

**MAHARASHTRA RAW COTTON (PROCUREMENT,
PROCESSING AND MARKETING) ACT, 1971**

47 of 1971

[13th December, 1971]

CONTENTS

CHAPTER 1 :- Preliminary

1. Short title, extent, commencement and duration.
2. Definitions.

CHAPTER 2 :- Establishment, Proceedings and Duties of the State Advisory Board.

3. Establishment of State Advisory Board.
4. Composition of the Board.
5. Headquarters of the Board.
6. Term of office and condition of service of non-official members.
7. Resignation of non-official members.
8. Temporary absence of members.
9. Disqualification of nonofficial members.
10. Removal of members.
11. Vacation of membership
12. Filling of vacancies.
13. Meetings of the Board.
14. Proceedings presumed to be good and valid.
15. Consultation or association with experts.
16. Duties of the Board.

CHAPTER 3 :- Prohibition on Trading in and Transport of [Cotton] and on Cotton Ginning and Pressing Factories

17. Prohibition on carrying on business in [Cotton (other than baled cotton)].
18. Prohibition on cotton ginning and pressing factories.
19. Prohibition on transport of [Cotton (other than baled cotton) outside the State.

CHAPTER 4 :- Procurement, Grading and Pooling [Cotton]

20. Every grower of cotton to sell his produce to Government.
21. Tendering of Kapas by persons other than grower.
- 21A. .

22. Grading and pooling of [cotton] tendered at collection centers.
23. Weightment procedure and grant of receipt to the tenderer Mah. XX of 1964.

CHAPTER 5 :- Mode of fixing and payment of price for 1[cotton] tendered at collection centers

24. Fixation of guaranteed price.
25. Advance price payable to tenderer.
26. Mode of payment of advance price [and remaining guaranteed price.]
27. Deduction to be made from the advance price [and remaining guaranteed price] for dues of co-operative societies and market committee. Mali. XX of 1964.
27A. Deductions to be made from guaranteed price for capital formation.
28. Cotton pooled [to be ginned or pressed into bales and to be sold] or otherwise disposed of by Government at certain price.
29. Fixation of inal price.
30. Settlement of account after final price is fixed and notified.
31. Mode of payment of difference.
32. Payment of additional bonus.

CHAPTER 6 :- Price Fluctuation Fund.

33. Constitution of Price Fluctuation Fund.
34. Accounting of difference between the guaranteed price and the final price.
35. Other matters connected with the Fund to be regulated by rules.
35B. Deductions made under section 27Ato, be credited to Capital Formation Fund.

CHAPTER 7 :- Control of Cotton-Ginning and Pressing Factories

36. Power to issue directions to cotton ginning and pressing factories.
37. Power to appoint authorised controller.

CHAPTER 8 :- Settlement of disputes regarding baled cotton sold by Government.

38. Disputes regarding baled cotton sold by Government to be referred to authorities constituted under and their decision to be final.

CHAPTER 9 :- Disposal of cotton seeds

39. Disposal of cotton seeds.

CHAPTER 10 :- Special Procedure for Recovery of Sale-Proceeds from Purchase of Ginned Cotton Cotton Bales and Cotton Seeds

40. Recovery of amount due on account of purchase of ginned cotton, cotton bales and cotton seeds from Government.

41. Execution of certificate of recovery.

CHAPTER 11 :- Miscellaneous.

42. Power to delegate and to appoint agents.

43. Offences.

44. Cognizance of offences.

45. Protection of action taken in good faith.

46. Power to make rules.

47. Declaration of stocks of ginned cotton not pressed into bales, held at the commencement of the Act and their disposal.

48. Application of other laws not barred. XII of 1925.

49. Power to suspend the operation of provisions of the Act.

MAHARASHTRA RAW COTTON (PROCUREMENT, PROCESSING AND MARKETING) ACT, 1971

47 of 1971

[13th December, 1971]

An Act to provide for the carrying on for a certain time of all trade in raw cotton by the State of Maharashtra. WHEREAS, ginned and pressed cotton has been commanding a high level of prices at the terminal markets in recent years, nevertheless it has been brought to the notice of the Government of Maharashtra that because of too many intermediaries and also defects in the marketing system, growers of cotton in the State do not get a fair share of the price of their crop; AND WHEREAS, it is also necessary to supply unadulterated cotton to consumers at a reasonable price, and to guarantee the purity of cotton and honest trade practices at processing centers; AND WHEREAS, the Government of Maharashtra has decided that all trade in raw cotton should be carried on by the State for a certain time; and for that purpose to take power '[for acquiring cotton from the growers and other persons having stocks thereof, getting it ginned or pressed into bales, selling it in any form to consumers and others on behalf of the tenderers and paying compensation to the tenderers; and provide for matters relating to the purposes aforesaid; It is hereby enacted in the Twenty-second Year of the Republic of India as follows

CHAPTER 1

Preliminary

1. Short title, extent, commencement and duration. :-

(1) This Act may be called as the Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971

(2) It extends to the whole of the State of Maharashtra.

