 Clause (e) inserted by Act No. 36 of 1967, w.e.f. 30-12-1967.

9 Clause (f) inserted by Act No. 18 of 1981, w.e.f. 1-9-1982.

10 Inserted by Act No. 54 of 2006, w.e.f. 12-2-2007.

consultation with the State Governments.

(3) Any notification issued under sub-section (2) may also direct that an entry shall be made against such commodity in the said Schedule declaring that such commodity shall be deemed to be an essential commodity for such period not exceeding six months to be specified in the notification:

Provided that the Central Government may, in the public interest and for reasons to be specified, by notification in the Official Gazette, extend such period beyond the said six months.

(4) The Central Government may exercise its powers under sub-section (2) in respect of the commodity to which Parliament has power to make laws by virtue of Entry 33 in List III in the Seventh Schedule to the Constitution.

(5) Every notification issued under sub-section (2) shall be laid, as soon as may be after it is issued, before both Houses of Parliament.]

3. Powers to control production, supply, distribution, etc., of essential commodities.—(1) If the Central Government is of opinion that it is necessary or expedient so to do for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices, ¹¹[or for securing any essential commodity for the defence of India or the efficient conduct of military operations] it may, by order, provide for regulating or prohibiting the production, supply and distribution thereof and trade and commerce therein.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), an order made thereunder may provide—

¹¹ Inserted by Act No. 36 of 1967, w.e.f. 2-9-1976.

- (a) for regulating by licences, permits or otherwise the production or manufacture of any essential commodity;
- (b) for bringing under cultivation any waste or arable land, whether appurtenant to a building or not, for the growing thereon a food-crops generally or of specified food- crops, and for otherwise maintaining or increasing the cultivation of food-crops generally, or of specified food- crops;
- (c) for controlling the price at which any essential commodity may be bought or sold;
- (d) for regulating by licences, permits or otherwise the storage, transport, distribution, disposal, acquisition, use or consumption of, any essential commodity;
- (e) for prohibiting the withholding from sale of any essential commodity ordinarily kept for sale;
- ¹²[(f) for requiring any person holding in stock, or engaged in the production, or in the business of buying or selling, of any essential commodity,—
 - (a) to sell the whole or a specified part of the quantity held in stock or produced or received by him, or
 - (b) in the case of any such commodity which is likely to be produced or received by him, to sell the whole or a specified part of such commodity when produced or received by him,

to the Central Government or a State Government or to an officer or agent of such Government or to a Corporation owned or controlled by such Government or to such other person or class of persons and in such circumstances as may be specified in the order.

Explanation 1.—An order made under this clause in relation to foodgrains, edible oilseeds or edible oils, may, having regard to

¹² Clause (f) substituted by Act No. 92 of 1976, w.e.f. 24.12.2006.

the estimated production, in the concerned area, of such foodgrains, edible oilseeds and edible oils, fix the quantity to be sold by the producers in such area and may also fix, or provide for the fixation of, such quantity on a graded basis, having regard to the aggregate of the area held by, or under the cultivation of, the producers.

Explanation 2.—For the purpose of this clause, „production‘ with its grammatical variations and cognate expressions includes manufacture of edible oils and sugar];

- (g) for regulating or prohibiting any class of commercial or financial transactions relating to foodstuffs ¹³[x x x x x] which, in the opinion of the authority making the order, are, or, if unregulated, are likely to be, detrimental to the public interest;
 - (h) for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters;
 - (i) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, any essential commodity to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto, as may be specified in the order;
- ¹⁴[(ii) for the grant or issue of licences, permits or other documents, the charging of fees therefor, the deposit of such sum, if any, as may be specified in the order as security for the due performance of the conditions of any such licence, permit or other document, the forfeiture of the sum so deposited or any part thereof for contravention of any such conditions, and the adjudication of such forfeiture by such authority as may be specified in the order];

13 The words “or cotton textiles” omitted by Act No. 54 of 2006, w.e.f. 12-2-2007.

14 Clause (ii) inserted by Act No. 17 of 1961.

¹⁵[(j) for any incidental and supplementary matters, including, in particular, the entry, search or examination of premises, aircraft, vessels, vehicles or other conveyances and animals, and the seizure by a person authorised to make such entry, search or examination,—

(i) of any articles in respect of which such person has reason to believe that a contravention of the order has been, is being, or is about to be, committed and any packages, coverings or receptacles in which such articles are found;

(ii) of any aircraft, vessel, vehicle or other conveyance or animal used in carrying such articles, if such person has reason to believe that such aircraft, vessel, vehicle or other conveyance or animal is liable to be forfeited under the provisions of this Act;

¹⁶[(iii)of any books of accounts and documents which in the opinion of such person, may be useful for, or relevant to, any proceeding under this Act and the person from whose custody such books of accounts or documents are seized shall be entitled to make copies thereof or to take extracts therefrom in the presence of an officer having the custody of such books of accounts or documents.]]

(3) Where any person sells any essential commodity in compliance with an order made with reference to clause (f) of subsection (2), there shall be paid to him the price therefor as hereinafter provided—

(a) where the price can, consistently with the controlled price, if any, fixed under this section, be agreed upon, the agreed price;

¹⁵ Clause (j) substituted by Act No. 66 of 1971, w.e.f. 23-12-1971.

¹⁶ Clause (iii) substituted by Act No. 92 of 1976, w.e.f. 2-9-1976.

- (b) where on such agreement can be reached, the price calculated with reference to the controlled price, if any;
- (c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

¹⁷[(3-A) (i) If the Central Government is of opinion that it is necessary so to do for controlling the rise in prices, or preventing the hoarding, of any foodstuff in any locality, it may, by notification in the Official Gazette, direct that notwithstanding anything contained in sub-section (3), price at which the foodstuff shall be sold in the locality in compliance with an order made with reference to clause (f) of sub-section (2) shall be regulated in accordance with the provisions of this sub-section.

- (ii) Any notification issued under this sub-section shall remain in force for such period not exceeding three months as may be specified in the notification.
- (iii) Where, after the issue of a notification under this sub-section, any person sells foodstuff of the kind specified therein and in the locality so specified, in compliance with an order made with reference to clause (f) of sub-section (2), there shall be paid to the seller as the price thereof—
 - (a) where the price can, consistently with the controlled price of the foodstuff, if any, fixed under this section, be agreed upon, the agreed price;
 - (b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any;
 - (c) where neither clause (a) nor clause (b) applies, the price calculated with reference to the average market rate prevailing in the locality during the period of

¹⁷ Sub-section (3-A) inserted by Act No. 13 of 1957, w.e.f. 4-6-1957.

three months immediately preceding the date of the notification.

- (iv) For the purposes of sub-clause (c) of clause (iii), the average market rate prevailing in the locality shall be determined by an officer authorised by the Central Government in this behalf, with reference to the prevailing market rates for which published figures are available in respect of that locality or of a neighbouring locality; and the average market rate so determined shall be final and shall not be called in question in any Court.]

¹⁸[(3-B) Where any person is required, by an order made with reference to clause of sub-section (2), to sell to the Central Government or a State Government or to an officer or agent of such Government or to a Corporation owned or controlled by such Government, any grade or variety of foodgrains, edible oilseeds or edible oils in relation to which no notification has been issued under sub-section (3-A), or such notification having been issued, has ceased to be in force, there shall be paid to the person concerned, notwithstanding anything to the contrary contained in sub-section (3), an amount equal to the procurement price of such foodgrains, edible oilseeds or edible oils, as the case may be, specified by the State Government, with the previous approval of the Central Government having regard to—

- (a) the controlled price, if any, fixed under this section or by or under any other law for the time being in force for such grade or variety of foodgrains, edible oilseeds or edible oils;
- (b) the general crop prospects;
- (c) the need for making such grade or variety of foodgrains, edible oilseeds or edible oils available at reasonable prices

18 Sub-section (3-B) as inserted by Act No. 25 of 1966 and substituted by Act No. 92 of 1976, w.e.f. 2-9-1976.

to the consumers, particularly the vulnerable sections of the consumers; and

- (d) the recommendations, if any, of the Agricultural Prices Commission with regard to the price of the concerned grade or variety of foodgrains, edible oilseeds or edible oils.]

¹⁹[(3-C) Where any producer is required by an order made with reference to clause (d) of sub-section (2) to sell any kind of sugar (whether to the Central Government or a State Government or to an officer or agent of such Government or to any other person or class of persons) and either no notification in respect of such sugar has been issued under sub-section (3-A) or any such notification having been issued, has ceased to remain in force by efflux of time, then, notwithstanding anything contained in sub-section (3), there shall be paid to that producer an amount therefor which shall be calculated with reference to such price of sugar as the Central Government may, by order, determine, having regard to—

- (a) the minimum price, if any, fixed for sugarcane by the Central Government under this section;
- (b) the manufacturing cost of sugar;
- (c) the duty or tax, if any, paid or payable thereon; and
- (d) the securing of a reasonable return on the capital employed (means the return on net fixed assets plus working capital of a producer in relation to manufacturing of sugar including procurement of sugarcane at a fair and remunerative price determined under this section)^{*^} in the business of manufacturing sugar,

19 Sub-section (3-C) inserted by Act No. 36 of 1967, w.e.f. 30-12-1967.

19a Reworded as Explanation I vide Act No. 35 of 2010 w.e.f. 1st October, 2009. 19b.

19b Explanation II inserted vide Act No. 35 of 2010 w.e.f. 1st October, 2009.

*^ Explanation given vide Essential Commodities (Amendment and Validation) Act, 2009 No. 36 of 2009 dated 22nd December, 2009.

and different prices may be determined, from time to time, for different areas or for different factories or for different kinds of sugar.

^{19a}**Explanation I**—For the purposes of this sub-section, ‘producer’ means a person carrying on the business of manufacturing sugar.]

^{19b}**Explanation II** – *‘For the removal of doubts, it is hereby declared that the expressions “fair and remunerative price” referred to in clause (a), “manufacturing cost of sugar” referred to in clause (b) and “reasonable return on the capital employed” referred to in clause (d), of this sub-section do not include the price paid or payable under any order or any enactment of any State Government and any price agreed to between the producer and the grower or a sugarcane growers’ co-operative society.’*

²⁰[(3-D) The Central Government may direct that no producer, importer or exporter shall sell or otherwise dispose of or deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it is produced, whether such godowns are situated within the premises of the factory or outside or from the warehouses of the importers or exporters, as the case may be, except under and in accordance with the direction issued by the Government:

Provided that this sub-section shall not affect the pledging of such sugar by any producer or importer in favour of any Scheduled Bank as defined in clause (e) of Section 2 of the Reserve Bank of India Act, 1934 (2 of 1934) or any corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), so, however, that no such bank shall sell the sugar pledged to it except under and in accordance with a direction issued by the Central Government.

20 Inserted by Act No. 37 of 2003 and shall be and shall be deemed to have been inserted w..e.f. 14-6-1999

(3-E) The Central Government may, from time to time, by general or special order, direct any producer or importer or exporter or recognised dealer or any class of producers or recognised dealers, to take action regarding production, maintenance of stocks, storage, sale, grading, packing, marking, weighment, disposal, delivery and distribution of any kind of sugar in the manner specified in the direction.

Explanation.—For the purposes of sub-section (3-D) and this sub-section.—

- (a) **“Producer”** means a person carrying on the business of manufacturing sugar;
- (b) **“Recognised dealer”** means a person carrying on the business of purchasing selling or distributing sugar;
- (c) **“Sugar”** includes plantation white sugar raw sugar and refined sugar whether indigenously produced or imported.’

3. Validation of action taken under Clauses 4 and 5 of the Sugar (Control) Order 1966.— (1) Notwithstanding anything contained in any judgment decree or order of any Court or other authority or any agreement any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any direction or order issued by the Central Government under Clause 4 or Clause 5 of the Sugar (Control) Order 1966 made under Section 3 of the Essential Commodities Act 1955 (10 of 1955) at any time during the period commencing on and from the 14th day of June 1999 till the day on which the Essential Commodities (Amendment) Bill 2003 receives the assent of the President shall be deemed to be and deemed always to have been for all purposes as validly and effectively taken or done or omitted to be done under sub-section (3-D) or sub-section (3-E) as the case may be of Section 3 of the Essential Commodities Act 1955 as if the said sub-sections had been in force at all material times.

(2) For the removal of doubts it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would have not been so punishable if this Act had not come into force.

Explanation.—For the purposes of sub-section (3-D) and this sub-section.—

- (a) **“Producer”** means a person carrying on the business of manufacturing sugar;
- (b) **“Recognised dealer”** means a person carrying on the business of purchasing selling or distributing sugar;
- (c) **“Sugar”** includes plantation white sugar, raw sugar and refined sugar, whether indigenously produced or imported.]

(4) If the Central Government is of opinion that it is necessary so to do for maintaining or increasing the production and supply of an essential commodity, it may, by order, authorize any person (hereinafter referred to as an authorized controller) to exercise, with respect to the whole or any part of any such undertaking engaged in the production and supply of the commodity as may be specified in the order such functions of control as may be provided therein and so long as such order is in force with respect to any undertaking or part thereof,—

- (a) the authorized controller shall exercise his functions in accordance with any instructions given to him by the Central Government, so, however, that he shall not have any power to give any direction inconsistent with the provisions of any enactment or any instrument determining the functions of the persons in-charge of the management of the undertaking, except in so far as may be specifically provided by the order; and
- (b) the undertaking or part shall be carried on in accordance with any directions given by the authorized controller

under the provisions of the order, and any person having any functions of management in relation to the undertaking or part shall comply with any such directions.

