



The Tamil Nadu Sugar Factories Control Act, 1949

Act 20 of 1949

Keyword(s):

Co-Operative Society, Crushing Season, Factory, Grower, Inspector, Occupier of a Factory, Planting Season, Sugarcane Commissioner

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[TAMIL NADU] ACT XX OF 1949.²

**[THE [TAMIL NADU] SUGAR FACTORIES CONTROL
ACT, 1949]**

*(Received the assent of the Governor on the 13th July 1949 ;
first published in the Fort St. George Gazette on the
19th July 1949.)*

**An Act to provide for the licensing of sugar factories and
regulating the supply and the prices of sugarcane used
in such factories and for other incidental matters.**

WHEREAS it is expedient to provide for the licensing of
sugar factories and regulating the supply and the prices of
sugarcane used in such factories and for other incidental
matters ; It is hereby enacted as follows :—

1. (1) This Act may be called the ¹[Tamil Nadu] Sugar Short title,
extent and
commence-
ment.
Factories Control Act, 1949.

(2) It extends to the whole of the ³[State of Tamil
Nadu].

(3) This section shall come into force at once, and the
Government may, from time to time, by notification, apply
all or any of the remaining provisions of this Act to the
whole or any portion of the ³[State of Tamil Nadu] from
such date or dates as may be specified in the notification.

¹ These words were substituted for the word " Madras " by the
Tamil Nadu Adaptation of Laws Order, 1969, as amended by the
Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.

² For Statement of Objects and Reasons, see *Fort St. George
Gazette*, dated the 14th December 1948, Part IV-A, page 434.

This Act was extended to the merged State of Pudukkottai by
section 3 of, and the First Schedule to, the Madras Merged States
(Laws) Act, 1949 (Madras Act XXXV of 1949).

All cesses imposed, assessed or collected or purporting to have
been imposed, assessed or collected under this Act before the commen-
cement of the Sugarcane Cess (Validation) Act, 1961 (Central Act
38 of 1961) were validated by section 3 of the latter Act.

The levy or collection of all cesses by the Government under
this Act during the period between the 1st March 1962 and the 27th
July 1962 (both days inclusive) was validated by section 3 of the
Tamil Nadu Sugarcane Cess (Validation) Act, 1963 (Tamil Nadu
Act 28 of 1963).

³ This expression was substituted for the expression " State of
Madras " by the Tamil Nadu Adaptation of Laws Order, 1969, as
amended by the Tamil Nadu Adaptation of Laws (Second Amend-
ment), Order, 1969.

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context—

(a) 'Advisory Committee' means the Committee constituted under section 3 ;

¹[(aa) 'co-operative society' means a registered society within the meaning of the ** Madras Co-operative Societies Act, 1932, which has among its objects the sale of sugarcane grown by its members]; Madras Act VI of 1932.

(b) 'crushing season' means the period beginning on the 1st November in any year and ending on the 30th June next following :

Provided that the Government may, either generally or in respect of any particular factory, by notification, extend the period aforesaid beyond the 30th June ;

(c) 'factory' means any premises, including the precincts thereof, wherein ten or more workers are working or were working on any day of the preceding twelve months and in any part of which any manufacturing process connected with the production of sugar by means of vacuum pans is being carried on or is ordinarily carried on with the aid of power ;

(d) 'Government' means the ²[State] Government;

¹[(dd) 'grower' means a person who cultivates sugarcane whether by himself or his own servants or by hired labour or by members of his family or by his tenants, and includes a co-operative society as defined in clause (aa) but not a member thereof];

(e) 'Inspector' means a person appointed to be Inspector under section 5 ;

(f) 'notification' means a notification published in the * *Fort St. George Gazette* ;

¹ These clauses were inserted by section 2 of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952).

² This word was substituted for the word "Provincial" by the Adaptation Order of 1950.

* Now the *Tamil Nadu Government Gazette*.

** Now the Tamil Nadu Co-operative Societies Act, 1961 (Tamil Nadu Act 53 of 1961).

(g) 'occupier of a factory' includes the managing agent or other person responsible for the management of the factory ;

¹[(gg) 'planting season' means, in relation to any local area, such period or periods as may from time to time be notified by the Government in respect of such area;]

(h) 'prescribed' means prescribed by rules made under this Act ;

(i) 'Sugarcane Commissioner' means the officer appointed to be Sugarcane Commissioner under section 4.

