



## The Bombay Molasses (Control) Act, 1956

Act 38 of 1956

Keyword(s):

Inspector, Molasses, Occupier of a Sugar Factory, Sugar Factory

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**THE BOMBAY MOLASSES (CONTROL) ACT, 1956.**

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BOMBAY ACT No. XXXVIII OF 1956.<sup>1</sup>

[THE BOMBAY MOLASSES (CONTROL) ACT, 1956]†

[This Act received the assent of the President on the 21st June 1956; the assent was first published in the *Maharashtra Government Gazette*, Part IV, on the 28th June 1956].

Adapted and modified by the Bombay Adaptation of Laws (State and Concurrent Subject) Order, 1956.

Amended by Bom. 64 of 1958.

Amended by Mah. 1 of 1973.

Amended by Mah. 5 of 1981 (22nd January 1981) §.

**An Act to provide for the regulation and control of the supply of molasses for the purpose of development of certain industries by securing their equitable distribution and availability at fair prices and for certain other matters.**

WHEREAS it is expedient to provide for the regulation and control of the supply of molasses for the purpose of development of certain industries by securing their equitable distribution and availability at fair prices and for certain other matters hereinafter appearing; It is hereby enacted in the Seventh Year of the Republic of India as follows :—

1. (1) This Act may be called the Bombay Molasses (Control) Act, 1956. Short title, extent and commencement.
- 2<sup>2</sup>[(2) It extends to the whole of the State of Bombay.]
- (3) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint in this behalf.
2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.
  - (a) "Collector" means the Collector of land revenue;
  - <sup>3</sup>[(b) "Commissioner" means the Commissioner of Prohibition and Excise appointed under the Bombay Prohibition Act, 1949;]\*
  - (c) "Inspector" means an Inspector appointed under section 5;
  - (d) "molasses" means the heavy, dark coloured viscous liquid produced in the final stage of manufacture of sugar by vacuum or open pan, from sugarcane or gur when the liquid as such or in any form or admixture contains sugar ;
  - (e) "occupier of a sugar factory" means the person who has ultimate control over the affairs of a sugar factory;
  - (f) "prescribed" means prescribed by rules or orders under this Act ;
  - (g) "sugar factory" means any premises, including precincts thereof, whereon twenty or more workers are working, or were working on any day of the preceding twelve months and in any part of which a manufacturing process connected with the production of sugar by means of vacuum pans or in open pans is being carried on, or is ordinarily carried on, with the aid of power.
3. (1) For the purpose of advising the State Government on matters relating to molasses, the State Government may constitute a Molasses Board. Molasses Board, its constitution and procedure.

<sup>1</sup> For Statement of Objects and Reasons, see *Bombay Government Gazette* Extraordinary, 1956, Part V, p. 84.

<sup>2</sup> Sub-section (2) was substituted for the original by Bom. 64 of 1958, s. 3(1).

<sup>3</sup> Clause (b) was substituted by Mah. 5 of 1981, s. 2.

† The Act was extended to that part of the State of Bombay to which immediately before the commencement of Bom. 64 of 1958, it did not extend (*vide* Bom. 64 of 1958, s. 2).

§ This indicates the date of commencement of Act.

\* Section 9 of Mah. 5 of 1981 reads as under :—

"9. On and after the commencement of this Act, any reference to the Director of Sugar, Maharashtra State, Poona, in any law for the time being in force, including in any rules or orders made thereunder, or in any instrument or document, shall, for the purposes of this Act and the rules and orders made thereunder, be construed as and shall be deemed to be a reference to the Commissioner of Prohibition and Excise referred to in clause (b) of section 2 of the principal Act as amended by this Act." Construction of references to Director of Sugar in enactments or instruments.

(2) The Molasses Board constituted under sub-section (1) shall consist of such members, not less than six with such qualifications as may be prescribed. The member or members so appointed shall hold office during the pleasure of the State Government.

(3) Three members shall form a quorum for the disposal of the business of the Board.

(4) Any vacancy of the member of the Board shall be filled in as early as practicable: Provided that during any such vacancy the continuing members may act, as if no vacancy had occurred.

(5) The procedure regarding the work of the Board shall be such as may be prescribed.

Functions  
of  
Molasses  
Board.

4. The Molasses Board shall—

(a) advise the State Government on matters concerning the grading and marketing of molasses, the prices at which molasses are to be sold and generally on their allocation for distilleries and other purposes, and

(b) perform such other functions as may be prescribed.

Inspectors  
and their  
powers and  
functions.

5. (1) The State Government may, by notification in the *Official Gazette*, appoint such persons as it thinks fit, having the prescribed qualifications to be Inspectors for the purposes of this Act within such local limits as it may assign to them, respectively :

Provided that no person who has any financial interests in the transport, sale, supply or distribution of molasses shall be appointed as an Inspector under this sub-section.