²¹[(4-A). xxxxxx]

²²[(4-B). xxxxxx]

²³[(4-C). xxxxxx]

(5) An order made under this section shall,—

- (a) in the case of an order of a general nature or affecting a class of persons, be notified in the Official Gazette; and
- (b) in the case of an order directed to a specified individual be served on such individual—
 - (i) by delivering or tendering it to that individual, or
 - (ii) if it cannot be so delivered or tendered, by affixing it on the outer door or some other conspicuous part of the premises in which that individual lives, and a written report thereof shall be prepared and witnessed by two persons living in the neighborhood.

(6) Every order made under this section by the Central Government or by any officer or authority of the Central Government shall be laid before both Houses of Parliament, as soon as may be, after it is made.

4. Imposition of duties on State Governments, etc.—An order made under Section 3 may confer powers and impose duties upon the Central Government or the State Government or officers and authorities of the Central Government or State Government,

21 Inserted by Act No. 14 of 1967 but Section 2 of that Act ceased to have effect from 31-3-1968 vide Act No. 17 of 1967.

22 Inserted by Act No. 14 of 1967 but Section 2 of that Act ceased to have effect from 31-3-1968 vide Act No. 17 of 1967

23 Inserted by Act No. 14 of 1967 but Section 2 of that Act ceased to have effect from 31-3-1968 vide Act No. 17 of 1967.

and may contain directions to any State Government or to officers and authorities thereof as to the exercise of any such powers or the discharge of any such duties.

5. Delegation of powers.—The Central Government may, by notified order, direct that ²⁴[the power to make orders or issue notifications under Section 3] shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by.—

- (a) such officer or authority subordinate to the Central Government, or
- (b) such State Government or such officer or authority subordinate to a State Government, as may be specified in the direction.

6. Effect of orders inconsistent with other enactments.—Any order made under Section 3 shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or any instrument having effect by virtue of any enactment other than this Act.

²⁵[6-A. Confiscation of essential commodity.—²⁶[(1)] Where any²⁷[essential commodity is seized] in pursuance of an order made under Section 3 in relation thereto, ²⁸[a report of such seizure shall, without unreasonable delay, be made to] the Collector of the district or the Presidency-town in which such ²⁹[essential commodity is seized] and whether or not a prosecution is instituted for the contravention

24 Substituted for the words and figure ,the power to make orders under Section 3' by Act No. 66 of 1971, w.e.f. 23-12-1971.

25 Sections 6-A to 6-D inserted by Act No. 25 of 1966, w.e.f. 3-9-1966.

26 Section 6-A re-numbered as sub-section (1) by Act No. 92 of 1976, w.e.f. 2-9-1976.

27 Substituted for the words ,foodgrains, edible oil seeds or edible oils are seized' by Act No. 36 of 1967, w.e.f. 31-12-1967.

28 Substituted for the words ,it may be produced without any unreasonable delay before' by Act No. 92 of 1976, w.e.f. 2-9-1976.

29 Substituted for the words ,foodgrains, edible oil seeds or edible oils are seized' by Act No. 36 of 1967, w.e.f. 31-12-1967.

of such order, the Collector³⁰[may, if he thinks it expedient so to do, direct the essential commodity so seized to be produced for inspection before him, and if he is satisfied] that there has been a contravention of the order, ³¹[may order confiscation of.—

- (a) the essential commodity so seized;
- (b) any package, covering or receptacle in which such essential commodity is found; and
- (c) any animal, vehicle, vessel or other conveyance used in carrying such essential commodity]:

Provided that without prejudice to any action which may be taken under any other provision of this Act, no foodgrains or edible oilseeds seized in pursuance of an order made under Section 3 in relation thereto from a producer shall, if the seized foodgrains or edible oilseeds have been produced by him, be confiscated under this section]:

³²[Provided further that in the case of any animal, vehicle, vessel or other conveyance used for the carriage of goods or passengers for hire, the owner of such animal, vehicle, vessel or other conveyance shall be given an option to pay, in lieu of its confiscation, a fine not exceeding the market price at the date of seizure of the essential commodity sought to be carried by such animal, vehicle, vessel or other conveyance.]

³³[(2) Where the Collector, on receiving a report of seizure or on inspection of any essential commodity under sub-section (1), is of the opinion that the essential commodity is subject to speedy and natural decay or it is otherwise expedient in the public interest so to do, he may—

30 Substituted for the words ,if satisfied' by Act No. 92 of 1976, w.e.f. 2-9-1976.

31 Substituted for the words ,may order confiscation of essential commodity so seized' by Act No. 30 of 1974, w.e.f. 22-6-1974.

32 Proviso inserted by Act No. 92 of 1976, w.e.f. 2-9-1976.

33 Sub-sections (2) & (3) inserted by Act No. 92 of 1976, w.e.f. 2-9-1976.

- (i) order the same to be sold at the controlled price, if any, fixed for such essential commodity under this Act or under any other law for the time being in force; or
- (ii) where no such price is fixed, order the same to be sold by public auction:

³⁴[Provided that in the case of any such essential commodity the retail sale price whereof has been fixed by the Central Government or a State Government under this Act or under any other law for the time being in force, the Collector may, for its equitable distribution and availability at fair prices, order the same to be sold through fair price shops at the price so fixed.]

(3) Where any essential commodity is sold, as aforesaid, the sale proceeds thereof, after deduction of the expenses of any such sale or auction or other incidental expenses relating thereto, shall—

- (a) where no order of confiscation is ultimately passed by the Collector,
- (b) where an order passed on appeal under sub-section (1) of Section 6-C so requires, or
- (c) where in a prosecution instituted for the contravention of the order in respect of which an order of confiscation has been made under this section, the person concerned is acquitted, be paid to the owner thereof or the person from whom it is seized.]

6-B. Issue of show-cause notice before confiscation of essential commodity.— ³⁵[(1)] No order confiscating ³⁶[any ³⁷[essential commodity, package, covering, receptacle, animal, vehicle, vessel or other conveyance]] shall be made under Section 6-A unless the

³⁴ Proviso substituted by Act No. 18 of 1981, w.e.f. 1-9-1982.

³⁵ Section 6-B re-numbered as sub-section (1) by Act No. 30 of 1974, w.e.f. 22-6-1974.

³⁶ Substituted by Act No. 36 of 1967.

³⁷ Substituted for the words 'essential commodity' by Act No. 30 of 1974, w.e.f. 22-6-1974.

owner of such ³⁸[essential commodity, package, covering, receptacle, animal, vehicle, vessel or other conveyance] or the person from whom ³⁹[it is seized]—

- (a) is given a notice in writing informing him of the grounds on which it is proposed to confiscate the ⁴⁰[essential commodity, package, covering, receptacle, animal, vehicle, vessel or other conveyance];
- (b) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation; and
- (c) is given a reasonable opportunity of being heard in the matter.

⁴¹[(2) Without prejudice to the provisions of sub-section (1), no order confiscating any animal, vehicle, vessel or other conveyance shall be made under Section 6-A if the owner of the animal, vehicle, vessel or other conveyance proves to the satisfaction of the Collector that it was used in carrying the essential commodity without the knowledge or connivance of the owner himself, his agent, if any, and the person in-charge of the animal, vehicle, vessel or other conveyance and that each of them had taken all reasonable and necessary precautions against such use.]

⁴²[(3) No order confiscating any essential commodity, package, covering, receptacle, animal, vehicle, vessel or other conveyance shall be invalid merely by reason of any defect or irregularity in the notice given under clause (a) of sub-section (1), if, in giving such notice, the provisions of that clause have been substantially complied with.]

38 Substituted for the words 'essential commodity' by Act No. 30 of 1974, w.e.f. 22-6-1974.

39 Substituted for the words 'they are seized' by Act No. 36 of 1967, w.e.f. 31-12-1967.

40 Substituted for the words 'essential commodity' by Act No. 30 of 1974, w.e.f. 22-6-1974.

41 Sub-section (2) inserted by Act No. 30 of 1974, w.e.f. 22-6-1974.

42 Sub-section (3) inserted by Act No. 92 of 1976, w.e.f. 2-9-1976.

6-C. Appeal.—(1) Any person aggrieved by an order of confiscation under Section 6-A may, within one month from the date of the communication to him of such order, appeal to ⁴³[the State Government concerned and the State Government] shall, after giving an opportunity to the appellant to be heard, pass such order as it may think fit, confirming, modifying or annulling the order appealed against.

(2) Where an order under Section 6-A is modified or annulled by ⁴⁴[the State Government], or where in a prosecution instituted for the contravention of the order in respect of which an order of confiscation has been made under Section 6-A, the person concerned is acquitted, and in either case it is not possible for any reason to ⁴⁵[return the essential commodity seized], ⁴⁶[such person shall, except as provided by sub-section (3) of Section 6-A, be paid] the price therefor ⁴⁷[as if the essential commodity] had been sold to the Government with reasonable interest calculated from the day of the seizure of

⁴⁸[the essential commodity] ⁴⁹[and such price shall be determined—

- (iii) in the case of foodgrains, edible oilseeds or edible oils, in accordance with provisions of sub-section (3-B) of Section 3;
- (iv) in the case of sugar, in accordance with the provisions of sub-section (3-C) of Section 3; and
- (v) in the case of any other essential commodity, in accordance

43 Substituted for the words ,any judicial authority appointed by the State Government and the judicial authority' by Act No. 18 of 1981, w.e.f. 1-9-1982.

44 Substituted for the words ,such judicial authority' by Act No. 18 of 1981, w.e.f. 1-9-1982.

45 Substituted for the words ,return the foodgrains, edible oil seeds or edible oil seized' by Act No. 36 of 1967, w.e.f. 31-12-1967.

46 Substituted for the words ,such person shall be paid' by Act No. 92 of 1976, w.e.f. 2-9-1976.

47 Substituted for the words ,such person shall be paid' by Act No. 92 of 1976, w.e.f. 2-9-1976.

48 Substituted for the word ,article' by Act No. 36 of 1967, w.e.f. 31-12-1967.

49 Substituted for the words ,and such price shall be determined in accordance with the provisions of sub-section (3-B) of Section 3' by Act No. 36 of 1967, w.e.f. 31-12-1967.

with the provisions of sub-section (3) of Section 3].

6-D. Award of confiscation not to interfere with other punishments.—The award of any confiscation under this Act by the collector shall not prevent the infliction of any punishment to which the person affected thereby is liable under this Act.]

⁵⁰**6-E. Bar of jurisdiction in certain cases.**—Whenever any essential commodity is seized in pursuance of an order made under Section 3 in relation thereto, or any package, covering or receptacle in which such essential commodity is found, or any animal, vehicle, vessel or other conveyance used in carrying such essential commodity is seized pending confiscation under Section 6-A, the Collector, or, as the case may be, the State Government concerned under Section 6-C shall have, and, notwithstanding anything to the contrary contained in any other law for the time being in force, any court, tribunal or other authority shall not have, jurisdiction to make orders with regard to the possession, delivery, disposal, release or distribution of such essential commodity, package, covering, receptacle, animal, vehicle, vessel or other conveyance.]

7. Penalties.—⁵¹[(1) If any person contravenes any order made under Section 3.—

- (a) he shall be punishable,—
 - (i) in the case of an order made with reference to clause (h) or clause
 - (i) of sub-section (2) of that section, with imprisonment for a term which may extend to one year and shall also be liable to fine; and
 - (ii) in the case of any other order, with imprisonment for

50 Section 6-E as added by Act No. 92 of 1976 and substituted by Act No. 42 of 1986, w.e.f. 8-9-1986.

51 Sub-sections (1), (2), (2-A) and (2-B) substituted for sub-sections (1) and (2) by Act No. 30 of 1974, w.e.f. 22-6-1974.

a term which shall not be less than three months but which may extend to seven years and shall also be liable to fine:

⁵²[x x x x x]

- (b) any property in respect of which the order has been contravened shall be forfeited to the Government;
- (c) any packing, covering or receptacle in which the property is found and any animal, vehicle, vessel or other conveyance used in carrying the property shall, if the Court so orders, be forfeited to the Government.

(2) If any person to whom a direction is given under clause (b) of sub-section (4) of Section 3 fails to comply with the direction, he shall be punishable with imprisonment for a term which shall not be less than three months but which may extend to seven years and shall also be liable to fine:

⁵³[x x x x x]

(2-A) If any person convicted of an offence under sub-clause (ii) of clause (a) of sub-section (1) or under sub-section (2) is again convicted of an offence under the same provision, he shall be punishable with imprisonment for the second and for every subsequent offence for a term which shall not be less than six months but which may extend to seven years and shall also be liable to fine;

⁵⁴[x x x x x.]

⁵⁵[(2-B) x x x x x.]

