

## **Uttar Pradesh Sheera Niyamtran Adhiniyam, 1964**

**24 of 1964**

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#### **SCHEDULE 1 :- SCHEDULE I**

# **Uttar Pradesh Sheera Niyamtran Adhiniyam, 1964**

**24 of 1964**

An Act to provide in public interest for the control of storage, gradation and price of molasses produced by Sugar Factories in Uttar Pradesh and the regulation of supply and distribution thereof] 3[\* \* \*]. It is hereby enacted in the Fifteenth Year of the Republic of India as follows : 1. Received the assent of the Governor, vide Notification No. 15812/Licence, dated April 1, 1981, published in U. P. Gazette, Extra., dated 1st April, 1981, pp. 4-5. 2. Substituted by U.P. Act No. 15 of 1974. 3. The Preamble omitted by ibid.

## CHAPTER 1

### PRELIMINARY

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

(1) This Act may be called the Uttar Pradesh Sheera Niyamtran Adhiniyam, 1964.

(2) It extends to the whole of Uttar Pradesh.

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

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

(a) "Controller" means the Controller of Molasses appointed under Section 4;

(b) "distillery" means the premises licensed under the provisions of the United Provinces Excise Act, 1910, for the manufacture of power, potable or industrial alcohol;

(c) "excise officer" shall have the meaning assigned to it in the United Provinces Excise Act, 1910;

(d) "molasses" means the heavy, dark coloured, viscous liquid produced in the final stage of manufacture of sugar by vacuum pan, from sugar cane or Gur, when the liquid as such or in any form or admixture contains sugar;

1[(dd) "molasses year" means the period beginning on the first day of November and ending on the thirty first day of October in the year next following;]

(e) "occupier" in relation to a sugar factory means the person who has ultimate control over the affairs of the factory and includes a managing agent of the factory;

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

(g) "State" means the State of Uttar Pradesh; and

(h) "Sugar factory" or "factory" means any premises including the precincts thereof, whereon twenty or more workers are working or were working on any day of the preceding twelve months and in any part of which a manufacturing process connected with the production of sugar by means of vacuum pans is being carried on or is ordinarily carried on with the aid of power.

1. Inserted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

## CHAPTER 2

### ADVISORY AND ADMINISTRATIVE MACHINERY

#### **3. Constitution Of Advisory Committee :-**

1[(1) The State Government may, by notification in the Gazette, constitute an Advisory Committee to advise on matters relating to the control of storage, preservation, gradation, price, supply and disposal of molasses].

(2) The committee shall consist of such number of persons and shall be constituted on such terms and conditions as may be prescribed.

1. Substituted by U.P. Act No. 15 of 1974.

#### **4. Appointment Of Controller Of Molasses :-**

The State Government may, by notification in the Gazette, appoint a person to be the Collector of Molasses for the purpose of exercising the powers and performing the duties of Controller of Molasses under this Act or the rules made thereunder.

## CHAPTER 3

### PRESERVATION, DISTRIBUTION AND PRICES

#### **5. Preservation Of Molasses :-**

Every occupier of a sugar factory shall provide--

(a) covered accommodation within the premises of the factory for the sale and preservation of molasses produced in the factory;

(b) adequate safeguards against leakage, seepage, overflow or any other accident likely to damage the quality of molasses stored in the factory;

(c) adequate arrangements to adequate the mixing up of water with molasses or of old deteriorated molasses with fresh molasses; and

(d) adequate facilities for handling of molasses, including taking out

of samples and pumping and loading of molasses into tank wagons, tank lorries and other containers.

## **6. Preservation Against Adulteration :-**

(1) No occupier of a sugar factory shall adulterate or allowed to be adulterated any molasses produced or held in stock by him.

(2) The presence of any molasses having less than forty per cent, sugar contents (expressed as total reducing sugar, determined by the Lane and Egnons volumetric method) in any storage tank of a sugar factory shall be sufficient to raise a presumption that the occupier of the factory has adulterated the molasses or allowed it to be adulterated.

## **7. Removal Of Adulterated Molasses :-**

1[(1) The Controller may, with a view to ensuring proper storage, preservation, gradation, supply or disposal of unadulterated molasses, require the occupier of a sugar factory to remove any adulterated molasses from the premises of the factory within a reasonable period to be specified by him and the occupier shall within the time allowed comply with the requirement.]

