
RICE-MILLING INDUSTRY (REGULATION) ACT, 1958

21 of 1958

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RICE-MILLING INDUSTRY (REGULATION) ACT, 1958

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An Act to regulate the Rice-milling Industry in the interest of the general public Be it enacted by Parliament in the Ninth year of the

Republic of India as follows :

1. Short title, extent and commencement :-

(1) This Act may be called the Rice-Milling Industry (Regulation) Act, 1958.

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

(3) It shall come into force on such date as the Central Government may, by notification in the official Gazette appoint : Provided that it shall come into force in the State of Jammu and Kashmir on the date of commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1972.

2. Declaration as to expediency of control by the Union :-

It is hereby declared that it is expedient in the public interest that the Union should take under its control the rice-milling industry.

2A. Rules of construction in relation to application to Jammu and Kashmir :-

(1) Any reference in this Act to a law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the corresponding law, if any, in force in that State.

(2) Any reference in any provision of this Act (except S. 3-A) to the commencement of this Act or the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1968, shall, in relation to the State of Jammu and Kashmir, be construed as reference to the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1972.

(3) Section 2-A shall have effect in relation to the State of Jammu and Kashmir subject to the omission of the portion beginning with the words "subject to the modification" and ending with the words, brackets and figures "the Rice-Milling Industry (Regulation) Amendment Act, 1968."

3. Definitions :-

In this Act, unless the context otherwise requires

(a) "defunct rice mill" means

(i) a rice mill in existence at the commencement of this Act but in

which rice-milling operations have not been carried on for a continuous period of one year prior to such commencement ; and

(ii) a rice mill (whether established before or after such commencement) in which rice-milling operations are not carried on for continuous period of one year at any time after the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1968 ;

(b) "existing rice mill" means a rice mill carrying on rice-milling operations at the commencement of this Act and includes a rice mill in existence at such commencement which is not carrying on rice-milling operations but in rice-milling operations have been carried on at any time within a period of one year prior to such commencement : Provided that if in any such rice mill rice-milling operations are not carried on for a continuous period of one year at any time after the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1968, then such mill shall, on the expiry of the said period of one year, cease to be an existing rice mill and be deemed to be a defunct rice mill ;

(c) "licensing officer" means an officer appointed as such under S. 4 ;

(d) "milling rice" with its grammatical variations means

(i) recovering rice or any product thereof from paddy ;

(ii) polishing rice ; with the aid of power ;

(e) "new rice mill" means a rice mill other than an existing rice mill or a defunct rice mill ;

(f) "notified order" means an order notified in the official Gazette ;

(g) "owner" in relation to a rice mill, means the person who, or the authority which has the ultimate control over the affairs of the rice mill, and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the rice mill ;

(gg) "polishing" in relation to rice means the removal of bran from the kernel of rice ;

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

(i) "rice-mill" means the plant and machinery with which, and the premises, including the precincts thereof, in which or in any part of which rice-milling operation is carried on.

4. Appointment of Licensing Officers :-

The Central Government may, by notified order

(a) appoint such persons, being Gazetted officers of Government, as it thinks fit to be licensing officers for the purposes of this Act ; and

(b) define the limits within which a licensing officer shall exercise the powers conferred on licensing officers by or under this Act.

5. Grant of permits in respect of new or defunct rice mills :-

(1) Any person or authority may make an application to the Central Government for the grant of a permit for the establishment of a new rice mill ; and any owner of a defunct rice mill may make a like application for the grant of a permit for recommencing rice-milling operation in such mill.

(2) Every application under sub-S. (1) shall be made in the prescribed form and shall contain the particulars regarding the location of the rice mill, the size and type thereof and such other particulars as may be prescribed.

(3) If, on receipt of any such application for the grant of permit, the Central Government is of opinion that it is necessary so to do for ensuring adequate supply of rice, it may, subject to the provisions of sub-S. (4) and sub-S. (5), grant the permit specifying therein the period within which the mill is to be established or, as the case may be, the mill is to re-commence rice-milling operation and such other conditions including such conditions as to improvements to existing machinery, replacement of existing machinery and use of improved methods of ricemilling, as may be necessary to eliminate waste, obtain maximum production and improve quality as it may think fit to impose in accordance with the rules, if any, made in this behalf.