(3) Chapter I and II shall come into force at once and the provisions of this Act shall come into force on such [date as the State Government may, by notification in the Official Gazette, appoint.

(4) This Act shall remain in force up to and inclusive of the 30th June [2001], and shall then expire; and Section 7 of the Bombay General Clauses Act, 1904 , shall apply upon the expiry of this Act, as if it had then been repealed by a Maharashtra Act.

2. Definitions. :-

In this Act unless the context otherwise requires,-

(a) "advance price" means the price payable or paid as such to a grower of cotton or holder of stocks of cotton at the time of tendering [cotton] at the collection center under section 20 or SECTION 21 ;

(b) "bale" means any pressed package of cotton of whatever size or density;

(c) "Board" or "Advisory Board" means the Board established under section 3

;

(d) "bonus" in respect of any grower or other person tendering cotton at a collection center, means if the final price fixed for any cotton season exceeds the guaranteed price, the proportionate amount payable to him as bonus under section 30 and SECTION 32 , on the quantity of cotton acquired from him;

(e) "collection center" means the place designated by the market committee [or directed to be so designated by the Director of Marketing under section 21A for tendering cotton,] by any grower or other person holding stocks thereof;

(f) "controlled area" means an area specified in a notification under S.3 of the Bombay Cotton Control Act, 1942;

(g) "cotton" means raw cotton, whether ginned or unginned;

(h) "cotton ginning factory" has the meaning assigned to it in the

cotton ginning and pressing factories Act, 1925;

(i) "cotton pressing factory" has the meaning assigned to it in the cotton ginning and pressing factories Act, 1925;

(j) "cotton season" means the period from the 1st day of July of any year to the 30th day of June of the next year (both days inclusive);

(k) "final price" means the price determined as such [under section 29 , in respect of any specified variety of grade of cotton, as payable to the cotton growers and other persons tendering cotton, at the collection centers under section 20 and SECTION 21 ;

(l) "guaranteed price" means the price determined as such under section 24 , in respect of any [specified variety of grade of cotton], as payable to the cotton growers and other persons tendering [cotton], at the collection centers;

(m) "kapas" means unginned cotton;

(n) "market area" means an area specified in a declaration made under S.4 of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963;

(o) "market committee" means a committee constituted for a market area under S.11 of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963;

(p) "marketing society" means a taluka or block co-operative purchase and sale union, or a marketing society of agricultural produce, registered or deemed to be registered under the Maharashtra Co-operative Societies Act, 1960 as an agricultural society, and includes a cotton sale society;

(q) "member" means a member of the Advisory Board, and includes the Chairman or Vice- Chairman of the Board;

(r) "non-official member" means who is not a Member ex-officio;

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

(t) "Registrar" means a person appointed to be the Registrar of Cooperative Societies under the Maharashtra Co-operative Societies Act, 1960 , and includes any person appointed to assist him and on whom all or any of the powers of the Registrar under that Act are

conferred.

CHAPTER 2

Establishment, Proceedings and Duties of the State Advisory Board.

3. Establishment of State Advisory Board. :-

The State Government may, by notification in the Official Gazette, establish for the purposes of this Act a Board by name of "the Maharashtra State Cotton Control Advisory Board".

4. Composition of the Board. :-

(1) The Board shall consist of the following members:-

(a) the Minister of State for Co-operation, Maharashtra State ex- of ficio Chairman;

(b) the Secretary to the Government of Maharashtra, Agriculture and Co-operation Department (Co-operation Wing), ex-of ficio Vice-Chairman;

(c) one representative of the Ministry of Agriculture, appointed by the Central Government, ex-officio;

[(d) the Chairman, Maharashtra State Co-operative Cotton Growers Marketing Federation Limited, ex-officio or his representative;

[(e) the Managing Director, Maharashtra State Co-operative Cotton Growers Marketing Federation Limited, ex-officio or his representative;

(f) the Managing Director, Maharashtra State Co-operative Bank, ex-officio or his representative;

(g) the Managing Director, Cotton Corporation of India Ltd., ex-officio or his representative;

(h) the Managing Director, Maharashtra State textile Corporation Ltd., ex-officio or his representative;

(i) the Chairman, Maharashtra Rajya Bazaar Samiti Sahakari Sangh, ex-officio or his representative;

0) the Director of Agriculture, ex-officio or his representative;

(k) the Director of Marketing, ex-officio, and until such Director is appointed the Joint Registrar of Co-operative Societies (Marketing), ex- officio;

- (l) three representatives of cotton growers, appointed by the State Government;
- (m) one representative of textile mills appointed by the State Government;
- (n) one representative of Co-operative Spinning Mills, appointed by the State Government;
- (o) one representative of Co-operative Ginning and Pressing Factories, appointed by the State Government;
- (p) one representative of the East India Cotton Association appointed by the State Government;
- (q) a deputy secretary to the Government of Maharashtra in the Agriculture and Co-operation Department, designated by the State Government in this behalf, who shall also be the Secretary of the Board.

