

## **Bihar Molasses (Control) Act, 1947**

### **6 of 1947**

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## **Bihar Molasses (Control) Act, 1947**

### **6 of 1947**

An Act to provide for the control of the distribution, supply, storage and price of molasses produced by factories in the State of Bihar. WHEREAS, it is expedient to provide for the control of the distribution, supply, storage and price of molasses produced by

factories in the State of Bihar. It is hereby enacted as follows:-

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

- (1) This Act, may be called the Bihar Molasses (Control) Act, 1947.
- (2) It extends to the whole of the State of Bihar.
- (3) [Omitted by Act 1 of 1964.]

### **2. Definitions :-**

In this Act, unless there is anything repugnant in the subject or context:-

- (a) Controller means the Excise Commissioner as defined in clause (7) of Section 2 of the Bihar & Orissa Excise Act, 1915 (B & O. Acts II of 1915);
- (aa) Excise Officer shall have the same meaning as is assigned to it by the Bihar and Orissa Excise Act, 1915;
- (b) Manager in relation to a Sugar Factory, means the manager of the factory appointed under Section 13 of the Bihar Sugar Factories Control Act, 1937 (Bihar Act VII of 1937);
- (c) Molasses means final residual by-product of factories manufacturing sugar from cane or by refining gur, by means of vacuum pans but does not include convertible molasses, which are the final residual byproduct of sugar factories operating on the open pan system;
- (d) Stockist means any person holding stocks of molasses for distillation, or for purposes of sale or resale under a licence granted under this Act;
- (e) the words Cane, Factory, Occupier of a factory and Sugar have the meaning respectively assigned to them in Section 2 of the Bihar Sugar Factories Control Act, 1937 (Bihar Act VII of 1937);
- 1[(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 person.]
- 2[(g) Prescribed means prescribed by Rules made under this Act];
- 3[(h) Board means Board of Revenue.]
- 1. Substituted by Act 1 of 2000 (Amdendment & Validating Act).
- 2. Inserted by Act 25 of 1977.
- 3. Inserted by Act 7 of 1985.

### **3. Submission Of Returns By Occupiers Of Factories And Stockists :-**

Every owner, manager or occupier of a factory and every stockist shall furnish to the Controller within the time and in the manner specified by the Controller such returns relating to stocks of molasses as the Controller may, by order from time to time, direct.

#### **4. Section 4 :-**

1[No molasses produced in the State nor any molasses held by the stockists in this State, shall, without the permission of the Controller, be moved by rail, road or river from any place in the State to any other place therein:

Provided that where an agreement or contract for the supply of molasses has been entered into in accordance with the provisions of Section 5, when the Controller has issued direction under Section 6, permission for such movement shall not be refused by the Controller:

Provided further that the Controller shall not issue movement order for any molasses except on payment of the permit fee by the person desiring to move molasses as may be prescribed by State Government from time to time by notification in the Official Gazette:

Provided further also that no movement permit shall be required for movement of any molasses to distilleries of this State.]

1. Inserted by Act 7 of 1985.

#### **5. Occupiers Of Factories And Stockists Not To Enter Into Agreement Except With The Permission Of Controller :-**

Notwithstanding anything contained in any other law for the time being in force, no owner, manager or occupier of a factory or stockist shall enter into any agreement or contract, express or implied, with any person, other than the Government or a person, firm, company or association licensed by the Controller in its behalf for the supply of molasses, except with the permission of the Controller and subject to such terms and conditions as the Controller may from time to time impose.

#### **6. Power Of Controller To Issue Directions :-**

The controller may, from time to time, issue directions to the owner, manager or occupier of any factory or to any stockist to supply molasses to the State Government or to such distillery or distilleries or to such persons or organisations at such times and in

such manner as may be specified in the directions.

## **7. Compliance With Directions Issued By Controller :-**

Every owner, manager or occupier of a factory and every stockist shall notwithstanding any agreement or contract, express or implied, between such producer or stockist and any other person made before or after the commencement of this Act, give priority to and comply with any direction which may from time to time, be issued to him under Section 6, for supply of molasses to the State Government or distilleries.

## **8. Price Of Molasses :-**

No owner, manager or, occupier or a factory or stockist shall sell molasses at prices exceeding those prescribed in Schedules A and B to this Act during the period respectively specified therein:

Provided, that the State Government may, from time to time, amend Schedule B by a notification in the Official Gazette, if such amendment is necessary by reason of any verification having occurred in the cost of storage of molasses or loading or shunting charges.

### **8A.** Imposition Of Administrative Charges On Molasses :-

1[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 of 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]

1. See now Cr.P.C., 1973 (Act 2 of 1974).

### **8B.** Section 8B :-

1[No stockist of molasses shall engage in the business of sale or re-sale of molasses and hold stocks for that purpose except under the terms and conditions of a licence granted by the Collector of

Molasses in the form prescribed and subject to payment of licence fee as prescribed by the State Government from time to time.]