(4) Before granting any permit under sub-S. (3) the Central Government shall cause full and complete investigation to be made in the prescribed manner in respect of the application and shall have due regard to

(a) the number of rice mills operating in the locality ;

(b) the availability of paddy in the locality :

(c) the availability of power and water supply for the rice mill in respect of which a permit is applied for ;

(d) whether the rice mill in respect of which a permit is applied for will be of the huller type, sheller type or combined sheller-huller type ;

(e) whether the functioning of the rice mill in respect of which a permit is applied for would cause substantial unemployment in the locality ;

(f) such other particulars as may be prescribed.

(5)

(a) In granting a permit under this section (whether for the establishment of a new rice mill or for re-commencing rice milling operation in defunct rice mill), the Central Government shall give preference

(i) to a Government company or a corporation owned or controlled by the Government over every other applicant ;

(ii) to a farmer's co-operative society over every other applicant, not being a Government company or a corporation owned or controlled by a Government notwithstanding that such other applicant has applied for the grant of a permit for re-commencing operation in a defunct rice mill.

(b) Subject to the provisions of Cl. (a), in granting a permit under this section, the Central Government shall give preference to a defunct rice mill over a new rice mill.

Explanation. In this sub-section

(i) "Co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (Act 2 of 1912) or any other law relating to co-operative societies for the time being in force in any State and "farmers co-operative society" means a co-operative society the members whereof include farmers and the voting rights in which are, according to its rules and bye-laws, restricted to the following classes of its members, namely :

(a) farmers ;

(b) State Governments ;

(c) primary agricultural credit societies as defined in Cl. (cii) of S. 2 of the Reserve Bank of India Act, 1934 (Act 2 of 1934) ;

(ii) "Government Company" has the same meaning as in the Companies Act, 1956 (Act 1 of 1956).

(6) A permit granted under this section shall be valid for the period specified therein or for such extended period as the Central Government may think fit to allow in any case :

Provided that if in a mill in respect of which a permit has been granted under sub-S. (3) rice-milling operation is not carried on for a continuous period of one year at any time after the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act, 1968 (29 of 1968), then such permit shall cease to be valid upon the expiry of the said period of one year and a fresh permit shall be necessary for recommencing rice-milling operation in that mill.

6. Grant of licences :-

(1) Any owner of an existing rice-mill or of a rice mill in respect of which (a permit granted under S. 5 is effective) may make an application to the licensing officer for the grant of a licence for carrying on rice-milling operation in that rice-mill.

(2) Every application under sub-S. (1) shall be made in the prescribed form and shall contain the particulars regarding the location of the rice mill, the size and type thereof and such other particulars as may be prescribed.

(3) On receipt of any such application for the grant of a licence, the licensing officer shall grant the licence on such conditions including such conditions as to improvements to existing machinery, replacement of existing machinery and use of improved methods of rice-milling as may be necessary to eliminate waste, obtain maximum production and improved quality and conditions relating to the polishing of rice, on payment of such fees and on the deposit of such sum, if any, as security for the due performance of the conditions as may be prescribed.

(4) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fees and on such conditions (including such conditions as to improvements of existing

machinery, replacement of existing machinery and use of improved methods of rice-milling, as may be necessary) to eliminate waste, obtain maximum production and improve quality, as may be prescribed :

Provided that if in a mill in respect of which a licence has been granted under sub-S. (3) rice-milling operations are not carried on for a continuous period of one-year at any time after the commencement of the Rice-Milling Industry (Regulation) (Amendment) Act 1968 (29 of 1968) then such licence shall cease to be valid upon the expiry of the said period of one year and a fresh licence shall be necessary for carrying on rice-milling operations in that mill.

7. Revocation, suspension and amendment of licences :-

(1) If the licensing officer is satisfied, either on a reference made to him in this behalf or otherwise, that

(a) a licence granted under S. 6 has been obtained by misrepresentation as to an essential fact ; or

(b) the holder of a licence has, without reasonable cause, failed to comply with the conditions subject to which the licence has been granted or has contravened any of the provisions of this Act or the rules made thereunder, then, without prejudice to any other penalty to which the holder of the licence may be liable under this Act, the licensing officer may, after giving the holder of the licence an opportunity of showing cause, revoke or suspend the licence or forfeit the sum, if any, or any portion thereof deposited as security for the due performance of the conditions subject to which the licence has been granted.

(2) Subject to any rules that may be made in this behalf, the licensing officer may also vary or amend a licence granted under S. 6.