(2) The names of the non-official Member appointed by the State Government shall be published in the Official Gazette.

5. Headquarters of the Board. :-

The headquarters of the Board shall be in Greater Bombay.

6. Term of office and condition of service of non-official members. :-

(1) Every non-official Member shall hold office for a period of three years from the date of his appointment:

Provided that, the State Government may extend the said period by a further period not exceeding one year:

Provided further that, after the expiry of the period of his appointment, a person shall, unless disqualified or removed, be eligible for reappointment.

(2) Every non-official Member shall receive from the State Government such allowances for the purpose of meeting the personal expenditure incurred in attending the meeting of the Board or in performing any other functions as such Member, as may be prescribed.

7. Resignation of non-official members. :-

Any non-official Member may at any time resign his office by writing under his hand addressed to the State Government, and

upon the acceptance thereof the office of the Member shall become vacant.

8. Temporary absence of members. :-

If any Member is by infirmity or otherwise rendered temporarily incapable of carrying out his duties or is absent on leave or otherwise, not involving the vacation of his appointment, the State Government may appoint another person to officiate for him and carry out his functions under this Act or any rules or regulations made thereunder.

9. Disqualification of nonofficial members. :-

A person shall be disqualified for being appointed or continuing as a non-official Member, if he-

(a) holds any office or place of profit under the State Government except when he is appointed under clause (j) of sub-section (1) of section 4 ;

(b) is of unsound mind, and stands so declared by a competent Court;

(c) is an undischarged insolvent; or

(d) has been or is convicted of any offence involving moral turpitude.

10. Removal of members. :-

If the State Government is of opinion that, any Member is guilty of mis-conduct in the discharge of his duties, or is incompetent to perform or has become incapable of performing his duties as a Member or should for any other good and sufficient reason be removed, the State Government may, after giving the Member an opportunity to show cause against his removal, by notification in the Official Gazette, remove him from office.

11. Vacation of membership :-

If a non-official Member,-

(a) becomes subject to any of the disqualifications mentioned in section 9 , or

(b) is absent, without the permission of the Board from all meetings of the Board for a period of two successive months, he shall cease to be a member.

12. Filling of vacancies. :-

(1) In the event of a vacancy in the office of any Member, the vacancy shall be filled by the State Government, and the person so appointed shall hold office so long as the Member in whose place he is appointed would have held office.

(2) A vacancy of a Member shall be filled as early as practicable:

Provided that, during any such vacancy the continuing Members may act, as if no vacancy had occurred.

13. Meetings of the Board. :-

(1) The Board shall meet at such times, at least once in a month, and at such places as the Chairman, may determine.

(2) The Chairman, or in his absence the Vice- Chairman, shall preside at a meeting of the Board. In the absence of both, the meeting shall be presided over by one of the members present as may be chosen by the meeting to be the Chairman for the meeting.

(3) One-third of the total number of members of the Board shall be the quorum required to constitute a meeting of the Board.

(4) Minutes shall be kept of the names of the Members present and of those who attend the meetings of the Board under the provisions of this Act, and of the proceedings of each meeting, in a minute book to be kept for the purpose. The minutes shall be signed at the next meeting after confirmation at such meeting.

(5) Subject as aforesaid, the Board may observe such rules of procedure in regard to the transaction of its business, or the business of any committee appointed by it as may be provided by the regulations made by the Board, with the previous sanction of the State Government.

14. Proceedings presumed to be good and valid. :-

No Act or proceeding of the Board or any of its committee shall be invalid by reason only of a vacancy therein, or any defect in the appointment of any person acting as the Chairman or the Vice-Chairman or Member, if such act or proceeding is otherwise in accordance with the provisions of this Act.

15. Consultation or association with experts. :-

(1) the Board may, with the previous sanction of the State Government, associate with itself or consult such persons whose assistance or advice it may require, for the purpose of performing

any of its functions under this Act; such persons may be paid such remuneration or fees or allowances as may be sanctioned by the State Government.

(2) The person so assisting or advising the Board may take part in the discussions of the Board relevant to the purpose for which he is associated or consulted.

16. Duties of the Board. :-

Subject to the control, direction and superintendence of the State Government, it shall be the duty of the Board-

(a) to advise the State Government with regard to the policy to be adopted in the matter of cultivation of cotton in the State and grading and marketing of cotton with a view to ensure a fair price to the grower and the giving effect to the other objectives of this Act;

(b) to recommend the places at which the collection centers may be located;

(c) to advise the State Government in the matter of fixation of final prices of different varieties of cotton;

(d) to recommend the number and places of godowns required for storing cotton, and the cotton ginning and pressing factories required for processing cotton and if necessary for requisitioning godowns or factories;

(e) to advise the State Government with regard to the policy to be adopted for disposal of cotton-seed and cotton-waste;

(f) to advise the State Government on any other matter connected with the administration of this Act in respect of which that Government may consider it necessary to obtain the advice of the Board;

(g) to advise the State Government on all other matters to facilitate the proper carrying out of the purpose of this Act.