1. Substituted by S.O. 91 dated 18.1.1996.

**8C.** Funds For Regulation Of Adequate Storage Facilities In Respect Of Molasses :-

1[(i) Every owner, occupier and manager of sugar factory shall, for the purpose of construction and maintenance, of adequate facilities for the storage of molasses, place in a separate fund such amount calculated at the rate as may be prescribed by the Government by notification:

Provided that the amount aforesaid shall not exceed one-third of the price received in accordance with the rate prescribed in the Schedule referred to in Section 8-A.

(ii) The fund referred to in sub-section (i) above shall be accounted for, maintained and operated in the manner prescribed by Rule framed in that behalf.]

1. Substituted by S.O. 91 dated 18.1.1996.

**9.** Act Not To Apply To Certain Molasses :-

Nothing in this Act shall apply to molasses which are the property of the Government nor to their transport under and in accordance with Military Credit Notes and excepting the provisions of Section 8, nothing in this Act shall apply to any contract or agreement to which the State Government is a party.

**9A.** Disposal Of Adulterated Or Deteriorated Molasses As Waste :-

The contents of any tank or pit intended for the storage of molasses, not being molasses having a density of not less than 80 brix and a fermentable sugar content (expressed as reducing sugar) of not less than 37 per centum shall, if the Controller by order in writing so directs, be disposed of as waste or in such manner as may be specified in the order.

**9B.** Prohibition Of Adulteration Of Molasses :-

An owner, manager or occupier of a factory or a stockist or any other person shall not adulterate molasses having a density of not less than 80 brix and a fermentable sugar content (expressed as reducing sugar) of not less than 37 per centum and shall allow free

access to any Excise Officer deputed by the Controller to his factory or place of business and afford such officer every facility for inspection of such premises.

**9C.** Provisions Of Storage Tanks, Etc :-

If any owner, manager or occupier of a factory or stockist is, by order, required by the Controller to construct tanks or other receptacles for the storage of molasses within the precincts of his factory or place of business, it shall be the duty of such owner, manager, occupier or stockist-

- (a) to provide such tanks or receptacles within such time and in conformity with such specification as may be specified in the order.
- (b) to keep the tanks or receptacles in a proper state of repairs, and
- (c) to take all reasonable precautions to ensure that the molasses stored in such tanks or receptacles does not deteriorate in quality on account of any intake of water or due to any other preventive cause.

**9D.** Provision Of Residential Accommodation For Excise Officers :-

If any owner, manager or occupier of a factory or stockist is, by order, required by the Controller to provide residential accommodation for an Excise Officer deputed by the Controller to his factory or place of business it shall be the duty of such owner, manager, occupier or stockist to provide the accommodations within such time and on such terms including payment of rent thereof as may be specified in the order and to keep such accommodation in a proper state of repairs.

**9E.** Power Of Entry, Seizure And Inspections :-

(1) Any police or Excise Officer, not below the rank of Sub-Inspector, or any other officer empowered in this behalf by the Controller may, subject to such restrictions and exceptions, if any, as may be imposed by the Controller-

- (a) enter, inspect or search at any time, by day or night, any place of premises, vehicles or vessels in which, he has reason to believe that any molasses, in respect of which an offence punishable under this Act or any rule or order made thereunder has been or is about to be, committed, is kept or concealed or is in transit;

(b) seize or remove molasses together with any boxes, receptacles, packages or coverings thereof held in contravention of the provisions of this Act or any rule or order made thereunder; and  
(c) detain in custody or arrest any person who has committed or is about to commit an offence punishable under this Act or any rule or order made thereunder.

(2) The provisions of the Code of Criminal Procedure, 1[1898 (V of 1898) relating to arrests, detention in custody, searches, warrants of arrest, search warrants and the disposal of property subject to decay shall, subject to the provisions of this Act, apply to arrests, detention and searches made, warrants issued and the disposal of molasses seized under this Act or any rule, order or direction made or issued thereunder.

1. See now Cr.P.C., 1973 (Act 2 of 1974).

#### **9F.** Offences Under This Act To Be Cognizable And Bailable :-

(1) An offence under this Act or any rule, order or direction made or issued thereunder shall be cognizable and bailable.

(2) No Court shall take cognizance of any offence punishable under this Act or any rule, order or direction made or issued thereunder except on a report in writing of the facts constituting such offence made by a police or excise officer not below the rank of Sub-Inspector or any other officer empowered in this behalf by the Collector.

#### **10.** Penalty :-

If any person contravenes any provision of, or fails to comply with any order or direction issued under this Act or the Rules made thereunder, or makes any false statement regarding any matter in respect of which he is required under this Act or the said Rules to give information he shall be punishable with imprisonment of either description for a term which may extend to three years or with fine which may extend to ten thousand rupees, or with both.