8. Certain restrictions on rice mills :-

(1) No person or authority shall, after the commencement of this Act, establish any new rice-mill except under and in accordance with a permit granted under S. 5.

(2) No owner of a rice mill shall, after the commencement of this Act, carry on rice-milling operation except under and in accordance with a licence granted under S. 6 :

Provided that nothing in this sub-section shall apply to an existing rice mill for such period as may be specified in this behalf by the Central Government by notified order.

(3) No owner of a rice mill

(a) in respect of which a licence has been granted under S. 6, shall carry on rice-milling operation in that mill (after the licence has ceased to be valid) ;

(b) in respect of which the licence has been revoked or suspended under S. 7, shall carry on rice-milling operation in that mill after the revocation or, as the case may be, during the period for which the licence has been suspended ;

(c) shall, without previous permission of the Central Government, change the location of the whole or any part of the rice mill in respect of which a licence has been granted under this section ;

(d) shall, after the commencement of this Act, effect any expansion of the rice mill except with the previous permission of the Central Government :

Provided that no such permission shall be necessary

(i) where such expansion is in accordance with the terms and conditions of the permit or licence granted under this Act in respect of the rice mill ; or

(ii) for the replacement merely of any parts of the machinery of the rice mill if such replacement does not result in the productive capacity of the rice mill.

Explanation. For the purposes of Cl. (a) of this sub-section, the period of the validity of a licence shall not be deemed to have expired, if an application for its renewal is pending before the licensing officer.

9. Power of inspection :-

For the purpose of ascertaining the position or examining the working of any rice mill or for any other purpose mentioned in this Act or the rules made thereunder, the licensing officer or any person authorised by the Central Government in this behalf shall have the right

(a) to enter and inspect any rice mill ;

- (b) to order the production of any document, book, register or record in the possession or power of any person having the control of, or employed in connection with, any rice mill ; and
- (c) to examine any person having the control of, or employed in connection with, any rice mill.

10. Decision of Central Government final respecting certain matters :-

If, for the purposes of this Act, any question arises as to whether

- (a) there has been an expansion of a rice mill ; or
- (b) the replacement of any parts of the machinery of a rice mill has resulted in an increase in the productive capacity of the rice mill ; the Central Government may, after giving the owner of the rice mill an opportunity of being heard, decide the question and the decision of the Central Government thereon shall be final.

11. Returns :-

Every owner of a rice mill shall furnish to the Central Government such returns relating to the affairs of the rice mill and in such forms as may be prescribed.

12. Appeals :-

(1) Any person aggrieved by a decision of licensing officer under S. 6 or S. 7 may, within thirty days from the date on which the decision is communicated to him prefer an appeal to an appellate officer who shall be a person nominated in this behalf by the Central Government :

Provided that the appellate officer may entertain the appeal after the said period of thirty days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-S. (1), the appellate officer shall, after giving the appellant an opportunity of being heard, dispose of the appeal as expeditiously as possible.

13. Penalties :-

(1) If any person contravenes or attempts to contravene or abets the contravention of any of the provisions of S. 8 or sub-S. (2) of S. 18, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to ten thousand rupees, or with both, and in the case of a continuing

contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention :

Provided that where such contravention, attempt or abetment relates to sub-S. (1), or sub-S. (2) or Cl. (a) or Cl. (b) of sub-S. (3) of S. 8, or sub-S. (2) of S. 18 he shall be punishable with imprisonment for a term which shall not be less than one month

(2) If any person

(a) when required by this Act or by any order under this Act 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 reason to believe to be false or does not believe to be true ; or

(b) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required to maintain or furnish under this Act ; or

(c) contravenes any rule the contravention of which is made punishable under this sub-section ; he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to two thousand rupees, or with both.

14. Offences by companies :-

(1) If the person committing an offence under this Act is 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 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-S. (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 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.

14A. Burden of proof in certain cases :-

Where paddy, husk, rice or broken rice is recovered from the premises of a mill, it shall be presumed, unless the contrary is proved by the owner, that rice-milling operations are carried on in that mill.

14B. Confiscation of plant and machinery :-

Where any person has been convicted for contravention of any of the provisions of S. 8 or of sub-S. (2) of S. 18, then the court convicting such person may order confiscation of the plant and machinery with which rice-milling operations in contravention of such provision were carried on :

Provided that where such person is convicted for a second or subsequent offence, the court shall order confiscation of such plant and machinery.

15. 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 the licensing officer or any person duly authorised by the Central Government or the licensing officer in this behalf.