3. The Government shall, by notification, constitute in such manner as may be prescribed an Advisory Committee which shall be representative as far as possible of all the interests concerned, for the purpose of advising the Government on all matters on which consultation with the Committee is obligatory under this Act or the rules made thereunder and on such other matters as the Government may refer to it. Constitution of Advisory Committee.

4. The Government may appoint one of their officers by name, or the holder for the time being of any office subject to their administrative control to be Sugarcane Commissioner ; and he shall exercise the powers and perform the duties conferred or imposed on the Sugarcane Commissioner by or under this Act. Sugarcane Commissioner.

5. (1) The Government may appoint as many persons as they may consider necessary by name or by virtue of their office to be Inspectors for the purposes of this Act, within such local limits as they may specify. Appointment of Inspectors.

(2) The Inspectors shall be subordinate to the Sugarcane Commissioner and exercise such powers and perform such duties as are conferred or imposed on them by or under this Act.

²6. (1) On and after such date as the Government may, by notification, specify in this behalf, no sugarcane shall be crushed in any factory unless a licence for that purpose has been obtained in respect of that factory from the Government. Licence for crushing sugarcane.

¹ This clause was inserted by section 2 of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952).

² Sections 6 to 12 must be deemed to have been repealed by virtue of the provisions contained in section 16 (b) of the Essential Commodities Act, 1955 (Central Act 10 of 1955).

(2) Every application for a licence under sub-section (1) shall be made to the Government in such form and shall be accompanied by such fee not exceeding one thousand rupees as may be prescribed.

(3) The Government shall grant the licence applied for, if the factory was in existence on the date of the publication of the notification under sub-section (1) or its construction had been commenced or machinery for it had been ordered before that date; in other cases, the Government may either grant the licence or, for reasons to be communicated in writing, refuse to grant it:

Provided that no licence shall be refused unless the applicant has been given an opportunity to show cause against such refusal, and the Advisory Committee has been consulted in regard thereto.

(4) A licence granted under this section shall be valid for a period of ten years, but may, subject to the provisions of sub-section (5), be renewed by the Government, from time to time, during the last year of its currency for a period of ten years on each occasion.

(5) The Government may, for reasons to be communicated in writing, refuse to renew a licence on the ground that the licensee has been guilty of a breach of any of the conditions of his licence or of contravening any of the provisions of this Act:

Provided that the licensee shall be given an opportunity to show cause against such refusal and the Advisory Committee shall be consulted in regard thereto.

Conditions
of licence.

7. (1) A licence granted or renewed under section 6 shall be subject to such conditions as the Government may, after consulting the Advisory Committee, impose at the time of its grant or renewal or at any time during its currency, in respect of all or any of the following matters:—

(a) the minimum quantity of the sugarcane that shall be crushed during the crushing season in each year;

(b) the manner in which sugar produced in the factory shall be graded, marked, packed or stored for sale;

(c) any other matter which may be prescribed.

(2) Where the Government are satisfied in respect of any licence granted or renewed under section 6 that there has been a breach of any of the conditions to which the licence was subject, they may, without prejudice to any penalty which may be imposed on the occupier of the factory in respect of such breach under section 13, suspend or cancel the licence for reasons to be recorded in writing:

Provided that the licensee shall be given an opportunity to show cause against such suspension or cancellation and the Advisory Committee shall be consulted in regard thereto.

(3) Where a licence is suspended or cancelled under sub-section (2), no person shall be entitled to any compensation from the Government on the ground of any loss or damage arising from such suspension or cancellation or to the refund of any fee paid to the Government in respect of such licence.

8. The occupier of every factory shall submit to the Sugarcane Commissioner on or before a date specified by him in this behalf, an estimate, in the prescribed form and manner of the quantity of sugarcane which would be required by that factory during the crushing season immediately following.

Estimate
of the
quantity
of sugar cane
required by
factories.

9. (1) The Sugarcane Commissioner may, after taking into consideration the estimate, if any, submitted to him in accordance with section 8 and any other circumstance which he may consider material by notification, declare any area to be a reserved area for such factory and during such crushing season or seasons, as may be specified in the notification.

Declara-
tion of
reserved
areas.

(2) The Sugarcane Commissioner may, at any time by notification, modify or cancel any notification issued under sub-section (1) :

Provided that before doing so, he shall give a reasonable opportunity to the occupier of the factory and the growers of sugarcane concerned, for making their representations, if any, in regard thereto.