52 Proviso omitted by Act No. 18 of 1981, w.e.f. 1-9-1982.

53 Proviso omitted by Act No. 18 of 1981, w.e.f. 1-9-1982

54 Proviso omitted by Act No. 18 of 1981, w.e.f. 1-9-1982

55 Sub-section (2-B) omitted by Act No. 18 of 1981, w.e.f. 1-9-1982

⁵⁶[(3) Where a person having been convicted of an offence under sub-section (1) is again convicted of an offence under that sub-section for contravention of an order in respect of an essential commodity, the Court by which such person is convicted shall, in addition to any penalty which may be imposed on him under that sub-section, by order, direct that person shall not carry on any business in that essential commodity for such period, not being less than six months, as may be specified by the Court in the order.]

⁵⁷[7-A. Power of Central Government to recover certain amounts as arrears of land revenue.—(1) Where any person, liable to.—

(a) pay any amount in pursuance of any order made under Section 3, or

(b) deposit any amount to the credit of any Account or Fund constituted by or in pursuance of any order made under that section, makes any default in paying or depositing the whole or any part of such amount, the amount in respect of which such default has been made shall (whether such order was made before or after the commencement of the Essential Commodities (Amendment) Act, 1984, and whether the liability of such person to pay or deposit such amount arose before or after such commencement) be recoverable by Government together with simple interest due thereon computed at the rate of ⁵⁸[fifteen per cent] per annum from the date of such default to the date of recovery of such amount, as an arrear of land revenue ⁵⁹[or as a public demand].

(2) The amount recovered under sub-section (1) shall be dealt with in accordance with the order under which the liability to pay or deposit such amount arose.

⁵⁶ Sub-section (3) inserted by Act No. 36 of 1967, w.e.f. 31-12-1967

⁵⁷ Section 7-A inserted by Act No. 34 of 1984, w.e.f. 1-7-1984

⁵⁸ Substituted for the words ,six per cent' by Act No. 42 of 1986, w.e.f. 8-9-1986

⁵⁹ Inserted by Act No. 42 of 1986, w.e.f. 8-9-1986

(3) Notwithstanding anything contained in any other law for the time being in force or any contract to the contrary, no Court, tribunal or other authority shall grant any injunction or make any order prohibiting or restraining any Government from recovering any amount, as an arrear of land revenue ⁶⁰[or as a public demand] in pursuance of the provisions of sub-section (1).

(4) If any order, in pursuance of which any amount has been recovered by Government as an arrear of land revenue ⁶¹[or as a public demand] under sub-section (1) is declared by a competent Court, after giving to the Government a reasonable opportunity of being heard, to be invalid, the Government shall refund the amount so recovered by it to the person from whom it was recovered, together with simple interest due thereon, computed at the rate of ⁶²[fifteen per cent] per annum, from the date of recovery of such amount to the date on which such refund is made.

Explanation.—For the purposes of this section, ‘Government’ means the Government by which the concerned order under Section 3 was made or where such order was made by an officer or authority subordinate to any Government, that Government.]

8. Attempts and abetment.—Any person who attempts to contravene, or abets a contravention of, any order made under Section 3 shall be deemed to have contravened that order:

⁶³[Provided that where a person has abetted the contravention of any order for the purpose of procuring any essential commodity of the nature mentioned in sub-clause (iva) or sub-clause (v) of clause (a) of Section 2 for his own use or for the use of any member of his family or for the use of any person dependent on him, and not for the purpose of carrying on any business or trade in such essential

60 Inserted by Act No. 42 of 1986, w.e.f. 8-9-1986

61 Inserted by Act No. 42 of 1986, w.e.f. 8-9-1986

62 Substituted for the words ‘six per cent’ by Act No. 42 of 1986, w.e.f. 8-9-1986

63 Proviso added by Act No. 18 of 1981, w.e.f. 1-9-1982

commodity, the Court may, notwithstanding anything contained in Section 7 and for reasons to be mentioned in the judgment, impose a sentence of fine only.]

9. False statements.—If any person,—

- (i) when required by any order made under Section 3 to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or has reasonable cause to believe to be false, or does not believe to be true, or
- (ii) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required by any such order to maintain or furnish, he shall be punishable with imprisonment for a term which may extend to ⁶⁴[five years], or with fine, or with both.

10. Offences by companies.—(1) If the person contravening an order made under Section 3 is a company, every person who, at the time the contravention was committed, was in-charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent

⁶⁴ Substituted for the words 'three years' by Act No. 36 of 1967, w.e.f. 30-12-1967.

or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

- (a) **“company”** means any body corporate, and includes a firm or other association of individuals, and
- (b) **“director”** in relation to a firm means a partner in the firm.

⁶⁵[**10-A. Offences to be cognizable** ⁶⁶[x x x x] ⁶⁷[**and non-bailable**].—Notwithstanding anything contained in ⁶⁸[the Criminal Procedure Code, 1973], every offence punishable under this Act shall be cognizable ⁶⁹[x x x] ⁷⁰[and non-bailable].

⁷¹[**10-AA. Power to arrest.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no officer below the rank of an officer-in-charge of a police station or any police officer authorised by him in this behalf in writing, shall arrest any person accused of committing an offence punishable under this Act.]

⁷²[**10-B. Power of Court to publish name, place of business, etc., of companies convicted under the Act.**—(1) Where any company is convicted under this Act, it shall be competent for

65 Section 10-A inserted by Act No. 36 of 1967, w.e.f. 30-12-1967

66 The words ‘and bailable’ omitted by Act No. 36 of 1974, w.e.f. 22-6-1974

67 Inserted by Act No. 18 of 1981, w.e.f. 1-9-1982

68 Substituted for the words and figures ‘the Code of Criminal Procedure 1898’ by Act No. 30 of 1974, w.e.f. 22-6-1974.

69 Omitted by Act No. 30 of 1974, w.e.f. 22-6-1974

70 Inserted by Act No. 18 of 1981, w.e.f. 1-9-1982

71 Section 10-AA inserted by Act No. 34 of 1993 and shall be deemed to have come into force w.e.f. 27- 8-1992

72 Sections 10-B and 10-C inserted by Act No. 30 of 1974, w.e.f. 22-6-1974

the Court convicting the company to cause the name and place of business of the company, nature of the contravention, the fact that the company has been so convicted and such other particulars as the Court may consider to be appropriate in the circumstances of the case, to be published at the expense of the company in such newspapers or in such other manner as the Court may direct.

(2) No publication under sub-section (1) shall be made until the period for preferring an appeal against the orders of the Court has expired without any appeal having been preferred, or such an appeal, having been preferred, has been disposed of.

(3) The expenses of any publication under sub-section (1) shall be recoverable from the company as if it were a fine imposed by the Court.

Explanation.—For the purposes of this section, ‘company’ has the meaning assigned to it in clause (a) of the Explanation to Section 10.

10-C. Presumption of culpable mental state.—(1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the Court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Explanation.—In this section, ‘culpable mental state’ includes intention, motive, knowledge of a fact and the belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the Court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.]

11. Cognizance of offences.—No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by a person who is a public servant as defined in Section 21 of the Indian Penal Code (45 of 1860), ⁷³[or any person aggrieved or any recognised consumer association, whether such person is a member of that association or not].

⁷⁴[**Explanation.**—For the purposes of this section and Section 12-AA, ‘recognised consumer association’ means a voluntary consumer association registered under the Companies Act, 1956 (1 of 1956) or any other law for the time being in force.]

⁷⁵[**12. Special provision regarding fine.**— x x x x x.]

⁷⁶[⁷⁷**12A. Power to try summarily.**—(1) If the Central Government is of opinion that a situation has arisen where, in the interests of production, supply or distribution of ⁷⁸[any essential commodity not being an essential commodity referred to in clause (a) of sub-section (2)] or trade or commerce therein and other relevant considerations, it is necessary that the contravention of any order made’ under section 3 in relation to such essential commodity should be tried summarily, the Central Government may, by notification in the Official Gazette, specify such order to be a special order for purposes of summary trial under this section, and every such notification shall be laid, as soon as may be after it is issued, before both Houses of Parliament:

73 Inserted by Act No. 73 of 1986, w.e.f. 1-5-1987

74 Explanation inserted by Act No. 73 of 1986, w.e.f. 1-5-1987

75 Section 12 omitted by Act No. 18 of 1981, w.e.f. 1-9-1982

76 Section 12A inserted by Act No. 47 of 1964, w.e.f. 5-11-1964

77 Section 12A was substituted by Act 18 of 1981 as amended by Act 34 of 1993 for a period of fifteen years which now stands ceased to have effect after the expiry of fifteen years. The original Section 12A as inserted by Act 47 of 1964 and amended by Act 66 of 1971 and Act 30 of 1974 stands restored. See Appendix - Section 11 of the Essential Commodities (Special Provisions) Act, 1981 (18 of 1981)

78 Substituted for the words “any essential commodity” by Act No. 30 of 1974, w.r.e.f. 22-6-1974.

⁷⁹[Provided that—

- (a) every such notification issued after the commencement of the Essential Commodities (Amendment) Act, 1971, shall, unless sooner rescinded, cease to operate at the expiration of two years after the publication of such notification in the Official Gazette;
- (b) every such notification in force immediately before such commencement shall, unless sooner rescinded, cease to operate at the expiration of two years after such commencement:

Provided further that nothing in the foregoing proviso shall affect any case relating to the contravention of a special order specified in any such notification if proceedings by way of summary trial have commenced before that notification is rescinded or ceases to operate and the provisions of this section shall continue to apply to that case as if that notification had not been rescinded or had not ceased to operate.]

⁸⁰[(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974) all, offences relating to—

- (a) the contravention of an order made under section 3 with respect to
 - ⁸¹[(i) x x x x x x]
 - (ii) food stuffs, including edible oilseeds and oil; or (iii) drugs; and
- (b) where any notification issued under sub-section (1) in relation to a special order is in force, the contravention of such special order,

79 Added by Act No. 66 of 1971, w.e.f. 23-12-1971

80 Substituted by Act No. 30 of 1974, w.e.f. 22-6-1974

81 Sub-clause (i) omitted by Act No. 54 of 2006, w.e.f. 12-2-2007

shall be tried in a summary way by a Judicial Magistrate of the First Class specially empowered in this behalf by the State Government or by a Metropolitan Magistrate and the provisions of sections 262 to 265 (both inclusive) of the said Code shall, as far as may be, apply to such trial:

Provided-that, in the case of any conviction in a summary trial under this section, it shall be lawful for the Magistrate to pass a sentence of imprisonment for a term not exceeding one year:

Provided further that when at the commencement of, or in the course of, a summary trial under this section, it appears to the Magistrate that the nature of the case is such that a sentence of imprisonment for a term exceeding one year may have to be passed or that it is, for any other reason, undesirable to try the case summarily, the Magistrate shall, after hearing the parties, record an order to that effect and thereafter recall any witnesses who may have been examined and proceed to hear or re- hear the case in the manner provided by the said Code.]

(3) Notwithstanding anything to the contrary contained in ⁸²[the Code of Criminal Procedure, 1973 (2 of 1974),] there shall be no appeal by a convicted person in any case tried summarily under this section in which the Magistrate passes a sentence of imprisonment not exceeding one month, ⁸³[and of fine not exceeding two thousand rupees] whether or not any order of forfeiture of property or an order under ⁸⁴[Section 452] of the said Code is made in addition to such sentences, but an appeal shall lie where any sentence ⁸⁵[x x x x x] in excess of the aforesaid limits is passed by the Magistrate.

82 Substituted for the words “the Code of Criminal Procedure, 1898 (5 of 1898)” by Act No. 30 of 1974, w.e.f. 22-6-1974.

83 Substituted for the words “or of fine not exceeding two thousand rupees or both” by Act No. 30 of 1974, w.e.f. 22-6-1974

84 Substituted for the words and figures “Section 517” by Act No. 30 of 1974, w.r.e.f. 22-6-1974.

85 The words “of imprisonment or fine” omitted by Act No. 30 of 1974, w.r.e.f. 22-6-1974

⁸⁶[(4) All cases relating to the contravention of an order referred to in clause (a) of sub-section (2), not being a special order, and pending before a Magistrate immediately before the commencement of the Essential Commodities (Amendment) Act, 1974, and, where any notification is issued under sub-section

(1) in relation to a special order, all cases relating to the contravention of such special order and pending before a Magistrate immediately before the date of the issue of such notification, shall, if no witnesses have been examined before such commencement or the said date, as the case may be, be tried in a summary way under this section, and if any such case is pending before a Magistrate who is not competent to try the same in a summary way under this section, it shall be forwarded to a Magistrate so competent.]

⁸⁷[x x x x x]

⁸⁸**[12-B. Grant of injunction, etc., by civil Courts.**—No civil Court shall grant an injunction or make any order for any other relief against the Central Government or any State Government or a public officer in respect of any act done or purporting to be done by such Government, or such officer in his official capacity, under this Act or any order made thereunder, until after notice of the application for such injunction or other relief has been given to such Government or officer.]

13. Presumption as to orders.—Where an order purports to have been made and signed by an authority in exercise of any power conferred by or under this Act, a Court shall presume that such order was so made by that authority within the meaning of the Indian Evidence Act, 1872 (1 of 1872).