16. Jurisdiction of courts :-

No court inferior to that of a Presidency Magistrate or a magistrate of the first class shall try any offence punishable under this Act.

17. Special provision regarding fines :-

Notwithstanding anything contained in S. 32 of the Code of Criminal Procedure, 1898 (5 of 1898), it shall be lawful for any magistrate of the first class or for any Presidency Magistrate to pass a sentence of fine exceeding two thousand rupees on any person convicted of any offence under this Act.

18. Power to exempt in special cases :-

(1) If the Central Government is of opinion, having regard to the necessity for ensuring an adequate supply of rice in any area or to the conditions prevailing therein, that it would not be in the public interest to apply all or any of the provisions of this Act to the rice mills or to any class of rice mills in that area, it may, by notified order, exempt for such period and subject to such conditions as it may think fit to impose, all the rice mills or such class of rice mills in that area as it may specify in the order from the operation of all or any of the provisions of this Act or of any rule or order made thereunder.

(2) Where any notified order under sub-S. (1) granting an exemption is cancelled, no owner of a rice mill shall carry on rice-milling operation in that rice mill after the expiry of such period as may be specified in the order cancelling the exemption, except under and in accordance with a licence granted to him under S. 6,

19. Delegation of powers :-

The Central Government may, by notified order, direct that the power exercisable by it under this Act 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 an officer or authority subordinate to the Central Government ; and

(b) such State Government or such officer as may be specified in the direction.

20. Licensing Officers etc :-

to be public servants. The Licensing Officers and every person duly authorised to discharge any duties imposed on him by this Act shall be deemed to be public servants within the meaning of S. 21 of the Indian Penal Code (Act 45 of 1860).

21. Protection of action taken under the Act :-

(1) No suit, prosecution or other legal proceeding shall lie against any officer or authority for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

(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 this Act or any rule or order made thereunder.

22. Power to make rules :-

(1) The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

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

(a) the form of application for the grant of a permit under S. 5 and the particulars it may contain ;

(b) the manner in which an investigation is to be made in respect of an application for a permit and the matters to be taken into account in granting or refusing a permit ;

(bb) the form of a permit under S. 5 and the conditions (including conditions relating to improvements to existing machinery, replacement of existing machinery and use of improved methods of rice-milling) subject to which a permit may be granted and the time within which such conditions shall be complied with ;

(c) the form of application for the grant or renewal of a licence in respect of a rice mill and the particulars it may contain ;

(d) the form of a licence which may be granted or renewed under S. 6 and the conditions subject to which the licence may be granted or renewed (including conditions relating to improvements to existing machinery, replacement of existing machinery, use of improved methods of rice-milling and polishing of rice, the time within which such conditions shall be complied with), the fees to be levied for the grant or renewal of a licence and the deposit of any sum as security for the performance of such conditions

(e) the circumstances under which licences may be varied or amended under sub-S. (2) of S. 7 ;

(f) the submission of returns relating to a rice mill by the owner and the forms in which and the authorities to which, such returns may be submitted ; and the collection of any information or statistics in relation to rice mills ;

(g) the form and manner in which appeals may be filed under S. 12 and the procedure to be followed by appellate officers in disposing

of the appeals ;

(h) any other matter which has to be or may be prescribed under this Act.

(3) Any rule made under this section may provide that a contravention thereof shall be punishable under sub-S. (2) of S. 13.

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

23. Application of other laws not barred :-

The provisions of this Act shall be in addition to, and not in derogation of, any other Central Act for the time being in force.

24. Act not to apply to rice mills owned by Government :-

The provisions of this Act shall not apply to any rice mill owned by Government.

25. Repeal and savings :-

(1) If, immediately before the commencement of this Act, there is in force in any State to which this Act extends any law or order relating to the regulation or control of rice mills in that State, that law or order shall stand repealed.

(2) Notwithstanding such repeal, any certificate of registration, permit or licence granted in respect of any existing rice mill, under any such law or order hereby repealed and in force immediately before the commencement of this Act, shall continue to be in force for such period as may be allowed under the proviso to sub-S. (2) of S. 8 for the licensing of such rice mill under the provisions of this Act, and for the removal of doubts, it is hereby declared that the provisions of S. 6 of the General Clauses Act, 1897 (10 of 1897)

shall apply in relation to such repeal, as they apply in relation to the repeal of an enactment by a Central Act,