(2) For the purposes of this section the molasses referred to in sub-section (2) of Section 6 shall be deemed to be adulterated.

1. Substituted by U.P. Act No. 15 of 1974.

## **7A. Application For Molasses :-**

1[(1) Any person, who requires molasses for his distillery or for any purpose of industrial development may apply in the prescribed manner to the Controller specifying the purpose for which it is required.

(2) On receipt of an application under sub-section (1) and after making such inquiries in the matter as he may think fit, the Controller may make an order under Section 8.

(3) In disposing of an application under sub-section (1) the Controller shall consider--

(a) the general availability of molasses;

(b) various requirements of molasses;

(c) the better utilization to which molasses may be put in the public interest;

(d) the extent to which the requirements of the applicant are genuine;

(e) reasonable likelihood or otherwise of the molasses that may be obtained by the applicant being diverted to purposes other than those specified in the application; and where the application is rejected in whole or in part, he shall record reasons therefor.]

1. Inserted by U.P. Act No. 15 of 1974.

## **8. Sale And Supply Of Molasses :-**

(1) The Controller 1[may, with the prior approval of the State Government, by order require] the occupier of any sugar factory to 2[sell or supply] in the prescribed manner such quantity of molasses to such person, as may be specified in the order, and the occupier shall, notwithstanding any contract, comply with the order. 3[(1-a) Notwithstanding anything contained in sub-section (1) the occupier of a sugar factory shall sell or supply forty per cent of the molasses produced in each quarter of a molasses year in the sugar factory to such chemical industries which are actual users of molasses and are granted licence under the United Provinces Excise Act, 1910 :

Provided that such quantum of molasses as is not required by the said chemical industries may be sold or supplied by the occupier of the sugar factory to any other unit which is actual users of molasses with the prior approval of the Controller.]

(2) The order under sub-section (1)--

(a) shall require supply to be made only to a person who requires it for his distillery or for any purpose of industrial development;

4[(aa) may require the person referred to in clause (a) to utilise the molasses supplied to him under an order made under this section for the purpose specified in the application made by him under sub-section (1) of Section 7-A and to observe all such restrictions and conditions, as may be prescribed];

(b) may be the entire quantity of molasses in stock or to be produced during the year or for any portion; but the proportion of molasses to be supplied from each sugar factory to its estimated total produce of molasses, during the year shall be the same throughout the State save where, in the opinion of the Controller, a variation is necessitated by any of the following factors :

(i) the requirements of distilleries within the area in which molasses may be transported from the sugar factory at a reasonable cost;

(ii) the requirements for other purposes of industrial development within such area; and

(iii) the availability of transport facilities in the area.

(3) The Controller may make such modifications in the order under subsection (1) as may be necessary to correct any error or omission or to meet a subsequent change in any of the factors mentioned in clause (b) of sub-section (2).

5[(4) The occupier of a sugar factory shall be liable to pay to the State Government, in the manner prescribed, administrative charges at such rate, not exceeding 6[fifteen rupees] per quintal as the State Government may from time to time notify, on the

molasses sold or supplied by him.

(5) The occupier shall be entitled to recover from the person to whom the molasses is sold or supplied an amount equivalent to the amount of such administrative charges, in addition to the price of molasses].

1. Substituted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

2. Substituted by U.P. Act No. 5 of 1986 (w.e.f. 30.11.1985).

3. Inserted by U.P. Act No. 4 of 1998..(w.e.f. 8.1.1998).

4. Inserted by U.P. Act No. 15 of 1974.

5. Inserted by U.P. Act No. 5 of 1986, Section 2 (b) (w.e.f. 30th Nov. 1985)

6. Substituted by U.P. Act No. 10 of 1995, Sec 2 (w.e.f. 13-1-1995).

## **9. Appeal :-**

(1) Any person aggrieved by an order under sub-section (1) or sub-section (3) of Section 8 may, within thirty days of the date on which the order is communicated to him, appeal to the State Government in the prescribed manner and the State Government may pass thereon such order as it deems fit.

(2) An order of the State Government under sub-section (1) shall be final.

## **10. Maximum Prices Of Molasses :-**

(1) The occupier of a sugar factory shall sell molasses in respect of which an order under Section 8 has been made 1[\* \* \*]

2[Provided that the distilleries of potable alcohol which have been granted licence for wholesale contract supply of country liquor shall continue to be supplied molasses in respect of which an order under Section 8 has been made at a price not exceeding that for the time being prescribed in the Schedule till March 31, 1998.]

