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**Bihar Molasses (Control) (Amendment And Validation) Act,  
1999****1 of 2000**

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**Bihar Molasses (Control) (Amendment And Validation) Act,  
1999****1 of 2000**

An Act to amend The Bihar Molasses Control Act, 1947. WHEREAS, it was notified under Notification No. 476, dated the 22 December, 1995 that administrative charges at the rate of Rs. 15.00 per quintal of Molasses having reducing sugar of 37 per cent or more and at the rate the Rs. 10.00 per quintal of Molasses having less than 37 per cent reducing sugar shall be payable on supply of released molasses to the distilleries within the State of Bihar. AND, WHEREAS, some of the distillers challenged the authority of the State regarding imposition of administrative charges on molasses for supply to the distilleries within the State; AND, WHEREAS, in C.W.J.C. No. 1907/96, 4536/96 and 2611 /96 the Hon'ble High Court held that the imposition of administrative charges on the molasses for supply to the distilleries are without any legislative sanction as the State Government is empowered to impose administrative charges only on released molasses, and released molasses under the Bihar Molasses (Control) Act, 1947 means such molasses which is either considered surplus to the requirements of the distilleries of the State of Bihar or which is unfit for the use of such distillers; AND, WHEREAS, the Hon'ble Court also held that the State Government may impose administrative charge on any sale of released molasses and therefore, there must be an incident of sale and a seller and a purchaser of released molasses in order to attract imposition of administrative charge under the

provision of the Act; AND, WHEREAS, the Hon'ble Court held that the demand of administrative charge from the petitioners is bad because in case of captive consumption there would be hardly any question of sale; AND, WHEREAS, the Hon'ble court has further held that since the administrative charges were illegally collected by the State, the petitioners would be entitled to refund of the amount/adjustment against their other dues with the Excise Department; AND, WHEREAS, the aforesaid writ petitions were allowed and the notification regarding imposition of administrative charge on Molasses to be supplied to the distilleries within State of Bihar was quashed by order dated the 28th December, 1996 of the Hon'ble High Court; AND, WHEREAS, it has become necessary to impose and validate administrative charges on sale or supply of molasses to the distilleries within the State of Bihar in accordance with the policy approved by the cabinet. Be it enacted by the Legislature of the State in the fiftieth year of the Republic of India as follows:- 1. Published in the Bihar Gazette (Extra Ordinary) dated 10.1.2000.

### **1. Short Title, Extent And Commencement :-**

- (1) This Act may be called the Bihar Molasses (Control) (Amendment and Validating) Act, 1999.
- (2) It shall extend to whole of the State of Bihar.
- (3) It shall be deemed to have come into force with effect from the 22nd December, 1995.

### **2. Amendment Of Section 2 Of Bihar Act Vi Of 1947 :-**

In Section 2 of the Bihar Molasses (Control) Act, 1947, Bihar Act, VI of 1947) hereinafter referred to as the said Act-

For clause (f) the following clause shall be substituted, namely:-

"(f) released molasses means such molasses which is allotted to any distillery of the State of Bihar or to the distilleries outside the State of Bihar or to any persons."

### **3. Substitution Of New Section For Section 8A Of Bihar Act Vi Of 1947 :-**

For Section 8A of the said Act, the following section shall be substituted, namely:-

"8A. Imposition of administrative charges on molasses.- Notwithstanding anything contrary contained in Section 8, the

State Government may, in such manner and at such rates as from time to time may be prescribed, impose on any sale or supply of released molasses, charge for meeting the cost of establishment or supervision and control over such releases and such charge shall be recoverable from the person to whom such sale or supply is made: Provided that the State Government may exempt or reduce charges in respect of released molasses to the distilleries outside the State of Bihar.

Explanation.-For the purpose of the Act, any transfer of released molasses from a sugar factory to its own distillery for captive consumption shall be deemed to be supply.

#### **4. Validation Of Collection Of Administrative Charges :-**

Notwithstanding any judgment, decree or order of any Court to the contrary, every notification issued or purported to have been issued under Rule 4A of the Bihar Molasses (Control) Rules, 1955, before the commencement of this Act shall be deemed to have been issued under Section 8A read with the provisions of clause (f) of Section 2 as amended by this Act and shall be so interpreted and be deemed to be always to have been valid as if the provisions of Section 2 and 3 of this Act, were in force at all material times, and accordingly anything done or any action taken (including any order made, proceeding taken, jurisdiction exercised, assessment made, or administrative charges levied, collected or paid or purported to have been done or taken in pursuance of any such notification shall be deemed to be, and always to have been validly and lawfully done or taken.