(3) Any person aggrieved by an order of the Sugarcane Commissioner under sub-section (1) or sub-section (2) may within the prescribed time, appeal to the Government and the Government may pass such orders as they deem fit on such appeal.

Agreements with growers for sale of sugarcane. 10. ¹[(1) (a) Any grower in a reserved area may, before the close of each planting season, offer to sell to the occupier of the factory for which the area has been reserved, for crushing in the crushing season immediately following, such quantity of the sugarcane grown by him (or where the grower is a co-operative society, such quantity of the sugarcane grown by all its members) as the grower may specify, but not exceeding the quantity, if any, specified for such grower in respect of such season by the Sugarcane Commissioner or by an Inspector authorized by him in this behalf.

(b) The offer shall be made in such form and on or before such date as may be prescribed.]

(2) The occupier of such factory shall enter into an agreement with the ²[grower] for the purchase of all sugarcane offered by him in accordance with sub-section (1) ; and the agreement shall be in such form, shall be executed on or before such date, and shall contain such terms and conditions as may be prescribed :

Provided that the occupier may refuse to enter into such an agreement where the sugarcane is offered for delivery during a period in respect of which he has already entered into agreements with ²[growers] in the reserved area for the purchase of a quantity of sugarcane equal to the maximum consumption of the factory during such period.

(3) An appeal shall lie to the Sugarcane Commissioner against any refusal of the occupier to enter into an agreement under the proviso to sub-section (2) ; and the decision of the Sugarcane Commissioner on such appeal shall be final.

(4) The occupier of the factory shall maintain a register in the prescribed form and manner showing (i) all ²[growers] who offered to sell sugarcane to him under sub-section (1), and (ii) the manner in which such offers were dealt with.

¹ This sub-section was substituted for the original sub-section (1) by section 3 of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952)

² This word was substituted for the words "sugarcane-grower", "sugarcane growers" and "Sugarcane growers" by section 3 (ii) and 3 (iii) of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952)

11. (1) So long as the notification as issued under sub-section (1) of section 9, or as modified under sub-section (2) of that section remains in force, except with the previous permission in writing of the Inspector—

Certain transactions prohibited in a reserved area.

(a) no one shall sell any sugarcane grown in any area declared by such notification to be a reserved area, to any person other than the occupier of the factory specified in it unless such occupier has refused to buy the sugarcane under the proviso to sub-section (2) of section 10, such refusal not having been set aside on appeal under sub-section (3) of that section ;

(b) the occupier of the factory shall not refuse to purchase any sugarcane offered to him under sub-section (1) of section 10, except in the case referred to in the proviso to sub-section (2) of that section ;

(c) no one shall export any sugarcane out of the reserved area except where the sale of the sugarcane to a person other than the occupier of the factory is permissible under clause (a) ;

(d) no one shall import any sugarcane into the reserved area except in cases where export of the sugarcane from some other reserved area is permissible under clause (c) as applied to such other area.

(2) Against any order of the Inspector refusing the permission referred to in sub-section (1), an appeal shall lie within the prescribed time to the Sugarcane Commissioner who may pass such order as he deems fit on such appeal.

(3) The Government may, either *suo motu* or on application, call for and examine the record of any order passed by or any proceeding recorded by, the Sugarcane Commissioner under sub-section (2) for the purpose of satisfying themselves as to the legality or the propriety of such order, or as to the regularity of such proceeding and may pass such order in reference thereto as they think fit.

¹[11-A. Notwithstanding anything contained in this Act, it shall be open to any grower (other than a co-operative society) who owns within a reserved area not more than five acres of land growing sugarcane, either himself

Power to crush or to sell sugarcane by certain growers.

¹This section was inserted by section 4 of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952).

to crush the sugarcane grown by him for the purpose of making gur within the same reserved area or to sell the sugarcane grown by him for that purpose.]

Power of Government to fix prices. 12. (1) The Government may at any time before the commencement of a crushing season, after consulting the Advisory Committee, by notification, specify either generally or in respect of any factory, either the price which the occupier of a factory shall be bound to pay for any sugarcane purchased by him during the season or the method of calculating such price :

Provided that the Government may specify different prices or different methods of calculating the prices of different varieties of sugarcane.

(2) The Government may at any time, after consulting the Advisory Committee, by notification, vary any price or method of calculation specified under sub-section (1) :

Provided that no such notification shall apply to any sugarcane purchased by the occupier of a factory before the publication of such notification.