3[\* \* \*]

1. Certain words omitted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

2. Inserted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

3. Sub-section (2) and Explanation of Section 10 omitted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

## **10A. Funds For Regulation Of Adequate Storage Facilities :-**

1[Every occupier of a sugar factory shall from the sale price for different grades of

molasses specified below, place in a separate fund the amount as the State Government may notify in that behalf for being utilised for provision and maintenance of adequate storage facilities in accordance with general or special order issued from time to time by the Controller :

Grade of molasses Percentage of total sugar contents of molasses (expressed as reducing sugar)

Grade of molasses	Percentage of total sugar contents of molasses (expressed as reducing sugar)
I	50 per cent and above
II	44 per cent to 49.99 per cent.
III	40 per cent to 43.99 per cent.]

1. Substituted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).

#### CHAPTER 4

#### OFFENCES AND PENALTIES

### **11. Contravention Of Provisions :-**

(1) Whoever contravenes any provisions of this Act or the rules or orders made or the directions issued thereunder or wilfully makes any false statement or submits any false return regarding any matter in respect of which he is required under this Act or the said rules, orders or directions to give information shall, on conviction, be punishable with imprisonment of either description which may extend to one year or with fine which may extend to two thousand rupees or with both and, in the case of a continuing contravention, with an additional fine which may extend to one hundred rupees for every day during which the contravention continues after conviction for the first such contravention.

(2) Any Court trying an offence punishable under sub-section (1) may direct that any molasses in respect of which the Court is satisfied that such offence has been committed shall be forfeited to the State Government.

### **12. Offence By Companies :-**

(1) If the person committing an offence under this Act is company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence 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 if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1) wherein 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 that the commission of the offence is attributable to any neglect on the part of, any director, manager, managing agent, secretary, or any other officer of the company, such director, manager, managing agent, 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 is a partner in the firm.

### **13. Cognizance Of Offences :-**

(1) No Court shall take cognizance of an offence punishable under this Act except a report in writing of the facts constituting such offence made by an Excise Officer of or above the rank of Excise Inspector.

(2) No Court inferior to that of a Magistrate of the first class shall try any offence punishable under this Act.

(3) An offence punishable under this Act shall be cognizable and bailable within the meaning of the Code of Criminal Procedure, 1898.\*

\* See now the Code of Criminal Procedure, 1973.

### **14. Power To Enter, Search And Seize :-**

(1) A police officer not below the rank of Sub-Inspector or an Excise Officer of or above the rank of Sub-Inspector (Excise) may--

(a) enter and search at any time any premises in which he has reason to believe that any molasses in respect of which an offence punishable under this Act has been or is about to be committed is kept or concealed;

(b) seize such molasses or any box, packet, receptacle, package or coverage containing such molasses and any books, accounts, documents or statements relating to transactions in such molasses; and

(c) detain, search and arrest any person whom he has reason to

believe to be guilty of any offence punishable under this Act.

(2) All searches made under this section shall be in accordance with the provisions of the Code of Criminal Procedure, 1898.\*

(3) A Police Officer not below the rank of Sub-Inspector or an Excise Officer of or above the rank of Excise Inspector may investigate any offence punishable under this Act and committed within the limits of the area in which such officer exercises jurisdiction.

(4) Any such officer may exercise the same powers in respect of such investigation as an officer-in-charge of a police station may exercise in relation to a cognizable offence under the provisions of Chapter XIV of the Code of Criminal Procedure, 1898.\*

\* See now the Code of Criminal Procedure, 1973.

### **15. Report About Seizure :-**

1[(1) A report about any molasses or articles seized under Section 14 shall as soon as may be after such seizure, be submitted to the Magistrate having jurisdiction, who may after making such inquiry, if any, as he considers necessary and after taking samples of the molasses give such direction for its disposal in accordance with the orders of the Controller as he may think fit].

(2) Where no prosecution is instituted within six months of such seizure, the Magistrate may order the release of such molasses or articles in favour of the person from whom they are seized.