CHAPTER 3

Prohibition on Trading in and Transport of [Cotton] and on Cotton Ginning and Pressing Factories

17. Prohibition on carrying on business in [Cotton (other than baled cotton)]. :-

Save as otherwise provided by or under this Act and except with

the previous permission of the State Government, no person, other than the State Government or an officer or agent of such Government, authorised by it in this behalf, shall purchase, sell or [store for sale cotton (not being baled cotton) or carry on business therein.]

18. Prohibition on cotton ginning and pressing factories. :-

(1) No owner or person in charge of a cotton ginning factory shall, except with the previous permission of the State Government, gin or cause to be ginned in his factory any kapas, other than kapas to be ginned on Government account.

(2) No owner or person in charge of a cotton pressing factory shall, except with the previous permission of the State Government, press or cause to be pressed ginned cotton into bales, other than such cotton to be pressed on Government account.

19. Prohibition on transport of [Cotton (other than baled cotton) outside the State. :-

No person, other than the State Government or the Head of any Department authorised by the State Government in this behalf, shall, except with the previous permission of the State Government, or such Head of the Department, [transport or attempt to transport cotton (not being baled cotton)] from any place in the State to any place outside the State. Where the State Government or the Head of the Department refuses the previous permission in any case, the reasons therefor shall be recorded in writing.

CHAPTER 4

Procurement, Grading and Pooling [Cotton]

20. Every grower of cotton to sell his produce to Government. :-

Every grower of cotton shall, after the picking operations are over, sell all kapas produced by him and which he wishes to dispose of, to the State Government, by tendering it at a collection center:

Provided that, the grower may, where such practice prevails, in the area pay the labourers engaged by him wages in kind. i.e. in kapas and then tender the remaining quantity to the State Government as provided in this section:

[Provided further that, where a person is a grower of hybrid, foundation or nucleus cotton seeds and is duly approved by the

Department of Agriculture for the cultivation of such seeds, such person shall be permitted to get his kapas ginned subject to such conditions (if any) as may be prescribed, but shall then sell the ginned cotton, which he wishes to dispose of, to the State Government, by tendering it at a collection center.

]

21. Tendering of Kapas by persons other than grower. :-

Any kapas given by the grower to labourers in lieu of wages as provided in [the first proviso] to the last preceding section shall not be sold by the labourers to any person other than the State Government. The labourers may tender the kapas so obtained either personally or through an agent authorised by the State Government in this behalf, at a collection center.

21A. . :-

(1) Notwithstanding anything contained in the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, it shall be the duty of every market committee to designate and maintain one or more convenient places as may be found necessary, for tendering [cotton] by the growers and other persons having stocks thereof.

(2) If after making such inquiry as he deems fit the Director of Marketing is satisfied that any collection center designated by any market committee is not convenient to the growers and other persons who wish to tender [cotton] or that no collection center is designated by it or the collection center designated by it is not sufficient for the needs of the locality he may by order direct the market committee to designate and maintain such place or places as may be specified by him as the collection center or centers, and the market committee shall comply with such direction.

(3) If the Director of Marketing is satisfied on a complaint or otherwise, that any direction issued by him under sub-section (2) is not complied with by the market committee within a reasonable period, he may, after giving a notice of at least 15 days and giving a reasonable opportunity to the market committee of being heard, by order fix a period for compliance with the direction and communicate such order to the market committee.

(4) If the direction is not complied with within the period so fixed, the Director of Marketing may appoint some person to comply with

the directions and may order that the expense for such compliance with a reasonable remuneration to the person so appointed, shall be paid from time to time by the market committee from its Market Fund. Any sums so payable shall be deemed to be sums due to the State Government and shall be recoverable as arrears of land revenue.]

22. Grading and pooling of [cotton] tendered at collection centers. :-

All cotton tendered at the collection center as required by section 20] by the growers or the persons holding stocks or on their behalf by the agents of collection authorised by the State Government shall be graded and marked with the grade designation marks [in accordance with the provisions of the rules made in this behalf] and pooled according to the grades: [* * *]

23. Weighment procedure and grant of receipt to the tenderer Mah. XX of 1964. :-

(1) Weighment of all [cotton] so tendered at the collection center shall be done in accordance with the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 and the bye-laws of the market committee made thereunder and every tenderer shall be granted a receipt for [cotton] tendered by him.

(2) Such receipt shall specify the collection center at which and the date on which [cotton] was tendered, the name of the party tendering, the quantity of [cotton] which was tendered, and the grade thereof, and other particulars as may be prescribed.