(3) The Government may, after consulting the Advisory Committee, by notification, permit the occupier of a factory to pay the price payable by him under this section in such number of instalments as may be specified in such notification.

(4) The occupier of a factory shall not make any deductions from the price payable by him in accordance with this section, except such as may be prescribed.

Penalties. 13. (1) If sugarcane is crushed in any factory without a licence under section 6 or in case a licence under that section has been granted in respect of any factory, if there is a breach of any of the conditions to which the licence was subject, the occupier of the factory concerned shall be punishable with fine which may extend to five thousand rupees for each day on which sugarcane is so crushed or on which the breach continues.

(2) If the occupier of a factory—

(a) in contravention of section 11 refuses to purchase any sugarcane, or

(b) refuses to pay for any sugarcane purchased by him the price payable in accordance with section 12 or makes any deduction from such price in contravention of that section he shall be punishable with imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

(3) If any person imports or exports or sells any sugarcane in contravention of section 11¹ or crushes or sells any sugarcane grown or bought by him, in contravention of section 11-A] he shall be punishable with imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

(4) Any person contravening any of the provisions of this Act for which no penalty is provided in subsections (1) to (3), shall be punishable with fine which may extend to two thousand rupees.

14. (1) The Government may, after consulting the Levy of cess. Advisory Committee, by notification, levy a cess not exceeding four annas per standard maund as defined in the ²Standards of Weight Act, 1939, on sugarcane brought into any ³[local area] specified in such notification, for consumption, use or sale therein.

Central
Act IX
of 1939.

(2) Subject to the maximum aforesaid, the Government may from time to time, after consulting the Advisory Committee, by notification, alter the rate of levy of such cess.

(3) The Government may, by order, remit in whole or in part any cess paid or payable under this section in respect of any sugarcane specified in such order.

(4) The Government may, after consulting the advisory Committee, make rules, specifying the authorities by which, the persons from whom, and the manner in which, the cess levied under this section shall be collected.

¹ These words, figures and letter were inserted by section 5 of the Madras Sugar Factories Control (Amendment) Act, 1952 (Madras Act IX of 1952).

² See also the Standards of Weights and Measures Act, 1976 (Central Act 60 of 1976).

³ These words were substituted for the word "area" by section 2 of the Tamil Nadu Sugar Factories Control (Amendment) Act, 1962 (Tamil Nadu Act 1 of 1962).

(5) Any sum payable under this section may be recovered as if it were an arrear of land revenue.

Offences by corporations.

15. Where a person committing any offence punishable under this Act is a company or an association or a body of persons, whether incorporated or not, the manager, secretary, agent or other principal officer managing the affairs of such company, association or body, shall be deemed to be guilty of such offence.

Protection of action taken under the Act.

16. (1) No suit, prosecution or other legal proceeding shall lie against the Government or against any authority, officer or person for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

(2) No decision of the Government or Sugarcane Commissioner or any Inspector in the exercise of any discretion or authority conferred by or under this Act shall be liable to be questioned in any Court of Law.

Power to make rules.

17. (1) The Government may make rules to carry out the purposes of this Act.

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

(a) the constitution of the Advisory Committee, the term of office of its members, the manner in which casual vacancies among them shall be filled, and the procedure for the conduct of its business,

(b) the form of application for the grant or renewal of a licence under section 6 and the fee which should accompany each such application,

(c) the time within which appeals under section 9(3) or section 11(2) may be filed,

(d) the correct weighment of sugarcane, the provision of facilities for weighment and for checking weighments and timings of weighments,

(e) the method of determining the percentage of recovery of sugar from sugarcane.

(f) the form of the records to be kept and of the returns to be made, and the information to be furnished by persons liable to pay the cess under section 14,

(g) the inspection or search of any place or vehicle used or suspected to be used for the storage or carriage of sugarcane and,

(h) any other matter expressly required or allowed by this Act to be prescribed.

(3) In making any rule under sub-section (1) or (2) the Government may provide that a breach thereof shall be punishable with fine which may extend to two thousand rupees.

Central
Act XV
of 1934.

18. The Sugarcane Act, 1934, in so far as it applies to the [State of Tamil Nadu], is hereby repealed. Repeal.

1. This expression was substituted for the expression "State of Madras" by the Tamil Nadu Adaptation of Laws Order 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.