(2) Every such Inspector shall, subject to the control of the State Government and <sup>1</sup>[the Commissioner,] have power to inspect at all reasonable times the stocks of molasses held by any person or sugar factory, take samples from such molasses for analysis or testing or examine licences, permits, records, books, accounts, returns, documents or statements in the possession or custody of any person or sugar factory relating to transactions in molasses.

(3) Every such Inspector shall exercise such other powers and perform such functions as may be conferred or imposed on him by or under this Act.

Powers to  
control,  
supply, dis-  
tribution,  
etc., of  
molasses.

6. (1) If the State Government is of the opinion that it is necessary or expedient so to do for maintaining supplies of molasses for the purpose of development of any industry by securing their equitable distribution and availability at fair prices, it may, by order, provide for regulating the supply and distribution of, or trade and commerce in, molasses.

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

(a) for controlling the price at which and the manner in which molasses may be bought or sold generally or for any industrial purpose ;

(b) for regulating by licences, permits or otherwise the storage, supply, transport, distribution, disposal, acquisition, possession, use or consumption of molasses ;

(c) for requiring any person or occupier of a sugar factory to sell molasses, held in stock by him or produced or to be produced in his factory, to the State Government to the exclusion, complete or partial, of others or to such person or class of persons and in such circumstances and upon such terms as may be specified in the order ;

(d) for the taking of samples and grading and testing of molasses ;

<sup>1</sup> These words were substituted for the words " the Director " by Mah. 5 of 1981, s. 3.

(e) for regulating or prohibiting any class of commercial or financial transactions relating to molasses, which in the opinion of the State Government are, or, if unregulated, are likely to be, detrimental to the public interest;

(f) for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters;

(g) for requiring occupiers of sugar factories and persons engaged in the production, supply or distribution of, or trade and commerce in, molasses, 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 ; and

(h) for any incidental and supplementary matters, including in particular the grant or issue of licences, permits or other documents, their terms and conditions and the charging of fees therefor.

(3) Where, in pursuance of any order made with reference to clause (c) of sub-section (2), any person sells molasses, there shall be paid to him the price therefor—

(a) where the price can consistently with the controlled price, if any, be fixed by agreement, the price so agreed upon ;

(b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any, fixed under this section ; and

(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.

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

(a) in the case of an order of a general nature of affecting a class of persons, be notified in the *Official Gazette*;

(b) in the case of an order affecting an individual, corporation or firm, be served in the manner provided for the service of a summons in rule 2 of Order XXIX or rule 3 of Order XXX, as the case may be, in the First Schedule of the Code of Civil Procedure, 1908; and

(c) in the case of an order directed to a specified individual, be served on such individual—

(i) by personally delivering or tendering to him the order, or

(ii) by post, or

(iii) where the individual cannot be found, by leaving an authentic copy of the order with some adult male member of his family or by affixing such copy to some conspicuous part of the premises in which he is known to have last resided or carried on business or worked for gain.

(5) Where a question arises whether a person was duly informed of an order made in pursuance of this section, compliance with the requirements of sub-section (4) shall be conclusive proof that he was so informed; but failure to comply with the said requirements shall not preclude proof by other means that he was so informed or affect the validity of the order.

(6) Any order made under this section 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.

(7) Where an order purports to have been made and signed by an authority in exercise of any power conferred by this section, a court shall, within the meaning of I of 1872. Indian Evidence Act, 1872, presume that such order was so made by that authority.

Offence,  
penalty and  
forfeiture.

7. (1) Whoever contravenes any provisions of this Act or any order made thereunder or any term or condition of any licence or permit granted or issued under an order made under this Act, shall, on conviction, be punished with imprisonment of either description which may extend to one year or with fine.

(2) Any court trying such contravention may direct that any stock of molasses, in respect of which the court is satisfied that the contravention has taken place, shall, along with any box, receptacle, package or covering containing such stock of molasses, be forfeited to the State Government.

Offences by  
companies.

8. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence 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 offence 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 provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(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 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 a 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.

Cognizance  
of offences.

9. (a) No court shall take cognizance of any offence punishable under this Act, except with the previous sanction of <sup>1</sup>[the Commissioner].

(b) No court inferior to that of <sup>2</sup>[a Metropolitan Magistrate] or a Magistrate of the First Class shall try any offence punishable under this Act.

(c) Notwithstanding anything contained in <sup>3</sup>[the Code of Criminal Procedure, II of 1973], an offence punishable under this Act shall be cognizable and bailable. II of 1974.

Compound-  
ing  
of offences.

[10. (1) The State Government may, either before or after institution of any proceedings for any offence punishable under this Act, sanction the acceptance from any person charged with such offence, by way of composition of the offence, such sum of money as it may determine and may direct the release of any property which has been seized as liable to forfeiture under this Act on payment of the value thereof as estimated by it or by such officer as it may authorise in this behalf.