CHAPTER 5

Mode of fixing and payment of price for 1[cotton] tendered at collection centers

24. Fixation of guaranteed price. :-

At the commencement of every cotton season, the State Government shall, in consultation with the Central Government, fix the guaranteed price for different varieties or grades of kapas and [where necessary also ginned cotton] and shall notify such price in the Official Gazette and in such other manner as it deems fit.

25. Advance price payable to tenderer. :-

(1) Every tenderer of cotton at a collection center shall in the first instance be entitled to receive eighty per cent of the guaranteed price for the quantity of cotton tendered by him, [which shall be payable to him lump sum or in such installments not exceeding

two, as the State Government may, from time to time, having regard to the availability of funds, by general or special order determine. The payment of eighty per cent of the guaranteed price in this manner shall be the advance price payable to the tenderer.]

(2) The difference between the guaranteed price and the advance price shall be payable to the tenderer [within a period of three months] after the close of every cotton season:] [Provided that, where the payment of the advance price or any part thereof is deferred for any reasons or the difference between the guaranteed price and the advance price is not paid immediately after the close of any cotton season, there shall be paid to the tenderer by or on behalf of the State Government interest on the amount which remains unpaid, from the date of tender of cotton by him or from the close of cotton season, as the case may be, till the date of payment of such amount, at such rate not less than ten per cent per annum, as the State Government may, from time to time, by general or special order specify.]

26. Mode of payment of advance price [and remaining guaranteed price.] :-

Subject to the provisions of the last preceding section, the advance price [and the difference between the guaranteed price and the advance price shall be paid to the tenderer through the market committee [or through any co-operative society or person authorised by the State Government in this behalf] after making any deductions as required by the [section 27 and SECTION 27A]

27. Deduction to be made from the advance price [and remaining guaranteed price] for dues of co-operative societies and market committee. Mali. XX of 1964. :-

The market committee or authorised co-operative society or person, as the case may be, may deduct from [the advance price and the difference between the guaranteed price and the advance price to be paid to the tenderer of cotton] any sums due to any co-operative society, or any dues which the market committee is authorised to deduct by or under the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, in respect of any notified produce, to such extent and [in, such manner as the State Government may, notwithstanding anything contained in that Act or any other law for the time being in force, by general or special order, direct] and pay the balance to the tenderer:

Provided that, the deductions may be made in such installments as

may be deemed fit, keeping in view [any sums due from the tenderer which are recoverable under this Act and the quantity of cotton] the person concerned is likely to tender from time to time in future:]

[Provided further that, where the payment of any sum due to a cooperative society is deferred for any reason, there shall be paid to the society by or on behalf of the State Government interest on sum due to any co-operative society, the payment of which is deferred, from the date on which the sum due becomes payable till the date of payment, at such rate not less than ten per cent per annum, as the State Government may, from time to time, by general or special order specify.]

27A. Deductions to be made from guaranteed price for capital formation. :-

Notwithstanding anything contained in this Act or any other law for the time being in force, the market committee, or the authorised co-operative society or person, as the case may be, making deductions under section 27 shall, while making payment to any tenderer, also deduct with effect from the period commencing from 17th September 1975 and ending on the 30th June 1981, a sum equal to one per cent, of the guaranteed price as the contribution of the growers towards the share capital of the Maharashtra State Co-operative Marketing Federation, in order to build up the necessary resources with it for implementing the cotton monopoly scheme.

28. Cotton pooled [to be ginned or pressed into bales and to be sold] or otherwise disposed of by Government at certain price. :-

(1) The state Government shall cause the [cotton] pooled under section 22 to be [ginned and pressed] into bales; and shall, subject to the directions (if any) issued by Textile Commissioner under any law for the time being in force, cause [the bales or ginned cotton to be sold] or otherwise disposed of in the prescribed manner.

(2) Subject to sub-section (1), [the bales or ginned cotton shall be sold] or disposed of-

(a) at such procurement price as may be fixed by the Central Government or by the Textile Commissioner on the advice of the Agricultural Price Commission under any law for the time being in force, for different varieties of cotton grown in the country;

(b) in any other case, [in the prescribed manner].

[(3) Notwithstanding anything contained in this section, it shall be lawful for the State Government to set aside such quantity of kapas pooled under section 22 as it thinks necessary, having regard to the interests of the growers, for meeting any requirements of students undergoing training at the approved basic training schools in the State, and sell kapas for the purpose of such price as it may fix in that behalf.]