1. Substituted by U.P. Act No 15 of 1974.

### **16. Power To Compound Offences :-**

The Controller may accept, from any person who is reasonably suspected of having committed an offence punishable under this Act, a sum of money not exceeding five thousand rupees by way of composition for the offence which may have been committed and in all the cases in which any property has been seized is liable to forfeiture under this Act, may release the same on payment of value thereof as estimated by him. On payment of such sum of money or value or both, as the case may be, to the Controller, the accused, if in custody, shall be discharged and the property seized shall be released and no further proceeding shall be taken against such person or property.

## **CHAPTER 5**

## **MISCELLANEOUS**

## **17. Maintenance Of Accounts And Furnishing Of Returns, Etc. :-**

Every occupier of a sugar factory and every person to whom molasses is supplied by such occupier shall be bound--

(a) to maintain such registers, records, Instruments and reagents as may be prescribed;

(b) to furnish all such information and returns relating to the production and disposal of molasses in such manner, to such persons and by such dates as may, by order, be prescribed by the Controller;

(c) to produce, on demand by an Excise Officer not below the rank of a Sub-Inspector (Excise), registers, records, documents instruments and chemical reagents which he is required to maintain under the provisions of this Act or the rules or orders made thereunder.

## **18. Accommodation To Inspectors Posted To Factories :-**

Every occupier of a sugar factory shall be bound to provide within the precincts of the sugar factory residential accommodation, on payment of such rent and on such terms as may be prescribed, to an Excise Official posted to the sugar factory by the Controller to ensure the compliance of the provisions of this Act and the rules and orders made and the directions issued thereunder.

## **19. Delegation Of Powers :-**

The Controller may, by notification in the Gazette, direct that any power exercisable by him under this Act, except Section 8 thereof, or rules made thereunder, shall in such circumstances and under such conditions, if any, as may be specified in the notification, be exercisable also by an officer subordinate to him.

## **20. Protection Of Action Taken In Good Faith :-**

No suit or other legal proceeding shall lie against the State Government or any officer in respect of anything which is in good faith done or intended to be done in pursuance of this Act or any rules or orders made thereunder.

## **21. Service Orders :-**

An order made under the provisions of this Act shall--

- (a) in the case of an order of general nature or affecting a class of persons be notified in the Gazette; and
- (b) in the case of an order directed to a specified individual be served on such individual--
  - (i) by post under postal certificate or by delivering or tendering it to that individual; or
  - (ii) if it cannot be so delivered or tendered, by affixing it on the outer door or some other conspicuous part of the premises in which that individual lives and by preparing a return thereof witnessed by two persons living in that locality.

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

- (1) The State Government may, after previous publication in the Gazette, 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 provide for--
  - (a) the composition of the Advisory Committee, the manner in which its members shall be chosen, the term of office of its members, the allowances if any, payable to them, the manner in which the Advisory Committee shall tender its advice and the procedure for the conduct of its business;
  - (b) the procedure relating to the removal of members of the Advisory Committee;
  - (c) condition relating to the preservation and storage of molasses by sugar factories;
  - (d) specification and test in respect of grading and sampling of molasses including verification of its quantity and quality;
  - (e) manner of sale and supply of molasses;
  - 1[(ee) the manner in which the administrative charges payable under sub-section (4) of Section 8 shall be realised];
  - (f) the form and manner of appeal to the State Government and the procedure to be followed in its disposal;
  - (g) the procedure for compounding of offences;
  - (h) registers, records, accounts, instruments and reagents to be maintained by the occupiers of sugar factories;
  - (i) the rent and the terms on which residential accommodation within the precincts of a sugar factory shall be provided to the Excise Officer;
  - (j) collection of information or statistics in respect of production, distribution and use of molasses;
  - (k) disposal of molasses and articles forfeited under this Act; and

(l) any other matter which is to be or may be prescribed.

(3) All rules made under this Act shall, as soon as may be after they are made, be laid before each House of the State Legislature while it is in session, for a total period of not less than fourteen days extending in its session or more than one successive sessions and shall, unless some later date is appointed, take effect from the date of their publication in the Gazette, subject to such modifications or annulments as the two Houses of the Legislature may agree to make; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

1. Inserted by Act No. 5 of 1986, dated 15th March, 1986.

### **23. Repeal Of U. P. Act No. Xxiii Of 1947 :-**

The United Provinces Molasses (Control) Act, 1947, is hereby repealed.

#### **SCHEDULE 1**

#### **SCHEDULE I**

1[\* \* \*]

1. "The Schedule" omitted by U.P. Act No. 4 of 1998 (w.e.f. 8.1.1998).