86 Substituted by Act No. 30 of 1974, w.r.e.f. 22-6-1974

87 Sections 12AA, 12AB, 12AC were inserted by Act 18 of 1981 as amended by Act 34 of 1993 for a period of fifteen years which now stand ceased to have effect after the expiry of fifteen years. See Appendix - Section 11 of the Essential Commodities (Special Provisions) Act, 1981

88 Section 12-B inserted by Act No. 30 of 1974, w.e.f. 22-6-1974

14. Burden of proof in certain cases.—Where a person is prosecuted for contravening any order made under Section 3 which prohibits him from doing any act or being in possession of a thing without lawful authority or without a permit, licence or other document, the burden of proving that he has such authority, permit, licence or other document shall be on him.

15. Protection of action taken under the Act.—(1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of any order made under Section 3.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of any order made under Section 3.

⁸⁹[**15-A. Prosecution of public servants.**—Where any person who is a public servant is accused of any offence alleged to have been committed by him while acting or purporting to act in the discharge of his duty in pursuance of an order made under Section 3, no Court shall take cognizance of such offence except with the previous sanction—

- (a) of the Central Government, in the case of a person who is employed or, as the case may be, was at the time of commission of the alleged offence employed, in connection with the affairs of the Union;
- (b) of the State Government, in the case of a person who is employed or, as the case may be, was at the time of commission of the alleged offence employed, in connection with the affairs of the State.]

16. Repeal and savings.—(1) The following laws are hereby

⁸⁹ Section 15-A inserted by Act No. 92 of 1976, w.e.f. 2-9-1976

repealed—

- (a) the Essential Commodities Ordinance, 1955 (Ordinance 1 of 1955);
- (b) any other law in force in any State immediately before the commencement of this Act in so far as such law controls or authorises the control of the production, supply and distribution of, any trade and commerce in, any essential commodity.

(2) Notwithstanding such repeal, any order made or deemed to be made by any authority whatsoever, under any law repealed hereby and in force immediately before the commencement of this Act, shall, in so far as such order may be made under this Act, be deemed to be made under this Act and continue in force, and accordingly any appointment made, licence or permit granted or direction issued under any such order and in force immediately before such commencement shall continue in force until and unless it is superseded by any appointment made, licence or permit granted or direction issued under this Act.

(3) The provisions of sub-section (2) shall be without prejudice to the provisions contained in Section 6 of the General Clauses Act, 1897 (10 of 1897), which shall also apply to the repeal of the Ordinance or other law referred to in sub-section (1) as if such Ordinance or other law had been an enactment.

⁹⁰THE SCHEDULE
(See Section 2A)
ESSENTIAL COMMODITIES

1. Drugs.

Explanation.—For the purposes of this Schedule, “drugs” has the meaning assigned to it in clause (b) of Section 3 of the Drugs and Cosmetics Act, 1940 (23 of 1940);

2. fertilizer, whether inorganic, organic or mixed
3. foodstuffs, including edible oilseeds and oils;
4. hank yarn made wholly from cotton;
5. petroleum and petroleum products;
6. raw jute and jute textiles;
7. (i) seeds of food-crops and seeds of fruits and vegetables;
(ii) seeds of cattle fodder; and
(iii) jute seeds.]

THE SUGAR (CONTROL) ORDER, 1966

**'THE
SUGAR (CONTROL) ORDER 1966
(Duly amended till 2013)
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**LIST OF AMENDMENTS INCORPORATED IN THE
ORDER**

1.	GSR 1193/Ess. Com./Sugar	dated 01-08-1966
2.	GSR 1747/Ess. Com./Sugar	dated 16-11-1967
3.	GSR 1915/Ess. Com./Sugar	dated 06-08-1969
4.	GSR 621/Ess. Com./Sugar	dated 08-04-1970
5.	GSR 1266/Ess. Com./Sugar	dated 07-09-1971
6.	GSR 1380/Ess. Com./Sugar	dated 17-09-1971

¹ Published in the Gazette of India, Extraordinary, Part II, Section 3(i), at p. 429

7.	GSR 100/Ess. Com./Sugar	dated 27-12-1971
8.	GSR 387(E)/Ess. Com./Sugar	dated 22-08-1972
9.	GSR 25(E)/Ess. Com./Sugar	dated 31-01-1974
10.	GSR 596(E)/Ess. Com./Sugar	dated 30-08-1977
11.	GSR 436(E)/Ess. Com./Sugar	dated 14-06-1999

THE SUGAR (CONTROL) ORDER 1966

GSR 912 dated the 10th June 1966.—In exercise of the powers conferred by Section 3 of the Essential Commodities Act 1955 (Central Act 10 of 1955) the Central Government hereby makes the following Order namely.—

1. Short title extent and commencement.—(1) This Order may be called the Sugar (Control) Order 1966.

(2) It extends to the whole of India ²[x x x x x].

³[(3) It shall come into force at once.]

4[2. Definitions.—In this Order unless the context otherwise requires.—

⁵[(a) **“Bulk consumer”** means a halwai sweetmeat seller or a confectioner;]

⁶[(aa) **“Indian Sugar Standard Grades”** means the grades represented by the standard sealed samples of sugar in bottles issued by the Director National Sugar Institute Kanpur conforming to the standards prescribed by the Indian Standards Institution;]

2 Omitted by GSR 621, dated 8-4-1970

3 Substituted by GSR 1747, dated 16-11-1967

4 Inserted by GSR 387(E), dated 22-8-1972

5 Inserted by GSR 387(E), dated 22-8-1972

6 Inserted by GSR 1915, dated 6-8-1969

7 Re-numbered by GSR 387(E), dated 22-8-1972

⁸[(aaa) **“Importer”** means a person engaged in the business of buying sugar from any country other than India and selling the same in India;]

⁹[(b)] **“Producer”** means a person carrying on the business of manufacturing sugar;

¹⁰[(c)] **“Recognised dealer”** means a person carrying on the business of purchasing selling or distributing sugar and licensed under the Order relating to licensing of sugar dealers for the time being in force in a State or Union territory.

3. Power to regulate production of sugar.—The Central Government may by order published in the Official Gazette direct that no sugar shall be manufactured from sugarcane except under and in accordance with the conditions specified in a licence issued in this behalf whether on payment of a fee or otherwise.

¹¹**4. Power to restrict sale etc. of sugar by producers or importers.**—The Central Government may direct that no producer shall sell or agree to sell or otherwise dispose of or deliver or agree to deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it is produced or from the warehouses of the importers except under and in accordance with a direction issued in writing by the Central Government:]

¹²[Provided that this clause shall not affect the pledging of such sugar by any producer or importer in favour of any scheduled bank as defined in clause (e) of Section 2 of the Reserve Bank of India Act 1934 (2 of 1934) or any corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of

8 Sub-clause (aaa) inserted by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

9 Re-numbered by GSR 1915, dated 6-8-1969

10 Re-numbered by GSR 1915, dated 6-8-1969

11 Clause 4 substituted by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

12 Inserted by GSR 25(E), dated 31-1-1974.

Undertakings) Act 1970 (5 of 1970) and no such bank shall sell the sugar pledged to it except under and in accordance with a direction issued in writing by the Central Government.]

5. Powers to issue directions to ¹³[producers or importers] and dealers.—The Central Government ¹⁴[x x x x x] may from time to time by general or special order issue to any ¹⁵[producer or importer] or recognised dealer or any class of producers or recognised dealers such directions regarding the production maintenance of stocks storage sale grading packing marking weightment disposal delivery and distribution of ¹⁶[any kind of sugar] as it ¹⁷[x x x x x] may deem fit.

¹⁸[5-A. Sugar attached by Government officers etc. not to be sold without directions.—Where any stock of sugar with any ¹⁹[producer or importer] or recognised dealer is attached or seized.—

- (i) by any officer of the Central or State Government in accordance with the provisions of any enactment for the time being in force or
- (ii) in pursuance of any proceedings in a Civil Court the sugar so attached or seized shall not be ordered to be sold unless the officer or Court is satisfied that directions have been issued by the Central Government under Clause 5 regarding the sale of such sugar.]

6. Power to regulate movement of sugar.—The Central Government ²⁰[x x x x x] may by general or special order direct that no person shall transport or offer or accept for transport whether by

13 Substituted for the word “producers” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

14 Omitted by GSR 1747, dated 16-11-1967

15 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

16 Substituted by GSR 1747, dated 16-11-1967

17 Omitted by GSR 1747, dated 16-11-1967

18 Inserted by GSR 1380, dated 17-9-1971

19 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

20 Omitted by GSR 1747, dated 16-11-1967

road rail or water all or ²¹[any kind of sugar] except under.—

- (a) a general or special permit issued in this behalf;
- (b) a military credit note: Provided that nothing in this clause shall apply to the transport of sugar not exceeding one kilogram as part of the personal luggage of a bona fide traveller.

²²**[7. Power to regulate quality of sugar.—**(a) The Central Government may prescribe the quality of sugar in terms of Indian Sugar Standard Grades to which all or any kind of sugar should conform at the time of delivery in pursuance of the direction issued to a producer under clause (f) of sub-section (2) of Section 3 of the Essential Commodities Act 1955 or Clause 5 of this Order.

(b) When the Central Government is of the opinion that any stock of sugar with any producer in below any of the Indian Sugar Standard Grades of sugar it may direct the producer to reprocess the said stock with a view to conform to one or more of the Indian Sugar Standard Grades of sugar ²³[or to sell it only to bulk Consumers for use in the manufacture of their products.]]

²⁴[8. x x x x x].

²⁵**[9. Utilisation of sugar taken delivery of in pursuance of an Order under Section 3(2)(f) of the Act.—**Where any person class of persons or organisation takes delivery of sugar from any producer in pursuance of a direction made under clause (f) of sub-section (2) of Section 3 of the Act such person class of persons or organisation as the case may be shall—

- (i) utilise the sugar so taken delivery of for the purpose for

21 Substituted by GSR 1747, dated 16-11-1967

22 Inserted by GSR 1915, dated 6-8-1969

23 Inserted by GSR 387(E), dated 22-8-1972

24 Omitted by GSR 1747, dated 16-11-1967

25 Substituted by GSR 1747, dated 16-11-1967

which such delivery was taken and for no other purpose;

- (ii) submit to the Chief Director within fifteen days of the utilisation of the sugar so taken delivery of a certificate to the effect that the sugar has been utilised for the purpose for which it was taken delivery of.]

10. Power to call for information etc.—The Central Government ²⁶[x x x x x] or any person authorised in this behalf by the Central Government may with a view to securing compliance with this Order or to satisfy itself ²⁷[x x x x x] that any order or direction issued under this Order is complied with.—

- (a) require any ²⁸[producer or importer] or recognised dealer to furnish within such period or at such intervals as may be specified such information returns or reports and in such forms as may be required; and
- (b) prescribe the manner in which accounts of any sales purchases or other transactions of sugar should be kept.

11. Powers of inspection entry search sampling seizure etc.— ²⁹[(1)] ³⁰[x x x x x] Any officer authorised by the Central Government in this behalf may.—

- (a) direct any ³¹[producer or importer] or recognised dealer to maintain such records as he may specify;
- (b) direct any ³²[producer or importer] or recognised dealer to furnish such information as he may require;
- (c) inspect or authorise any person to inspect any books or any documents or stocks of sugar belonging to or under

26 Omitted by GSR 1747, dated 16-11-1967

27 Omitted by GSR 1747, dated 16-11-1967

28 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

29 Renumbered by GSR 1747, dated 16-11-1967

30 Omitted by GSR 1747, dated 16-11-1967

31 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

32 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

- the control of a ³³[producer or importer] or a recognized dealer;
- (d) enter and search or authorise any person to enter and search.—
 - (i) any place where sugar is manufactured including the machinery installed therein;
 - (ii) any place in which there is reason to believe that sugar is stored in contravention of this Order;
 - (e) draw or authorise any person to draw in accordance with the procedure laid down in Clause 12 samples for examination—
 - (i) from any stock of sugar belonging to or under the control of a producer of recognised dealer;
 - (ii) from any consignment of sugar in the course of its delivery or despatch by a producer;
 - (f) stop and search or authorise any person to stop a search—
 - (i) any person transporting sugar; or
 - (ii) any vehicle vessel or other conveyance used or capable of being used for the transport of sugar in contravention of this Order;
 - (g) seize or authorise the seizure of any sugar in respect of which he has reason to believe that a contravention of this Order has been is being or is about to be committed along with the packages coverings or receptacles in which sugar is found or the animals vehicles vessels or other conveyances used in carrying such sugar and thereafter take or authorise the taking of all measures necessary for securing the production of such packages coverings receptacles animals vehicles vessels or other conveyances in a court and for their safe custody pending such production.

33 Substituted for the word “producer” by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

³⁴[(2) The provisions of Sections 102 and 103 of the Code of Criminal Procedure 1898 (5 of 1898) relating to search and seizure shall so far as may be apply to searches and seizures under this clause.]

12. Procedure for drawing samples.— ³⁵[(1)] Subject to the provisions of sub-clause (e) of Clause 11 the person drawing the samples shall follow the procedure as hereunder.—

³⁶ [(a)] The samples shall be drawn in the presence of a producer or recognised dealer as the case may be or a representative of the producer or recognised dealer;

³⁷[(b)] A separate sample shall be drawn from each lot consisting of sugar bags declared by the producer or recognised dealer to have the same grade of sugar;

³⁸[(c)] ³⁹[The samples drawn shall be divided into three portions and each portion shall be put in a separate container which shall be sealed both by the person drawing the sample and the producer or recognised dealer as the case may be or his representative with their respective seals and shall also be signed by both;]

⁴⁰[(d)] Two such portions shall be forwarded to Directorate of Sugar and Vanaspati and the third shall be left with the producer or recognised dealer as the case may be or his representative.