29. Fixation of inal price. :-

Soon after the 30 September succeeding each cotton season, the State Government shall, in consultation with the Advisory Board, fix in the prescribed manner the final price for different varieties or grades of kapas or ginned cotton acquired during the said cotton season, and notify the price in the Official Gazette and in such other manner as it thinks fit. In fixing the final price, regard shall be had to prices at which bales of cotton, ginned cotton, kapas, cotton seed and cotton waste acquired during the cotton season immediately preceding were sold and the stocks on hand on the 30th September and all expenditure incurred on the handling and ginning of kapas, the handling and pressing into bales of ginned cotton, and handling of cotton bales, cotton seed and cotton waste shall be taken into consideration:

Provided that, for arriving at the final price of each variety or grade of cotton the closing stocks not disposed of and on hand on the 30th September shall be valued on the basis of the average sale price realisation of each variety or grade of cotton sold before that day.

Provided further that, where after the sale of such undisposed stocks the total amount actually realised for any cotton season is more than the total amount actually calculated at the final price fixed above, the excess amount shall be credited to the Price Fluctuation Fund; and where it is less the deficit amount shall be debited to and paid from that Fund:

Provided also that, where as a result of the audit of accounts, any error is noticed and adjustments are required to be made and on account of such adjustments any excess or deficit in relation to the total amount calculated at the final price fixed as above is found, the excess amount shall be credited and the deficit amount shall be

debited to and paid from that Fund.

30. Settlement of account after final price is fixed and notified. :-

(1) After the final price is fixed and notified by the State Government, if that price is more than the guaranteed price, every person, who or on whose behalf kapas or ginned cotton was tendered at the collection center, shall be paid three-fourth of the difference between the final price and the guaranteed price, as bonus.

(2) The balance of one- fourth of the difference referred to in subsection (1) shall be credited to the Price Fluctuation Fund.]

31. Mode of payment of difference. :-

The payment of any amount to be made to any person under the last preceding section, shall be made in the same manner and shall be liable to the same deductions (if any) as laid down in section 26 [21 and 27A].

32. Payment of additional bonus. :-

If in any cotton season, the amount at the credit of the Price Fluctuation Fund is equal to or more than 30 per cent of the average total sales of cotton during the three preceding seasons, the entire amount realized in excess of guaranteed price shall be distributed and paid as bonus to the persons concerned, in the same manner and subject to the deductions (if any) as laid down in section 26 [27 and 27A].

CHAPTER 6

Price Fluctuation Fund.

33. Constitution of Price Fluctuation Fund. :-

(1) For the purpose of this Act, there shall be established and maintained a Fund called the "Price Fluctuation Fund" (in this Chapter referred to as "the Fund").

(2) The Fund shall be made up [of an initial contribution of rupees one crore and of such further contributions to the Fund as may be required from time to time,] made by the State Government under appropriation duly made in this behalf and the amounts credited to the Fund from time to time in accordance with sub-section (2) of section 30 .

34. Accounting of difference between the guaranteed price

and the final price. :-

(1) Where for any cotton season, the final price is less than the guaranteed price, the amount of difference shall be paid from and debited to the Fund.

(2) Where for any cotton season, the final price is more than the guaranteed price of cotton, subject to the provisions of section 32 , the amount of one- fourth of the difference shall be credited to the Fund as provided by sub-section (2) of section 30 .

35. Other matters connected with the Fund to be regulated by rules. :-

All other matters connected with the Fund, including the manner in which the Fund shall be maintained, operated and expended, shall be regulated by rules made in this behalf.

35B. Deductions made under section 27A to, be credited to Capital Formation Fund. :-

Notwithstanding anything contained in this Act, or any other law for the time being in force, the deductions made under Section 27A during the years 1974-75 and 1980-91, by the Maharashtra State Cooperative Marketing Federation or on its behalf by a market committee or an authorised co-operative society or a person shall be credited to the Capital Formation Fund established under sub-section (1) of Section 35A.

CHAPTER 7

Control of Cotton-Ginning and Pressing Factories

36. Power to issue directions to cotton ginning and pressing factories. :-

The State Government or any officer authorised by it in this behalf, may issue to any owner or person in charge of a cotton ginning factory or cotton pressing factory such general or special directions as it or he may think necessary or expedient for maintaining or increasing the supply of ginned or baled cotton and the owner or such person shall be bound to follow and act upon such directions.

37. Power to appoint authorised controller. :-

If the State Government is of opinion that it is necessary so to do for maintaining or increasing the production and supply of ginned or baled cotton, it may, by order, publish in the Official Gazette and in such other manner as it deems fit, authorise any person (hereinafter in this section referred to as "an authorised controller")

to exercise, with respect to the whole or part of any specified undertaking which is a cotton ginning factory or cotton pressing factory, such functions of control as may be provided therein, and so long as such order is in force with respect to such undertaking or part thereof-

(a) the authorised controller shall exercise his functions in accordance with any instructions given to him by the State Government, so, however, that he shall not have any power to give any direction inconsistent with the provisions of any enactment or any instrument determining the functions of the persons in charge of the management of the undertaking, except in so far as may be specifically provided by the order; and

(b) undertaking or part shall be carried on in accordance with any directions given by the authorised controller under the provisions of the order, and any person having any functions of management in relation to the undertaking or part shall comply with any such directions.