Any Court trying a contravention of the provisions of Sections 4, 6, 8, 9A and 9B may direct that any molasses in respect of which the Court is satisfied that any of the said provisions has been contravened, shall be forfeited to Government:

Provided that a contravention of the provision of Section 8, if made before the commencement of the Bihar Molasses (Control) Third

(Amendment) Act, 1959, shall not be punishable under this Act:

1[Provided further that-

(i)

(a) the Collector of Molasses may accept from any person, who is reasonably suspected of having committed an offence punishable under this Section, a payment of a sum not exceeding rupees ten thousand in lieu of prosecution or by way of composition for such offences as the case may be; and

(b) in any case in which any molasses has been seized as being liable to confiscation under this Act, may, at any time before the Magistrate has passed an order under this Section, release the molasses on payment of any sum not exceeding the value thereof as estimated by the Controller of Molasses including the administrative charges and movement permit fee.

(ii) When the payments referred to above have been duly made the accused person, if in custody, shall be discharged and the molasses seized (if any) shall be released and no further proceeding shall be taken against such person or molasses.]

1. Inserted by Act 7 of 1985.

**10A.** Section 10A :-

1[(1) An appeal shall lie to the Board from any order made by the Controller of Molasses under Section 10 of the Act:

Provided that every memorandum of appeal shall be submitted within fifteen days from the date of communication to the appellant of the order appealed against and shall be accompanied by order appealed against in original or by an authenticated copy of such order unless the omission to produce such order or copy is explained to the satisfaction of the Board.

(2) The State Government may on its own motion or on the application of any aggrieved person, revise any order passed under this Act by the Controller, except an order passed under Section 10 of the Act:

Provided that no application shall be entertained under this Section unless it is made within thirty days of the order complained of.]

1. Substituted by Act 7 of 1985.

**11.** Effect Of Provisions Inconsistent With Other Enactments :-

The provisions of the Act shall have effect notwithstanding anything inconsistent therewith contained in any other enactment.



## **12. Protection Of Action Under The Act :-**

(1) No suit, prosecution or other legal proceedings shall lie against any person for anything which is done in a good faith or intended to be done in pursuance of this Act.

(2) No suit or other legal proceedings shall lie against the Government for any damage caused or likely to be caused by anything in good faith done or intended to be done in pursuance of this Act.

## **13. Power To Make Rules :-**

(1) The State Government may, by notification 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) regulate the sale and price of molasses intended for use in distilleries or for other purposes;

(c) prescribe conditions in respect of storage, loading and transport of molasses at factories;

(d) prescribe the forms and returns to be submitted, and the records and books to be maintained, by factories;

(e) prescribe the manner in which molasses produced in factories shall be graded, marketed, packed or stored for sale;

1[(f) regulate imposition and recovery of permit fee and administrative charges on released molasses;]

2[(ff) prescribe the manner in which accounts of funds for regulation of adequate storage facilities in respect of molasses produced in factories shall be maintained and operated]

1[(g) any other matter which is required to be or which may be prescribed under this Act.]

1. Inserted by Act 7 of 1977.

2. Inserted by Act 7 of 1985.

## **14. Repeal And Savings :-**

(1) The Bihar Molasses (Control) Ordinance, 1946 (Bihar Ordinance 1 of 1946) is hereby repealed.

(2) Any Rule, order, notification, direction or permit made, issued given or granted or deemed to be made, issued, given or granted

under the said Ordinance and in force immediately before the commencement of this Act shall continue in force and be deemed to be a Rule, order, notification, direction or permit made, issued, given or granted under this Act; and anything done any action taken in exercise of any power conferred by or under the said Ordinance shall be deemed to have been done to taken in exercise of powers conferred by or under this Act, as if this Act, had commenced on the 1st October, 1946.

### **SCHEDULE 1**

#### **SCHEDULE A**

(See Section 8)

Price per quintal of molasses including loading and shunting charges payable during the period prior to the first day of January, 1959.

(i) Sugar factories in North Bihar ... 85 P.

(ii) Sugar factories in South Bihar ... 50 P.

### **SCHEDULE 2**

#### **SCHEDULE B**

(See Section 8)

Price for different grades of molasses payable to Sugar Factories:-

Grade of Molasses	Percentage of total sugar contents (expressed as reducing sugar)	Price per quintal of molasses payable to sugar factories including loading, shunting & storage charges.
1	2	3
Grade I	50 per cent and above	Rs. 45/- (Rs. Forty five) per quintal.
Grade II	45 per cent to 49.99 per cent	Rs. 40/- (Rs. Forty ) per quintal.
Grade III	40 per cent to 44.99 per cent	Rs. 30/- (Rs. Thirty) per quintal.
Grade IV	37 per cent to 39.99 per cent	Rs. 25/- (Rs. Twenty five) per quintal.
	Below 37 percent	Rs. 15/- (Rs. Fifteen) per quintal.

1. Substituted by S.O. 91 dated 18.1.1996.