⁴¹[(2) Out of the two sealed portions of the sugar sample received in the Directorate of Sugar and Vanaspati under sub-clause (1) one

34 Inserted by GSR 1747, dated 16-11-1967

35 Renumbered by GSR 1266, dated 7-9-1971

36 Relettered by GSR 100, dated 27-12-1971

37 Relettered by GSR 100, dated 27-12-1971

38 Relettered by GSR 100, dated 27-12-1971

39 Substituted by GSR 1193, dated 1-8-1966

40 Relettered by GSR 100, dated 27-12-1971

41 Inserted by GSR 1266, dated 7-9-1971

sealed portion shall be examined by the Grading Committee to determine its quality with reference to the Indian Sugar Standard grades in force for the year in which the sugar was manufactured. If the grade of the said portion of the sugar sample is found by the Grading Committee to be lower than the grade declared by the producer or recognised dealer as the case may be the Directorate of Sugar and Vanaspati shall forward the other sealed portion of the sugar sample as received to the National Sugar Institute Kanpur for determining its grade and the grade determined by the said Institute shall not be called in question.

⁴²[(3) For the purposes of sub-clause (2) 'Grading Committee' means the Committee consisting of five Group A Officers of the Directorate of Sugar appointed by the Chief Director to grade samples of sugar. A majority of the members of the Committee so appointed shall be required to constitute a quorum for meetings of the Committee.]]

⁴³**[13. Certificate regarding samples drawn etc.]**—A certificate to the effect that each of the samples drawn is representative of the lot from which it was drawn shall be furnished along with the particulars of the samples in the form set out in the Schedule hereto annexed to the person drawing such samples by the producer or recognised dealer as the case may be or his representative and such certificate shall be countersigned by the person drawing the samples and in endorsement to the effect that the procedure prescribed under Clause 12 has been followed shall be made thereunder by the person drawing the samples and such endorsement shall be countersigned by the producer or recognised dealer as the case may be or his representative.]

14. Compliance of orders.—Every ⁴⁴[producer or importer] or

⁴² Substituted by GSR 596(E), dated 30-8-1977

⁴³ Substituted by GSR 1193, dated 1-8-1966

⁴⁴ Substituted for the word "producer" by GSR 436(E), dated 14-6-1999, w.e.f. 14-6-1999

recognised dealer or other person to whom any order or direction is issued under any powers conferred by or under this Order shall comply with such Order or direction.

15. Delegation of powers.—The Central Government may by notification in the Official Gazette direct that all or any powers conferred upon it by this Order shall subject to such restrictions exceptions and conditions if any as may be specified in the direction be exercisable also by.—

- (a) any officer or authority of the Central Government;
- (b) a State Government or any officer or authority of a State Government.

⁴⁵[16. x x x x x].

17. Repeal and saving.—(1) The Sugar (Control) Order 1955 and any order made by the Central Government or a State Government or any authority regulating or prohibiting the production supply and distribution of sugar and trade or commerce therein are hereby repealed except as respects things done or omitted to be done under any such order before the commencement of this Order.

(2) Notwithstanding such repeal an order made by any authority which is in force immediately before the commencement of this Order and which is consistent with this Order shall continue in force and all appointments made prices fixed licences and permits granted and directions issued under any such order and in force immediately before such commencement shall likewise continue in force and be deemed to be made fixed granted or issued in pursuance of this Order.

⁴⁶**THE SCHEDULE**
[See Clause 13]

⁴⁵ Omitted by GSR 1747, dated 16-11-1967

⁴⁶ Inserted by GSR 1193, dated 1-8-1966

1. Certificate:

This is to certify that Shri (here enter designation) Directorate of Sugar and Vanaspati Ministry of Food Agriculture Community Development and Co-operation Government of India has drawn in my presence a sample in triplicate from the consignment of sugar under despatch as per particulars given below. The sample is truly representative of the lot from which it is drawn and each of the three portions has been properly packed and sealed with my seal and the official seal of the Inspecting Officer and has also been signed by me and the drawing officer. Of the three portions of the sample one has been retained by us.

Countersignature of the Officer drawing the sample.

Designation.

Signature of the producer/
recognised dealer/accredited
representative
Designation.

(2) The sample has been drawn in accordance with the procedure prescribed under Clause 12 of the Sugar (Control) Order 1966.

Countersignature of the producer
recognised dealer/accredited
representative.

Designation.

Signature of the officer drawing
the sample.

Date:

Designation.

Date:

Forwarded to the Directorate of Sugar and Vanaspati Ministry of

Food Agriculture Community Development and Co-operation New Delhi along with the two samples of sugar referred to above out of the triplicate samples drawn from consignment under despatch.

drawing

Signature of the officer

sample.

II. Particulars of Sugar sample drawn from consignment under despatch from M/s

Drawing Officers' Sample number	Date of drawing sample	Wagon / Truck No. in which sugar loaded and from which sample drawn	Number of bags loaded	Factory Godown and lot No. from which sugar loaded	Relevant Excise Gate pass No. and date
1	2	3	4	5	6

Name and address of the consignee to whom sugar booked	Destination station	Season of production of sugar	Grade marked/declared by the factory	Government Release Order No. and dated against which sugar despatched	Remarks
7	8	9	10	11	12

III. Impression of the seals used for sealing the samples:

	(a)	Producer/ Recognized dealer or his		(b)	Official seal of the officer taking the sample representative

To

The Chief Director
Directorate of Sugar and Vanaspati
Ministry of Food Agriculture Community
Development and Co-operation
(Department of Food) Jamnagar House
New Delhi-11.

- Notes:** 1. All the bags in a single consignment declared to contain sugar of one grade shall constitute a lot. If a consignment is declared to consist of different grades the bags of each grade shall constitute separate lot.
2. One form should be used to cover the sugar bags loaded in one wagon truck etc.]

**THE SUGARCANE (CONTROL) ORDER,
1966
(duly amended till 2013)**

(Duly amended till 2013)

**PUBLISHED IN THE GAZETTE OF INDIA
EXTRAORDINARY PART II, SECTION 3, SUB-SECTION (i)
Ministry of Agriculture & Irrigation (Department of Food)**

ORDER

**New Delhi, the 16th July, 1966
25th Asadha, 1888**

GSR 1126/Ess.Com./Sugarcane. – In exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely:

- 1. Short title, extent and commencement** – (1) This order may be called the Sugarcane (Control) Order, 1966.
 - 2) It extends to the whole of India ¹[--].
 - 3) It shall come into force at once.
- 2. Definitions** – In this order, unless the context otherwise requires:-
 - (a) “crusher” means a crusher drawn by bullock or any other animal and engaged or ordinarily engaged in the crushing of sugarcane and includes any equipment for manufacturing [--]² shakkar, [--]³ rab or khandsari sugar,
 - (b) “co-operative society” means a cooperative society registered under the Cooperative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force relating to cooperative societies;

1 Omitted vide G.S.R. No.620/Ess.Com./Sugarcane dated 8.4.1970

2 Omitted vide S.O. 1309(E)/Ess.Com./Sugarcane dated 31-07-2007

3 Omitted vide S.O. 1309(E)/Ess.Com./Sugarcane dated 31-07-2007

- ⁴(c) “factory” means any premises including the precincts thereof in any part of which sugar is manufactured by vacuum pan process and at its own option, ethanol is manufactured, either directly from sugarcane juice as a raw material or from molasses, including B-Heavy molasses, or both, as the case may be, but does not include a standalone sugar refinery which uses only raw sugar as raw material for manufacture of sugar.”
- ⁵(cc) “fair and remunerative price of sugarcane” means the price fixed by the Central Government under clause 3, from time to time, for sugarcane;”
- (d) “khandsari sugar” means sugar produced by open pan process;
- (e) “khandsari unit” means a unit engaged or ordinarily engaged in the manufacture of khandsari sugar from sugarcane juice or rab;
- (f) “power crusher” means a crusher working with the aid of diesel, electrical or steam power and engaged or ordinarily engaged in crushing sugarcane and extracting juice therefrom for the manufacture of [--] ⁶ shakkar, [--] ⁷ rab or khandsari sugar;
- ⁸(g) “price” means the price or fair and remunerative price ⁹ fixed by the Central Government from time to time for sugarcane delivered -
- (i) to a sugar factory at the gate of the factory or at a sugarcane purchasing centre; or
- (ii) to a khandsari unit;

4 Substituted vide S.O.2452(E)/Ess.Com./Sugarcane dated 7.10.2010

5 Inserted vide S.O.2665(E)/Ess Com./Sugarcane dated 22.10.2009

6 Omitted vide S.O. 1309(E)/Ess.Com./Sugarcane dated 31-07-2007

7 Omitted vide S.O. 1309(E)/Ess.Com./Sugarcane dated 31-07-2007

8 Substituted vide G.S.R.35/Ess.Com./Sugarcane dated 5.1.1967

9 Substituted vide S.O.2665(E)/Ess Com./Sugarcane dated 22.10.2009

- (h) “producer of khandsari sugar” means a person carrying on the business of manufacturing sugar by open pan process;
- ¹⁰(i) “producer of sugar” means a person carrying on the business of manufacturing sugar by vacuum pan process and at its own option, ethanol either directly from sugarcane juice or from molasses, including B-Heavy molasses, or both;
- (j) “reserved area” means any area where sugarcane is grown and reserved for a factory under sub-clause (1) (a) of clause 6;
- (k) “year” means the year commencing on the first day of July and ending with the thirtieth day of June in the year next following.

3. Fair and remunerative price¹¹ of sugarcane payable by producer of sugar

(1) The Central Government may, after consultation with such authorities, bodies or associations as it may deem fit, by notification in the Official Gazette, from time to time, fix the fair and remunerative price of sugarcane to be paid by producers of sugar or their agents for the sugarcane purchased by them, having regard to –

- (a) the cost of production of sugarcane;
- (b) the return to the grower from alternative crops and the general trend of prices of agricultural commodities;
- (c) the availability of sugar to the consumer at a fair price;
- (d) the price at which sugar produced from sugarcane is sold by producers of sugar;
- (e) the recovery of sugar from sugarcane; and

10 Substituted vide S.O.2198(E)/Ess.Com./Sugarcane dated 28.12.2007

11 Substituted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October, 2009

¹²(f) the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value

¹³(g) reasonable margins for the growers of sugarcane on account of risk and profits

¹⁴Provided that the Central Government or with the approval of the Central Government, the State Government, may, in such circumstances and subject to such conditions as specified in Clause 3-A, allow a suitable rebate in the price so fixed.

¹⁵**Explanation(1)** – Different prices may be fixed for different areas or different qualities or varieties of sugarcane.

¹⁶**Explanation (2)** - When a sugar factory produces ethanol directly from sugarcane juice or B-Heavy molasses, the recovery rate in case of such sugar factory shall be determined by considering every 600 litres of ethanol so produced as equivalent to one tone of production of sugar.

¹⁷**Explanation (3)** - Production of ethanol directly from sugarcane juice shall be allowed in case of sugar factories only.

(2) No person shall sell or agree to sell sugarcane to a producer of sugar or his agent, and no such producer or agent shall purchase or agree to purchase sugarcane, at a price lower than that fixed under sub-clause (1).

¹⁸(3) Where a producer of sugar purchases any sugarcane from a grower of sugarcane or from a sugarcane growers' cooperative

12 Inserted vide S.O 2984(E).-/Ess.Com./Sugarcane dated 29.12.2008

13 Inserted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October, 2009

14 Inserted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October, 2009

15 Substituted vide S.O.2198(E)/Ess.Com./Sugarcane dated 28.12.2007

16 Substituted vide S.O.2198(E)/Ess.Com./Sugarcane dated 28.12.2007

17 Substituted vide S.O.2198(E)/Ess.Com./Sugarcane dated 28.12.2007

18 Substituted vide G.S.R.945/Ess.Com./Sugarcane dated 18.5.1968

society, the producer shall, unless there is an agreement in writing to the contrary between the parties, pay within 14 days from the date of delivery of the sugarcane to the seller or tender to him the price of the cane sold at the rate agreed to between the producer and the sugarcane grower or sugarcane growers” cooperative society or that fixed under sub-clause (1), as the case may be, either at the gate of the factory or at the cane collection centre or transfer or deposit the necessary amount in the bank account of the seller or the cooperative society, as the case may be.

¹⁹(3A) Where a producer of sugar or his agent fails to make payment for the sugarcane purchased within 14 days of the date of delivery, he shall pay interest on the amount due at the rate of 15 per cent per annum for the period of such delay beyond 14 days. Where payment of interest on delayed payment is made to a cane growers society, the society shall pass on the interest to the cane growers concerned after deducting administrative charges, if any, permitted by the rules of the said society.

(4) Where sugarcane is purchased through an agent, the producer or the agent shall pay or tender payment of such price within the period and in the manner aforesaid and if neither of them has so paid or tendered payment, each of them shall be deemed to have contravened the provisions of this clause.

(5) At the time of payment at the gate of the factory or at the cane collection centre, receipts, if any, given by the purchaser shall be surrendered by the cane grower or cooperative society.