CHAPTER 8

Settlement of disputes regarding baled cotton sold by Government.

38. Disputes regarding baled cotton sold by Government to be referred to authorities constituted under and their decision to be final. :-

(1) Notwithstanding anything contained in any law for the time being in force, when ginned cotton pressed into bales is sold by or on behalf of the State Government to any person, and there is a dispute between the seller and the buyer, regarding the quality of the goods sold or regarding the price or delivery of such goods or regarding any other matter connected with the sale, the dispute, unless resolved by settlement between the parties, may be referred to the East India Cotton Association Ltd. (hereinafter in this section referred to as "the Association"), by any of the parties to the dispute.

(2) Where any such dispute is referred to the Association under the last preceding sub-section, it shall be deemed to be submitted to arbitration of the Association and shall be decided in accordance with the provision of its Bye-laws. The award made or decision given by the authority appointed under the Bye-laws of the Association to decide such dispute shall be communicated to the parties concerned, and they shall have a right of one or more

appeals Association provided in the Bye-laws of the Association.

(3) The fees payable for surveys arbitrations and appeals and the costs which may be awarded and the period of limitation for referring to arbitration and periods for filing appeals shall be in accordance with the provisions of the Bye-laws of the Association.

(4) Any award made or decision given by the authority appointed to decide the dispute, subject to an appeal or appeals as provided in the Bye- laws of the Association, and where an appeal is filed, the decision of the appellate authority concerned, shall be final and binding on the parties concerned.]

CHAPTER 9

Disposal of cotton seeds

39. Disposal of cotton seeds. :-

The graded kapas pooled under section 22 shall be ginned separately, in the same lots into which the kapas has been graded [* *]] and setting aside the cotton seed required for issue to the cotton growers for cultivation in the controlled areas, the registered seed growers, the Taluka Seed Multiplication Farms and such other persons Association may be prescribed, the remaining cotton seed shall be sold after taking into consideration the advice tendered by the Advisory Board in this behalf, preference being given to the local growers. [The price at which any cotton seed shall be issued or sold under section shall be such as may be determined by the State Government.]

CHAPTER 10

Special Procedure for Recovery of Sale-Proceeds from Purchase of Ginned Cotton Cotton Bales and Cotton Seeds

40. Recovery of amount due on account of purchase of ginned cotton, cotton bales and cotton seeds from Government. :-

Notwithstanding anything contained in any law for the time being in force, [when ginned cotton, cotton bales] or cotton seeds are supplied or sold by or on behalf of the State Government to any person, and there is a default in payment of the amount payable for purchase of [such cotton bales or seeds,] then on an application by an officer or an officer authorised by the State Government made in the prescribed manner, the Registrar may, after holding such inquiry as he deems fit, and after giving the party concerned a reasonable opportunity of being heard grant a certificate for the recovery of the whole or any part of the amount stated in the

application to be due as arrears.

(2) A certificate by the Registrar under sub-section (1) shall be final and conclusive as to the arrears due. Without prejudice to any other mode of recovery, the arrears stated to be due in such certificate shall be recoverable according to the law and under the rules for the time being in force for the recovery of arrears of land revenue.

41. Execution of certificate of recovery. :-

The Registrar may recover any amount under a certificate granted by him under the last preceding section in the same manner in which he recovers any amount due under a certificate granted by him under sub-section (1) or (2) of Section 101 of the Maharashtra Co-operative Societies Act, 1960 or under sub-section (1) of Section 137 of the Maharashtra Co-operative Societies Act, 1960 , and for that purpose he shall have all the powers under Section 156 of the Maharashtra Co-operative Societies Act, 1960 and other provisions of that Act and the rules made thereunder, as if the amount due were dues under that Act.

CHAPTER 11

Miscellaneous.

42. Power to delegate and to appoint agents. :-

(1) The State Government may, by notification in the Official Gazette, direct that any power or duty which by this Act is conferred or imposed upon the State Government (except the power to make rules) shall, in such circumstances and under such conditions, if any, as may be specified in the direction be exercised or discharged also by an Officer or authority subordinate to it.

[(2)

(a) The State Government may for the purpose of purchasing, selling, storing, processing, marketing and carrying on other business in cotton, on its behalf appoint agents for the whole State or any specified area, and any such agent may be appointed for more than one such area.

(b) any agent so appointed, if specially authorised by the State Government in this behalf, shall be entitled to pledge, mortgage or otherwise dispose, of all or any of the stocks of cotton for the time being in his possession as such agent, for the purpose of raising any money by way of loans or advances required by the agent for

carrying on his business in cotton, and any person, in whose favour any such pledge, mortgage or dispose, is effected shall have had if the agent were the owner of stocks of cotton so pledged, mortgaged or otherwise disposed of, as the case may be.