(2) On the payment by such person of such sum of money, or such value, or both, as the case may be, such person, if in custody, shall be set at liberty and the property seized may be released. If any proceedings shall have been instituted against such person in any Criminal Court, the composition shall be deemed to amount to an acquittal and in no case shall any further proceedings be taken against such person or property with reference to the same facts.]

<sup>1</sup> These words were substituted for the words "the Director" by Mah. 5 of 1981, s. 4(1).

<sup>2</sup> These words were substituted for the words "a Presidency Magistrate", *ibid.*, s. 4(2).

<sup>3</sup> These words and figures were substituted for the words and figures "the Code of Criminal Procedure, 1898", *ibid.*, s. 4(3).

<sup>4</sup> Section 10 was substituted, *ibid.*, s. 5.

11. An Inspector and a police officer not below the rank of an officer in charge of a police station shall, within the limits of the area in which such officer exercises jurisdiction, have power to investigate any offence punishable under this Act.

Officers empowered to investigate offences.

12. (1) [The Commissioner], Collector or any officer empowered under section 11 to investigate an offence under this Act may—

Powers of entry, search, seizure and arrest.

(a) enter and search at all reasonable times, any premises in which he has reason to believe that any molasses in respect of which an offence punishable under this Act has been or is about to be committed is kept or concealed and seize such molasses and any box, receptacle, package or covering containing such molasses ;

(b) seize in any open place or in transit any molasses in respect of which he had reason to believe that any offence punishable under this Act has been committed and also any box, receptacle, package or covering containing such molasses ;

(c) seize any books, accounts, documents or statements relating to transactions in the molasses so seized ;

(d) detain, search and arrest any person whom he has reason to believe to be guilty of any offence punishable under this Act.

II of 1974.

(2) The provisions of [the Code of Criminal Procedure, 1973] shall, so far as may be, apply to any search or seizure under this section as they apply to any search or seizure made under section [94] of the said Code.

II of 1974.

13. Save as otherwise expressly provided in this Act, all investigations, searches, seizures, arrests and detentions in custody shall be made in accordance with [the Code of Criminal Procedure, 1973].

Provisions of Criminal Procedure Code to apply to investigations, etc.

14. (1) A report about any molasses or article seized under section 12 shall, as soon as possible, be submitted to the Magistrate having jurisdiction, who may, after making such inquiry as he may consider necessary, give such direction for its temporary custody as he thinks fit.

Report of seizure of molasses to Magistrate.

(2) Where no prosecution is instituted, or the offence is compounded under section 10, the Magistrate may, subject to the provisions of section 10, direct the return of such molasses or articles to the persons from whom they were seized.

15. The State Government or [the Commissioner,] as the case may be, may, by notification in the *Official Gazette*, direct that any power conferred or any duty imposed on it or him may, subject to such conditions as it or he may, specify, be exercisable also by any officer specified by it or him.

Delegation of powers.

<sup>1</sup> These words were substituted for the words "The Director" by Mah. 5 of 1981, s. 6(1).  
<sup>2</sup> These words and figures were substituted for the words and figures "the Code of Criminal Procedure, 1898", *ibid.*, s. 6(2) (a).  
<sup>3</sup> These figures were substituted for the figures "98" *ibid.*, s. 6 (2) (b).  
<sup>4</sup> These words and figures were substituted for "the Code of Criminal Procedure, 1898", *ibid.*, s. 7.  
<sup>5</sup> These words were substituted for the words "the Director", *ibid.*, s. 8.

**Exemptions.** 16. The State Government may, by notification in the *Official Gazette*, exempt either wholly or partially any area or any person or any class of persons from all or any of the provisions of this Act or any of the rules or orders made thereunder subject to such conditions as may be specified in the notification.

**Power of State Government to call for and examine records of proceedings.** 17. The State Government may call for and examine the record of any proceeding before any officer exercising powers or discharging duties under this Act including those relating to the grant or refusal of a licence or permit under an order made under this Act for the purpose of satisfying itself as to the correctness, legality or propriety of any order passed in, and as to the regularity of, such proceedings and may either annul, reverse, modify or confirm such order or pass such other order as it may deem fit.

**Officers and persons acting under the Act to be public servants.** 18. All officers, Inspectors and persons empowered to exercise any powers or to perform any functions under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code. XLV  
of  
1860.

**Bar of proceedings.** 19. No suit or proceeding shall lie against the State Government or against any officer or against any person empowered to exercise powers or to perform functions under this Act, for anything in good faith done or purporting to be done under this Act.

**Power to make rules.** 20. (1) The State Government may, subject to the condition of previous publication, 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—

- (a) prescribe the specifications and tests in respect of the purity of molasses,
- (b) prescribe the other functions of the Molasses Board and the procedure for the conduct of its business and the performance of its functions.