(6) Where payment has been made by transfer or deposit of the amount to the bank account of the seller or the cooperative society, as the case may be, the receipt given by the purchaser, if any, to the grower, or the cooperative society, if not returned to the purchaser, shall become invalid.

19 Inserted vide G.S.R. 62(E) /Ess.Com./Sugarcane dated 2.2.1978

²⁰(7) In case, the price of the sugarcane remains unpaid on the last day of the sugar year in which cane supply was made to the factory on account of the suppliers of cane not coming forward with their claims therefore, it shall be deposited by the producer of the sugar with the collector of the district in which the factory is situated, within three months of the close of the sugar year. The Collector shall pay, out of the amount so deposited, all claims, considered payable by him and preferred before him within 3 years of the close of the sugar year in which the cane was supplied to the factory. The amount still remaining un-disbursed with the Collector, after meeting the claims from the suppliers, shall be credited by him to the Consolidated Fund of the State, immediately after the expiry of the time limit of three years within which claims therefore could be preferred by the suppliers. The State Governments shall, as far as possible, utilize such amounts, for development of sugarcane in the State.

²¹(8) Where any producer of sugar or his agent has defaulted in furnishing information under clause 9 of this Order or has defaulted in paying the whole or any part of the price of sugarcane to a grower of sugarcane or a sugarcane growers' cooperative society within fourteen days from the date of delivery of sugarcane, or where there is an agreement in writing between the parties for payment of price within a specified time and any producer or his agent has defaulted in making payment within the agreed time specified therein, the Central Government or an officer authorized by the Central Government in this behalf or the State Government or an officer authorized by the State Government in this behalf may either on the basis of information made available by the producer of sugar or his agent or on the basis of claims, if any, made to it or him regarding non-payment of prices or arrears thereof, by the concerned grower of sugarcane or the sugarcane growers' cooperative society, as the case may be, or on the basis of such enquiry that it or he deems fit,

20 Inserted vide G.S.R. 62(E) /Ess.Com./Sugarcane dated 2.2.1978

21 Inserted vide G.S.R. 62(E) /Ess.Com./Sugarcane dated 2.2.1978

shall forward to the Collector of the district in which the factory is located, a certificate specifying the amount of price of sugarcane and interest due thereon from the producer of sugar or his agent for its recovery as arrears of land revenue.

²²(9) The Collector, on receipt of such certificate, shall proceed to recover from such producer of sugar or his agent the amount specified therein as if it were arrears of land revenue.

²³(10) After effecting the recovery, the Collector shall intimate to the concerned growers of the sugarcane or the concerned sugarcane growers²² cooperative societies through a public notice to submit their claims in such a manner as he considers appropriate within thirty days:

Provided that the Collector may, for the reasons to be recorded in writing, allow the submission of claims after the period so specified if he is satisfied that there was sufficient cause for not submitting such claim earlier.

²⁴(11) If the amount recovered is less than the amount specified in the certificate under sub-clause (8), the Collector shall distribute the amount so recovered among the concerned growers of the sugarcane or the concerned sugarcane growers cooperatives in proportion to the ratio determined by the Collector on the basis of the sugarcane supplied by the concerned growers of sugarcane or the sugarcane growers²³ cooperative society, as the case may be.

²⁵(12) If the amount recovered and distributed under sub-clause (11) is less than the amount specified in the certificate under sub-clause (8), the Collector shall proceed to recover the remaining amount, as if it were arrears of land revenue till the full amount is

22 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

23 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

24 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

25 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

recovered and distributed to satisfy the remaining claims.

²⁶(13) If the amount is given to the concerned sugarcane growers cooperative societies, it shall distribute the amount through cheque/ draft/or any other recognized banking instrument on any scheduled bank to the concerned sugarcane growers within ten days of the receipt of the amount from the Collector.

²⁷(14) If the concerned sugarcane grower or the concerned sugarcane growers cooperative society do not come forward to claim or collect the amount so recovered by the Collector within three years from the date of the public notice referred to in sub- clause (10), the unclaimed amount shall be deposited by the Collector in the Consolidated Fund of the State.

²⁸“Explanation (4): Imputed value of the by-products would include unsold value or the notional or transfer value of such by-products for further value addition in the sugar factory like, alcohol and ethanol production from molasses, use of press mud for making bio-fertilizer and / or distillery effluent treatment, generation of power from bagasse or any other product produced through value addition to the by-products mentioned above but should not include the bagasse used for running the boiler of the main sugar factory for the production of sugar alone.

²⁹Explanation (5): The realization made from the sale of by-products namely, molasses, bagasse and press mud or their imputed value means only transfer prices and not the value of or profit from co-generated power, alcohol or ethanol, bio-fertilizers or distillery effluent treatment or any other product produced through value addition to the by-products mentioned above”

26 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

27 Inserted vide G.S.R.903(E)/Ess. Com./Sugarcane dated 29.11.2000

28 Inserted vide S.O. No.2984-(E)-/Ess.Com./Sugarcane dated 29.12.2008

29 Inserted vide S.O. No.2984-(E)-/Ess.Com./Sugarcane dated 29.12.2008

³⁰3A. Rebate that can be deducted from the price paid for sugarcane.

A producer of sugar or his agent shall pay, for the sugarcane purchased by him to the sugarcane grower or the sugarcane growers cooperative society, either the fair and remunerative price++ of sugarcane fixed under clause 3, or the price agreed to between the producer or his agent and the sugarcane grower or the sugarcane growers cooperative society, as the case may be (hereinafter referred to as the agreed price);

Provided that :

³¹(i) in the case of sugarcane delivered at any purchasing centre and the same being transported to the factory by the factory owner by rail or by road using his own transport, a rebate shall be made from the minimum price or the agreed price, as the case may be, and such rebate shall be fixed by the Central Government having regard to the actual cost of transportation in the area, after consultation with such body or bodies as it may deem fit, by notification in the Official Gazette, from time to time and the owner shall accordingly make the rebate.

Explanation. - The distance of less than half a kilometer shall be ignored while distance of half or more than half kilometer, shall be counted as one kilometer.

(ii) the Central Government or the State Government, or the Director of Agriculture, or the Cane Commissioner, or the District Magistrate may allow suitable rebate in the fair and remunerative price³² or the agreed price, as the case may be, for ³³[burnt cane or

30 Inserted vide G.S.R.815(E)/Ess.Com./Sugarcane dated 24.9.1976

31 Substituted vide G.S.R.113(E)/Ess.Com./Sugarcane dated 20.2.2003 and amended vide G.S.R.204(E)/Ess.Com./Sugarcane dated 22.3.2004

32 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October, 2009

33 Substituted vide G.S.R.427(E)/Ess.Com./Sugarcane dated 3.7.1981

stale cane or dried cane or rejected varieties of cane] supplied to factories within their respective jurisdiction, subject to the condition that the rebate so allowed does not exceed the reduction in price on account of the estimated shortfall in the recovery of sugar from ³⁴[burnt cane or stale cane or dried cane or rejected varieties of cane];

(iii) where the sugarcane is brought bound in bundles and weighted as such, the Central Government, or with the approval of the Central Government, the State Government or the Director of Agriculture, or the Cane Commissioner, or the District Magistrate, within the respective jurisdiction may allow a suitable rebate in regard to the weight of the binding material ³⁵[not exceeding 1.000 kilograms per quintal of sugarcane]; and

³⁶(iv) The Central Government or the State Government or the Director of Agriculture or the Cane Commissioner or the District Magistrate may allow suitable rebate in the minimum price or the agreed price, as the case may be, when the cane is supplied ex-field to sugar factories within their respective jurisdictions subject to the condition that the rebate so allowed shall not exceed the estimated expenditure on ³⁷“harvesting and transportation”

4. Fair and remunerative price³⁸ of sugarcane payable by producers of khandsari sugar.

The Central Government or a State Government, with the concurrence of the Central Government, may, by notification in the Official Gazette, from time to time, fix the fair and remunerative price³⁹ or the price of sugarcane to be paid by producers of khandsari sugar or their agents for the sugarcane purchased by them.

34 Substituted vide G.S.R.427(E)/Ess.Com./Sugarcane dated 3.7.1981

35 Substituted vide G.S.R.695(E)/Ess.Com./Sugarcane dated 9.9.1983

36 Substituted vide G.S.R.197(E)/Ess.Com./Sugarcane dated 28.3.1978

37 Substituted vide S.O.No.2984(E)-/Ess.Com./Sugarcane dated 29.12.2008

38 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October, 2009

39 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October, 2009

Provided that the fair and remunerative price⁴⁰ or the price of sugarcane so fixed shall not exceed the fair price of sugarcane fixed for payment by producers of sugar in the region.

⁴¹Provided further that no person shall sell or agree to sell sugarcane to a producer of khandsari sugar or his agent, and no such producer or his agent shall purchase or agree to purchase sugarcane, at a price lower than that fixed under clause 4.

⁴²Provided also that the Central Government or with the approval of the Central Government, the State Government, may, in such circumstances and subject to such conditions as specified in clause 4A, allow a suitable rebate in the price so fixed.

⁴³4A. Rebate that can be deducted from the price paid for sugarcane by producers of khandsari sugar:-

A producer of khandsari sugar or his agent shall pay, for the sugarcane purchased by him, to the sugarcane grower or the sugarcane growers' cooperative society, either the fair and remunerative price⁴⁴ of sugarcane fixed under clause 4, or the price agreed to between the producer or his agent and the sugarcane grower or the sugarcane growers' cooperative society, as the case may be (hereinafter referred to as the agreed price):

Provided that –

⁴⁵(i) in the case of sugarcane delivered at any purchase centre and the same being transported to the khandsari unit by the unit owner by rail or by road using his own transport, a rebate shall be made

40 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October, 2009

41 Substituted vide G.S.R.197(E)/Ess.Com./Sugarcane dated 28.3.1978

42 Substituted vide G.S.R.427(E)/Ess.Com./Sugarcane dated 3.7.1981

43 Inserted vide G.S.R.197(E)/Ess.Com./Sugarcane dated 28.3.1978

44 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October,2009

45 Substituted vide G.S.R.113(E)/Ess.Com./Sugarcane dated 20.2.2003 and amended vide G.S.R. 204(E)/Ess.Com./Sugarcane dated 22.3.2004

from the fair and remunerative price⁴⁶ or the agreed price, as the case may be, and such rebate shall be fixed by the Central Government having regard to the actual cost of transportation in the area, after consultation with the such body or bodies as it may deem fit, by notification in the Official Gazette from time to time and the owner shall accordingly make the rebate.

Explanation:- The distance of less than half a kilometer shall be ignored while a distance of half or more than a half a kilometer, shall be counted as one kilometer.

(ii) the Central Government or the State Government or the Director of Agriculture, or the Cane Commissioner or the district magistrate may allow a suitable rebate in the fair and remunerative price⁴⁷ or the agreed price, as the case may be, for ⁴⁸[burnt cane or stale cane or dried cane or rejected varieties of cane] supplied to khandsari units within their respective jurisdictions, subject to the condition that the rebate so allowed does not exceed the reduction in price on account of the estimated shortfall in the recovery of khandsari sugar from ^[burnt cane or stale cane or dried cane or rejected varieties of cane];

(iii) where the sugarcane is brought bound in bundles and weighed as such, the Central Government or, with the approval of the Central Government, the State Government or the director of agriculture or the cane commissioner or the district Magistrate within their respective jurisdiction, may allow a suitable rebate in regard to the weight of the binding material ⁴⁹[not exceeding 1.000 kilogram per quintal of sugarcane] ; and

⁵⁰(iv) the Central Government or the State Government or the

46 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October,2009

47 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October,2009

48 Amended vide G.S.R.427(E)/Ess.Com./Sugarcane dated 3.7.1981

49 Substituted vide G.S.R.695(E)/Ess.Com./Sugarcane dated 9.9.1983

50 Amended vide G.S.R. 427(E) /Ess.Com./Sugarcane dated 3.7.1981

director of agriculture or the cane commissioner or the district magistrate, may allow a suitable rebate in the fair and remunerative price⁵¹ or the agreed price as the case may be, when cane is supplied ex-field to khandsari units within their respective jurisdictions subject to the condition that the rebate so allowed shall not exceed the estimated expenditure on *harvesting and transportation*⁵² .

5. Additional price for sugarcane purchased:

(1) Where a producer of sugar or his agent purchases any sugarcane from a grower of sugarcane or a growers' cooperative society during each of the four successive years beginning on the 1st day of November, 1958, the producer shall, in addition to the fair and remunerative price⁵³ of sugarcane fixed under sub-clause (1) of clause 3, pay to the grower or the cooperative society, as the case may be, an additional price, if found due, in accordance with the provisions of the ⁵⁴[First Schedule] hereto annexed.

(2) Nothing in sub-clause (1) shall apply to the purchase of sugarcane:-

- (a) where such sugarcane is used for the production of sugar in a newly established factory until the expiry of three years commencing from the year in which the factory is so established;
- (b) where the purchase is made by a producer of sugar, which is a cooperative society, from the member of that cooperative society.