(c) the terms and conditions of appointment of agents shall be such as may be mutually agreed upon between the State Government and the agent concerned.]

43. Offences. :-

(1) Whoever contravenes the provisions of sections 17, 18(1) or (2), 19, 21 or 47(1) shall, on conviction be punished with imprisonment for a term which may extend to six months, or with fine, or with both. [(1A) Any Court trying a contravention of the provisions of Section 19 may, without prejudice to any other sentence it may pass, direct that the stocks of cotton in respect of which the Court is satisfied that the said provisions have been contravened and all packages, coverings and receptacles in which such stocks are found and every animal, vehicle, vessel or other conveyance used in carrying such stocks, shall be forfeited to the State Government.]

(2) Whoever contravenes the provisions of section 36 or section 37 shall, on conviction be punished with fine which may extend to five hundred rupees.

44. Cognizance of offences. :-

(1) No Court shall take cognizance of any offence punishable under this Act except with the previous sanction of the State Government or any officer authorised by it in this behalf.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898

(a) all offences punishable under this Act shall be cognizable and biable;

(b) it shall be lawful for a Presidency Magistrate or of a Magistrate of the First Class to pass on any person convicted of an offence under subsection (1) of section 43 a sentence of fine as provided in that sub-section, endowment excess of his powers under section 32 of the said Code.

45. Protection of action taken in good faith. :-

No suit, prosecution or other legal proceedings shall lie against the State Government or any member, market committee officer, agent or authority functioning under this Act for anything done in good faith or intended to be done under this Act or any rules and regulations made thereunder.

46. Power to make rules. :-

(1) The power to make all rules under this Act shall be exercisable by the State Government, by notification in the Official Gazette.

(2) Without prejudice to any power to make rules contained elsewhere in this Act, the State Government may make rules consistent with this Act generally to carry out the purposes of this Act.

(3) All rules made under this Act shall be subject to the condition of previous publication.

(4) Every rule made under this section shall be laid as soon as may be after it is made before each House of the State Legislature 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 modification in the rule or Houses agree that the rule should not be made, and notify such decision in the Official Gazette, the rule shall, from the date of publication of such notification, have effect only in such modified form or be of no effect, as the case may be, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

47. Declaration of stocks of ginned cotton not pressed into bales, held at the commencement of the Act and their disposal. :-

(1) If any person holds any stock (exceeding 10 quintals) of ginned cotton not pressed into bales on the date of commencement of this Act, whether on his own account or on behalf of any other person, he shall, within 15 days from such commencement, furnish in writing to the Collector or any other officer or person authorised by the State Government in this behalf, a full and correct statement declaring the stock to such officer. In such declaration, he shall state his full name and address, the total quantity of stock held,

the exact location of the godown and the place where the stock is kept and if any quantity is held on behalf of any other person the quantity so held and the name and address of the person of whose behalf it is held.

(2) If any person who holds any stock of ginned cotton not pressed into bales at the date of commencement of this Act, wishes to sell the stock or quantity therefrom to the State Government, he may, after the expiry of 15 days from the date of such commencement, tender it personally or through an agent authorised by the State Government, at a collection center. Such person shall be entitled to receive such price for the quantity sold as the officer authorised in this behalf may determine, having regard to the guaranteed price for kapas fixed for the current cotton season, the reasonable expenses required for ginning and storing the cotton and the quantity of cotton tendered.

48. Application of other laws not barred.XII of 1925. :-

The provisions of this Act shall be in addition to, and shall not, save as expressly provided hereinbefore, be in derogation of the Essential Commodities Act, 1955 or any other law for the time being in force.

49. Power to suspend the operation of provisions of the Act. :-

[(1)If the State Government is of opinion that having regard to any of the purposes of this Act, the enforcement of certain provisions thereof is unnecessary or inexpedient for a certain time, the State Government may, by notification in the Official Gazette, suspend for such period or periods as may be necessary or expedient and as may be specified in the notification, the operation of those sections; and thereupon the provisions of this section shall stand suspended, except as respects things done or omitted to be done before the date of publication of the notification.

(2) Where the operation of the provisions of any sections is suspended for any period or periods under sub-section (1), and the State Government thereafter, or at any time before the expiry of the period or periods notified, is of opinion that those provisions (or any of them) are necessary to be revived and enforced again, or it is expedient to revive and enforce them (or any of them) again, the State Government may cancel partially or wholly any such notification of suspension by a like notification and thereupon those

provisions which were suspended and which are revived shall against have full effect from the date of publication of the second notification.

(3) The suspension of the operation of any sections under subsection (1) shall not affect the provisions of this sections which are not suspended; and in respect of kapas already tendered before the periods of suspension (or which may be voluntarily tendered during the periods of suspension) at the collection centers (or at any other centers specified by the State Government in that behalf) all the provisions of this Act shall continue to apply thereto as if none of the provisions had been suspended.]