(3) If the Central Government is satisfied that during any year a factory has made no profit or has made inadequate profit, that Government, may by order in writing, exempt either wholly or partially, any producer of sugar from payment of the additional

51 Substituted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October, 2009

52 Substituted vide S.O.No.2984 (E)/Ess.Com./Sugarcane dated 29-12-2008

53 Substituted vide S.O.2665(E)/Ess.Com./Sugarcane dated 22nd October, 2009

54 Substituted vide G.S.R402(E)/Ess.Com/Sugarcane dated 25.9.1974

price due from him under sub-clause (1) in respect of sugarcane purchased for that factory during that year.

(4) The Central Government may appoint any person or authority as it thinks fit for the purpose of determining the additional price due from a producer of sugar under sub-clause (1) for each of the successive four years beginning on the 1st day of November, 1958 and when the price is so determined, the person or authority, as the case may be, shall intimate the same in writing to the producer and to the growers' cooperative societies or the local growers' associations, if any, connected with the supply of sugarcane to the factory.

(5)(a) Any producer of sugar or grower of sugarcane or growers' cooperative society who or which feels aggrieved by any decision of the person or authority referred to in sub-clause (4), within 30 days from the date of communication of such decision under that sub-clause, appeal to the Central Government.

Provided that the Central Government may, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period of 30 days, admit the appeal if presented within a further period of 15 days.

- (b) The Central Government may, after giving an opportunity to the appellant to represent his case and after making such further enquiry as may be necessary, pass such order as it thinks fit.
- (c) The decision of the officer or authority referred to in sub-clause (4) where no appeal is filed, and of the Central Government where an appeal is filed, shall be, final.

(6) The price determined under sub-clause (4) or sub-clause (5), as the case may be, shall be paid at such time and in such manner as the Central Government may from time to time direct.

(7) Where any payment has been made in accordance with the directions issued by the Central Government under sub-clause (2) of clause 5 as it stood immediately before the commencement of the Sugarcane (Control) Amendment Order, 1962 then, notwithstanding anything contained in the foregoing provisions of this clause, such payment shall be deemed to have been made in lieu of the payment provided for in this clause as if that sub-clause were in force when the directions was issued or payment was made.

⁵⁵5A Additional price for sugarcane purchased on or after 1st October, 1974

[-----]

6. Power to regulate distribution and movement of sugarcane.

(1) The Central Government may, by order notify in the Official Gazette -

- (a) reserve any area where sugarcane is grown (hereinafter in this clause referred to as reserved area) for a factory having regard to the crushing capacity of the factory, the availability of sugarcane in the reserved area and the need for production of sugar with a view to enabling the factory to purchase the quantity of sugarcane required by it;
- (b) determine the quantity of sugarcane which a factory will require for crushing during any year;
- (c) fix, with respect to any specified sugarcane grower or sugarcane growers generally in a reserved area, the quantity of percentage of sugarcane grown by such grower or growers, as the case may be, which each such grower by himself or, if he is a member of a cooperative society of sugarcane growers“ operating in the reserved area, through

55 Inserted vide G.S.R.402(E)/Ess.com/Sugarcane dated 25.9.1974 and omitted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October 2009

such society, shall supply to the factory concerned;

- (d) direct a sugarcane grower or a sugarcane growers⁵⁶ cooperative society, supplying sugarcane to a factory, and the factory concerned to enter into an agreement to supply or purchase, as the case may be, the quantity of sugarcane fixed under paragraph (c);
- (e) direct that no ⁵⁶[--] khandsari sugar or sugar shall be manufactured from sugarcane except under and in accordance with the conditions specified in the licence issued in this behalf;
- (f) prohibit or restrict or otherwise regulate the export of sugarcane from any area (including the reserved area) except under and in accordance with a permit issued in this behalf.

(2) Every sugarcane grower, sugarcane growers⁵⁶ cooperative society and factory to whom or to which an Order made under paragraph (c) of sub-clause (1) applies, shall be bound to supply or purchase, as the case may be, that quantity of sugarcane covered by the agreement entered into under the paragraph and any willful failure on the part of the sugarcane grower, sugarcane growers⁵⁶ cooperative society or the factory to do so, shall constitute a breach of the provisions of this Order:

Provided that where the default committed by any sugarcane growers⁵⁶ cooperative society is due to any failure on the part of any sugarcane grower, being member of such society, such society shall not be bound to make supplies of sugarcane to the factory to the extent of such default.

56 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007

⁵⁷6A. Restriction on setting up of two sugar factories within the radius of 15 kms. –

Notwithstanding anything contained in clause 6, no new sugar factory shall be set up within the radius of 15 Kms of any existing sugar factory or another new sugar factory in a State or two or more States:

Provided that the State Government may with the prior approval of the Central Government, where it considers necessary and expedient in public interest, notify such minimum distance higher than 15 Kms or different minimum distances not less than 15 Kms for different regions in their respective States.

Explanation 1: An existing sugar factory shall mean a sugar factory in operating and shall also include a sugar factory that has taken all effective steps as specified in Explanation 4 to set up a sugar factory but excludes a sugar factory that has not carried out its crushing operations for last five sugar seasons.

Explanation 2: A new sugar factory shall mean a sugar factory, which is not an existing sugar factory, but has filed the industrial Entrepreneur Memorandum as prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry in the Central Government and has submitted a performance guarantee of rupees one crore to the Chief Director (Sugar), Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, for implementation of the Industrial Entrepreneur Memorandum within the stipulated time or extended time as specified in clause 6C.

Explanation 3: The minimum distance shall be determined as measured by the Survey of India.

57 Inserted vide S.O.1940(E) dated 10.11.2006

Explanation 4: The effective steps shall mean the following steps taken by the concerned person to implement the Industrial Entrepreneur Memorandum for setting up of sugar factory:-

- (a) purchase of required land in the name of the factory;
- (b) placement of firm order for purchase of plant and machinery for the factory and payment of requisite advance or opening of irrevocable letter of credit with suppliers;
- (c) commencement of civil works and construction of building for the factory;
- (d) sanction of requisite term loans from banks or financial institutions;
- (e) any other steps prescribed by the Central Government in this regard through a notification.

⁵⁸6B. Requirements for filing the Industrial Entrepreneur Memorandum. –

(1) Before filing the Industrial Entrepreneur Memorandum with the Central Government, the concerned person shall obtain a certificate from the Cane Commissioner or Director (Sugar) or Specified Authority of the concerned State Government that the distance between the site where, he proposes to set up sugar factory and adjacent existing sugar factories and new sugar factories is not less than the minimum distance prescribed by the Central Government or the State Government, as the case may be, and the concerned person shall file the Industrial Entrepreneur Memorandum with the Central Government within one month of issue of such certificate failing which validity of the certificate shall expire.

(2) After filing the Industrial Entrepreneur Memorandum, the concerned person shall submit a performance guarantee of rupees one crore to Chief Director(Sugar), Department of Food &

⁵⁸ Inserted vide S.O.1940(E) dated 10.11.2006.

Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, within thirty days of filing the Industrial Entrepreneur Memorandum as a surety for implementation of the Industrial Entrepreneur Memorandum within the stipulated time or extended time as specified in clause 6C failing which Industrial Entrepreneur Memorandum shall stand derecognized as far as provisions of this Order are concerned.

⁵⁹6C. Time limit to implement Industrial Entrepreneur Memorandum.

The stipulated time for taking effective steps shall be two years and commercial production shall commence within four years with effect from the date of filing the Industrial Entrepreneur Memorandum with the Central Government, failing which the Industrial Entrepreneur Memorandum shall stand derecognized as far as provisions of this Order are concerned and the performance guarantee shall be forfeited:

Provided that the Chief Director(Sugar), Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, on the recommendation of the concerned State Government, may give extension of one year not exceeding six months at a time, for implementing the Industrial Entrepreneur Memorandum and commencement of commercial production thereof.

⁶⁰6D. Consequences of non-implementation of the provisions laid down in clauses 6B and 6C. –

If an Industrial Entrepreneur Memorandum remains unimplemented within the time specified in clause 6C, the performance guarantee furnished for its implementation shall be forfeited after giving the concerned person a reasonable opportunity

59 Inserted vide S.O.1940(E) dated 10.11.2006.

60 Inserted vide S.O.1940(E) dated 10.11.2006.

of being heard.

⁶¹6E. Application of clauses 6B, 6C and 6D to the person whose Industrial Entrepreneur Memorandum has already been acknowledged.

(1) Except the period specified in sub-clause (2) of clause 6B of this Order, the other provisions specified in clauses 6B, 6C and 6D shall also be applicable to the person whose Industrial Entrepreneur Memorandum has already been acknowledged as on date of this notification but who has not taken effective steps as specified in Explanation 4 to the clause 6A.

(2) The person, whose Industrial Entrepreneur Memorandum has already been acknowledged as on date of this notification but who has not taken effective steps as specified in Explanation 4 to the clause 6A shall furnish a performance guarantee of rupees one crores to the Chief Director(Sugar), Department of Food & Public Distribution , Ministry of Consumer Affairs, Food & Public Distribution, within a period of six months of issue of this notification failing which the Industrial Entrepreneur Memorandum of the concerned person shall stand derecognized as far as provisions of this Order are concerned.

⁶²7. Power to licence power crushers, khandsari units and crushers and to regulate the purchase of sugarcane.

The Central Government may, by order –

⁶³(a) direct that a crusher not belonging to a grower or a body of growers of sugarcane, or a power crusher or a khandsari unit shall not be worked except under and in accordance with a licence issued by the Central Government in that behalf;

(b) direct that in a reserved area -

61 Inserted vide S.O.1940(E) dated 10.11.2006.

62 Exercisable by States vide G.S.R.1127/Ess.Com./Sugarcane dated 16-7-1966

63 Substituted vide G.S.R 1456 /Ess.Com./Sugarcane dated 2-8-1968.

(i) no sugarcane shall be purchased for crushing by a power crusher;

⁶⁴(ii)no sugarcane or sugarcane juice shall be purchased for crushing or for manufacture of [--]⁶⁵ shakkar, [--]⁶⁶ rab or khandsari sugar, as the case may be, by a crusher not belonging to a grower or a body of growers of sugarcane or by a khandsari unit in the area;

Provided that where such a permit is issued –

(i) The Central Government may direct the permit holder to purchase sugarcane or sugarcane juice through/only a cooperative society of sugarcane growers, where such a society exists, and to pay commission to the society on the sugarcane or sugarcane juice purchased through it at such rate as may be fixed by the Central Government;

(ii) the permit holder shall not crush sugarcane or purchase sugarcane juice in excess of the quantity specified by the Central Government in the permit and shall work the power crusher, khandsari unit or the crusher, as the case may be, only during such period or such hours as may be so specified;

⁶⁷(c) direct the owner or other person in charge of a crusher not belonging to a grower or a body of growers of sugarcane, or a power crusher or a khandsari unit, in a reserved area to shift it to such a place outside the reserved area as may be specified by the Central Government for the purpose;

Provided that the factory, for which the area is reserved, undertake to pay the cost of shifting, as determined by the Central Government, within such time as may be fixed by the Government on the basis

64 Substituted vide G.S.R 1456 /Ess.Com./Sugarcane dated 2-8-1968.

65 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007.

66 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007.

67 Substituted vide G.S.R 1456 /Ess.Com./Sugarcane dated 2-8-1968.

of agreement between the parties in this behalf, or in the event of there being no such agreement, on a fair and reasonable basis, after affording both parties, an opportunity to make representations in writing as to the cost involved and the basis of calculation thereof;

(d) direct any person engaged in the production, manufacture, supply or distribution, or trade and commerce in sugarcane, sugarcane juice, sugar, ⁶⁸[--]shakkar, ⁶⁹[--]rab or khandsari sugar, to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the Order;

(e) provide for the grant of issue of licence or permits, the charging of fees therefore, the deposit of such sum, if any, as may be specified in the order as security for the due performance of the conditions of any such licence or permit, the forfeiture of the sum so deposited or any part thereof for contravention of any such conditions and the adjudication of such forfeiture by such authority as may be specified in the Order;

(f) provide for any incidental or supplementary matters for which the Central Government thinks it expedient for the purposes of the Order to provide, including, in particular, the entry, search and inspection of premises, places or vehicles, seizure by a person authorized to make such search of any crusher, power crusher or khandsari unit in respect of which such person has reason to believe that a contravention of the Order has been, is being or is likely to be, committed and the rendering of such equipment inoperative by sealing or otherwise.

⁷⁰8. Power to issue direction to producers of khandsari sugar, power crushers, khandsari units, crushers and cooperative societies.

68 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007

69 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007

70 Powers exercisable by States also vide G.S.R.1127/Ess.Com./Sugarcane dated 16.7.19

The Central Government may, from time to time by general or special order, issue direction to any producer of khandsari sugar or owner of a power crusher, khandsari unit or crusher or the agent of such producer or owner or a cooperative society, regarding the purchase of sugarcane or sugarcane juice, production, maintenance of stocks, storage, price, packing, payment, disposal, delivery and distribution of sugarcane ⁷¹[--] and rab or khandsari sugar or the period of hours to be worked.

⁷²9. Power to call for information etc.

The Central Government or any person authorized in this behalf by the Central Government, may, with a view to securing compliance with this Order or to satisfy itself or himself that this Order is complied with:

⁷³(a) direct any producer of sugar to supply, within such period as may be specified, such information, returns or reports, as may be required relating to the recovery of sugar, duration of season, cost of manufacture, stocks of sugar or ethanol, price realized or to be realized for sugar or ethanol, molasses, press-mud and bagasse, amount realized or to be realized by way of refund of or exemption from excise duty or cane cess or purchase tax or by way of grant or subsidy given by the Central Government or a State Government, commission to cooperative society paid or to be paid, amount spent on approved schemes of sugarcane development, commission paid on sale of sugar or ethanol, export loss, amount spent on rehabilitation or amount transferred as reserve to a special rehabilitation account, or any other information that may be required for the purpose of this Order;

⁷⁴(aa) direct any producer of sugar or his agent to maintain

71 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007

72 Powers exercisable by States also vide G.S.R.1127/Ess.Com./Sugarcane dated 16.7.19

73 Substituted vide S.O.2198(E)/Ess.Com./Sugarcane dated 28.12.2007

74 Powers exercisable by States also vide G.S.R.127/Ess.Com.Sugarcane dated 16.7.1966

and furnish within seven days of the close of each fortnight to the Central Government or any officer authorized in this behalf by that Government details of cane purchased, cane price due, cane price paid, cane price arrears for each fortnight as specified in the Third Schedule to this Order.

⁷⁵(b) direct any owner or operator of a crusher not belonging to a grower or a body of growers of sugarcane, or a power crusher, or a khandsari unit to supply within such period as may be specified, such information, returns or reports as may be required, relating to purchase of sugarcane or sugarcane juice, production, maintenance of stocks, storage, sale, price, grade, packing, marking, payment, disposal, delivery and distribution of ⁷⁶[--]rab or khandsari sugar or the period or hours worked or the like;

(c) direct a cooperative society to supply within such period as may be specified, such information, returns or reports as may be required relating to sale of sugarcane or sugarcane juice to a producer of sugar or power crusher, a khandsari unit or a crusher not belonging to a grower or body of growers of sugarcane, price at which sold and commission received, or the like;

⁷⁷(d) inspect or direct or authorize any person to inspect any accounts, books, registers or other documents belonging to or under the control of a producer of sugar or his agent or under the control of the owner, or the agent or such owner, of a crusher not belonging to a grower or a body of growers of sugarcane, or a power crusher, or a khandsari unit or a cooperative society relating to any of the matters specified in sub-clause (a), (b) or (c).

75 Substituted vide G.S.R.1456/Exss.Com./Sugarcane dated 2.8.1968

76 Omitted vide S.O.1309(E)/Ess.Com./Sugarcane dated 31.7.2007

77 Substituted vide G.S.R.1456/Exss.Com./Sugarcane dated 2.8.1968

⁷⁸9A. Power of entry, search and seizure:-

(1) The Central Government or the State Government, as the case may be, may authorize ⁷⁹[any officer not lower than the rank of a Police Inspector or Tehsildar or an officer of an equivalent rank] to enter and search any premises where any accounts, books, registers or other documents belonging to, or under the control of a producer of sugar or his agent, or an owner of a crusher, a power crusher or a khandsari unit or an agent of such an owner, are maintained or kept for safe custody;

Provided that this clause shall not apply to accounts, books, registers or other documents relating to a crusher owned by a grower or a body of growers of sugarcane.

(2) Such person may seize any such accounts, books, registers or other documents if he has reasons to believe that a contravention of this Order has been or is being or is about to be committed.

(3) The provisions of the Code of Criminal Procedure, 1973 ⁸⁰[2 of 1974], relating to searches and seizure shall, so far as may be, apply to searches and seizures made under this clause.

10. Every producer of sugar, producer of khandsari sugar, his agent or factory, every sugarcane grower or other person or cooperative society to whom or to which any order or direction is issued under any of the powers conferred by or under this Order shall comply with such order or direction.

11. Delegation of Powers

(1) The Central Government may, by notification in the official

78 Added vide G.S.R.542/Ess.Com./Sugarcane dated 27.10.1975

Exercisable by States also vide G.S.R.1127(E)/Ess.Com./Sugarcane dated 16.7.1966

79 Powers exercisable by States also vide G.S.R.127/Ess.Com.Sugarcane dated 16.7.1966

80 Substituted vide G.S.R.1456/Exss.Com./Sugarcane dated 2.8.1968

Gazette, direct that all or any of the powers conferred upon it by this Order, shall, subject to such restrictions, exceptions and conditions, if any, as may be specified in the direction, be exercisable also by ,

- (a) any officer or authority of the Central Government ;
- (b) a State Government or any officer or authority of a State Government.

⁸¹(2) Where all or any of the powers conferred upon the Central Government by this Order had been delegated in pursuance of sub-clause (1) (b) to any officer or any authority or a State Government, every Order or direction issued by such officer or authority in exercise of that power may be amended, varied or rescinded by the State Government to whom the officer or authority is subordinate, either suo- moto, or an application made within a period of thirty days from the date of the Order or direction.

Provided that no Order revoking a licence of a permit issued to a person shall be made without giving such person an opportunity to make representation.

12. Repeal and Saving

(1) The Sugarcane (Control) Order, 1955 and any Order made thereunder regulating or prohibiting the production, supply and distribution of sugarcane and trade or commerce therein are hereby repealed, except in respect of things done or omitted to be done under any such Order before the commencement of this Order.

(2) Notwithstanding such repeal, an Order made by an authority which is in force immediately before the commencement of this Order and which is consistent with this Order shall continue in force and all appointments made, prices fixed, licences and permits granted, and directions issued under any such Order and in force

81 Inserted vide G.S.R.1591/Ess.Com.Sugarcane dated 17.10.1967

immediately before such commencement shall likewise continue in force and be deemed to be made, fixed, granted or issued in pursuance of this Order.

FIRST SCHEDULE
[See Clause 5(1)]

The amount to be paid on account of additional price (per maund or quintal of sugarcane) under clause 5 by a producer of sugar shall be computed in accordance with the following formula, namely:-

$$\frac{X}{100} \times \frac{(P-T-S-R)}{M} - Y$$

Explanation : In this formula -

(1) „X“ is the percentage cost of sugarcane to the total cost of sugar (excluding taxes) so determined by the Central Government from time to time on the basis of the recovery and duration of season of the factory for the year;

Provided that the cost of sugar (excluding taxes) shall be worked out on the basis of the relevant schedule of costs given in the report of the Tariff Commission (1959) on the Cost Structure of Sugar and Fair Price payable to the Sugar Industry subject to the adjustment of such rise in cost the opinion of the Central Government cannot be absorbed by the margin for contingency included in the relevant schedule and the consequent rise in return.

(2) „P“ is the sum of (i) the average ex-factory price (per maund or quintal) realized by a producer of sugar and adjusted to ISS Grade D-29 according to the price differentials fixed by Government, (ii) the money realized by the producer of sugar from the sale of molasses, pressmud and bagasse, in relation to each maund or quintal of sugar and (iii) any amount realized by the producer of sugar by way of refund or exemption of excise duty or

cane cess or cane purchase tax, or by way of grant of subsidy given by the Central Government or a State Government in relation to each maund or quintal of sugar;

Provided that out of the rebate of excise duty granted to a producer of sugar by virtue of the notification of the Government of India in the Ministry of Finance Nos.

G.S.R. 706 dated the 25th June, 1960 and G.S.R 664 dated the 4th May, 1961, only 75 per cent of such rebate shall be included.

(3) „T“ is the amount paid in relation to each maund or quintal of sugar on account of excise duty, cane cess, cane purchase tax, commission paid to cooperative societies or cess imposed on sugar or sugarcane by the Central Government or a State Government or by any authority and any sum spent on approved schemes of sugarcane development.

(4) „S“ is the actual amount of commission paid in relation to each maund or quintal of sugar;

Provided that such amount shall not exceed seventy five naya paise for every sum of rupees one hundred of sugar sold :

Provided further that no commission shall be taken into account in respect of sugar sold directly by a producer of sugar or in pursuance of any order of the Central Government.

(5) „R“ is such allowance per maund or quintal of sugar for the factory as may be deemed reasonable by the Central Government having regard to the amount actually spent by the factory on rehabilitation during the year and the amount transferred as reserve to a special rehabilitation account during the year.

(6) „M“ is the weight in maund or quintal of sugarcane required

to produce a maund or quintal of sugar and such weight shall be calculated by dividing the total weight of the sugarcane purchased by the weight of the sugar produced therefrom and for this purpose, the weight of the sugarcane purchased shall be the sum of the total weight of sugarcane crushed plus actual driage, subject to a ceiling of one per cent, on the weight of sugarcane purchased at centres other than the factory gate.

(7) „Y“ is the total sum of (i) the minimum price of sugarcane per maund or quintal fixed by the Central Government under sub-clause (i) of clause (3) of the Sugarcane (Control) Order, 1955, (ii) any extra price paid by the producer for sugarcane in addition to the aforesaid minimum price, and (iii) the premium, if any, paid for any approved variety of sugarcane or under any scheme approved by the Central Government for payment of price of sugarcane on the basis of quality;

Provided that rebates, if any, allowed in the minimum price aforesaid (excluding a rebate allowed on account of transport charges) shall be deducted from the total sum aforesaid.

SECOND SCHEDULE

Omitted vide S.O.2665(E)/Ess Com./Sugarcane dated 22nd October, 2009

THIRD SCHEDULE

[See Clause 9(aa)] Cane Price Arrears:

Name of the producer of sugar or his agent Plant

Short Name

Plant Code No. Sugar Season

Fortnight ending date:

Particulars	Fortnight Gate/		To date Gate/		Total
	Own	Estate/	Own	Estate/	
	Outstation		Outstation		
1. Quantity of cane purchased (In quintals)					
(a) Sugar rich variety					
(b) Other varieties					
(c) Total					
2. Rate at which cane is purchased (In rupees per quintal) during the month.					
		Sugar rich varieties		Ordinary	
(a) At the gate					
(b) At the purchase Centre					
3(i) Cane price due (in lakh Rs.)					
(a) Sugar rich variety					
(b) ther varieties					
(c) Total					
3(ii) Interest due at the rate of 15% per annum on delay in payment beyond 14 days of delivery of sugarcane (In Rs.)					
4.(i) Cane price paid (in lakh Rs.)					
(a) Sugar rich variety					
(b) Other varieties					
(c) Total					
4(ii) Interest paid out of the amount specified in 3(ii) (in Rs.)					
5(i) Arrears (in lakh Rs.)					
(a) Sugar rich variety					
(b) Other varieties					
(c) Total					
5(ii) Interest arrears (in Rs.)					
4. Reasons for delay in payment.					

5. Arrears of cane price for previous season

6. Arrears of cane price for earlier seasons:
(excluding current and previous seasons (in lakh Rs.))

Date: (To be signed by Producer of sugar or
Place: his agent or authorised signatory).

[F.No. 4-5/2000-SD.II]

R.N. DAS, Joint Secretary.

Note:The principal Order was published in the Gazette of India Extraordinary vide Number G.S.R. 1126 /Ess. Com./Sugarcane, dated 16th July, 1966 and subsequently amended vide:

1. G.S.R. 35/Ess.Com./Sugarcane dated 5.1.1967
2. G.S.R. 1591/Ess.Com./Sugarcane dated 17.10.196
3. G.S.R. 945 /Ess.Com./Sugarcane dated 18.5.1968
4. G.S.R. 1456/Ess.Com./Sugarcane dated 2.8.1968
5. G.S.R. 620(E)/Ess.Com./Sugarcane dated 8.4.1970
6. G.S.R. 402(E) /Ess.Com./Sugarcane dated 25.9.1974
7. G.S.R. 492(E) /Ess.Com./Sugarcane dated 12.9.1975
8. G.S.R. 542(E) /Ess.Com./Sugarcane dated 27.10.1975
9. G.S.R. 484(E) /Ess.Com./Sugarcane dated 26.7.1976
- 10.. G.S.R. 799(E) /Ess.Com./Sugarcane dated 13.9.1976
11. G.S.R. 815(E)/Ess.Com./Sugarcane dated 24.9.1976
12. G.S.R. 913(E) /Ess.Com./Sugarcane dated 9.12.1976
13. G.S.R. 62(E)/Ess.Com./Sugarcane dated 2.2.1978
14. G.S.R. 197(E) /Ess.Com./Sugarcane dated 28.3.1978
15. G.S.R. 427(E)/Ess.Com./Sugarcane dated 3.7.1981
16. G.S.R. 79(E) /Ess.Com./Sugarcane dated 24.2.1982
17. G.S.R. 695(E) /Ess.Com./Sugarcane dated 9.9.1983
18. G.S.R. 903(E) /Ess.Com./Sugarcane dated 29.11.2000
19. G.S.R. 113(E) /Ess.Com./Sugarcane dated 20.02.2003

20. G.S.R. 204(E) /Ess.Com./Sugarcane dated 22.03.2004
21. S.O. 1940(E) dated 10.11.2006
22. S.O. 1309(E)/Ess.Com./Sugarcane dated 31-07-2007
23. S.O. 2198(E)/Ess.Com./Sugarcane dated 28.12.2007
24. S.O.2984(E)/Ess.Com./Sugarcane dated 29.12.2008.
25. S.O.2665(E)/Ess Com./Sugarcane dated 22.10.2009
26. S.O.33(E)/Ess.Com./Sugarcane dated 7.1.2010