

**THE MAHARASHTRA REGULATION OF SUGARCANE PRICE  
(SUPPLIED TO FACTORIES) ACT, 2013**

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**MAHARASHTRA ACT No. XXXIII OF 2013<sup>1</sup>**

[THE MAHARASHTRA REGULATION OF SUGARCANE PRICE (SUPPLIED TO  
FACTORIES) ACT, 2013.]

[This Act received the assent of the Governor on the 24<sup>th</sup> December 2013; assent was first published,  
in the *Maharashtra Government Gazette*, Part IV, on the 24<sup>th</sup> December 2013.]

**An Act to regulate the Price of Sugarcane supplied to sugar  
factories in the State of Maharashtra.**

WHEREAS, it is expedient to regulate the Price of Sugarcane supplied to sugar factories in the State of Maharashtra and to provide for matters connected therewith or incidental thereto; it is hereby enacted in the Sixty-fourth Year of the Republic of India, as follows :—

**1. Short title and commencement.**— (1) This Act may be called the Maharashtra Regulation of Sugarcane Price (Supplied to Factories) Act, 2013.

(2) It shall come into force on such <sup>2</sup>date as the State Government may, by notification in the *Official Gazette*, appoint.

**2. Definitions.**— In this Act, unless the context otherwise requires,—

(a) “Board” means the Sugarcane Control Board constituted under section 3 ;

(b) “Chief Secretary” means the Chief Secretary to the Government of Maharashtra ;

(c) “Commissioner for Sugar” means the Commissioner for Sugar, Maharashtra State ;

(d) “factory” means a sugar factory where any manufacturing process connected with the production of sugar is being carried or is ordinarily carried on with the aid of electricity and wherein twenty or more workers are working or were working on any day of the preceding twelve months ;

(e) “Government” or “State Government” means the Government of Maharashtra ;

(f) “Occupier of factory” means the person who has control over the affairs of a factory and where the said affairs are entrusted to a director, partner or administrator, such director, partner or administrator, as the case may be ;

(g) “prescribed” means prescribed by rules made under this Act ;

(h) “Secretary” means the Secretary to the Government ;

(i) “State” means the State of Maharashtra ;

(j) “Sugarcane” means Sugarcane intended for use in a sugar factory or *khandsari* sugar manufacturing unit ;

(k) “Sugarcane grower” means a person including a tenant who cultivates sugarcane either by himself or through members of his family or through hired labourers ;

(l) “Sugar season” means the year commencing on the first day of October and ending by thirtieth day of September next year.

**3. Sugarcane Control Board.**— (1) The State Government shall, as soon as may be, after the commencement of this Act, constitute a Sugarcane Control Board (hereinafter referred to as “the Board”), to perform such duties and function assigned to it under this Act.

(2) The Board shall exercise jurisdiction throughout the State of Maharashtra.

<sup>1</sup> For Statement of Objects and Reasons (in English) of the L. A. Bill No. XLII of 2013, see *Maharashtra Government Gazette* 2013, Extraordinary No. 36, Part V-A, dated the 16<sup>th</sup> December 2013, page 6.

<sup>2</sup> 1<sup>st</sup> June 2014, vide Government notification, C.M. & T.D., No. SSK. 2013/C.R.144/ 25-C, dated 23<sup>rd</sup> May 2014.

(3) The Board shall consist of the following members, namely :—

|   |    |  |
|---|----|--|
| (a) Chief Secretary   | .. | Chairman ;                                 |
| (b) Secretary, Finance  | .. | Member ;                                   |
| (c) Secretary, Co-operation   | .. | Member ;                                   |
| (d) Secretary, Agriculture  | .. | Member ;                                   |
| (e) Five representatives of the factories in the State to be nominated by the Government, out of which three shall be representatives of the Co-operative Sugar Factories and two from other Sugar Factories in the State |    | Members ;                                  |
| (f) Five representatives of the farmers to be nominated by the Government   | .. | Members ;                                  |
| (g) Commissioner for Sugar  | .. | <i>Ex-officio</i><br>Member-<br>Secretary. |

(4) The non-official members of the Board shall receive such allowances as may be prescribed.

(5) Subject to the pleasure of the State Government, a non-official member shall hold office for a period of three years from the date of nomination. A member nominated once to the Board is not eligible for re-nomination for a second time.

(6) A non-official member may resign his office at any time, by writing in his own hand, addressed to the Government but he shall continue in his office until his resignation is accepted.

(7) The Government may remove a non-official member from his office if he incurs any one of the disqualification specified below, namely :—

(a) becomes an un-discharged insolvent ; or

(b) is convicted and sentenced to imprisonment for an offence which in the opinion of the Government involves moral turpitude; or

(c) becomes of unsound mind, and stands so declared by a competent court; or

(d) refuses to act or becomes incapable of acting as the member.

(8) Notice of the meeting of the board, quorum and procedure regarding transactions of the business of the Board shall be such as may be prescribed.

(9) The Board shall meet at least thrice in a year commencing before starting of the crushing season, after closure of the crushing season and at the end of the Sugar season. The Member- Secretary of the Board may, subject to the control of the Chairman, convene a meeting as often as may be necessary and shall also do so when required by one-third of the members.

(10) The, Board shall while inquiring into the matters in discharge of its function under this Act, have all the powers of a civil court while trying a civil suit under the Civil Procedure Code, 1908 (5 of 1908), and in particular, in respect of the following matters, namely :—

(a) summoning and enforcing the attendance of any person from the State and examining him on oath;

(b) requiring the discovery and production of any document;

(c) receiving evidence on affidavits;

(d) requisitioning any public record or copy thereof from any Court or office;

(e) issuing commissions for the examinations of documents and witnesses;

(f) any other matter which may be prescribed.

(11) No act or proceeding of the Board shall be rendered invalid for the mere fact that there was one or more unfilled vacancy in the Board at the time of such act or proceedings were made.

**4. Functions of Board.**— The Board shall discharge the following functions, namely :—

(a) to decide Sugarcane price payable to the farmers, which shall be in addition to the Fair and Remunerative Price (hereinafter referred to as “FRP”) decided by the Central Government under the provisions of the Sugarcane (Control) Order, 1966, on revenue sharing basis :

Provided that, while fixing Sugarcane Price, if it is decided to fix the Sugarcane Price on the basis of the value of sugar including the value of the by-products such as bagasse, molasses and press mud, the Sugarcane Price shall be arrived at as a sum equal to seventy per cent. of the ex-mill value of sugar alongwith such by-products :

Provided further that, if it is decided to fix the Sugarcane Price only on the basis of the value of sugar, ignoring the value of the aforesaid three by-products, the Sugarcane Price shall be arrived at as a sum equal to seventy-five per cent. of the ex-mill value of sugar ;

(b) to offer advice on any matter which may be referred to it by the Government, especially in respect of the regulation of the purchase and supply of Sugarcane ;

(c) to bring to the notice of the Commissioner for Sugar, cases of breach of any of the provisions of the Act, and of the rules made thereunder, and to make suggestions for the prevention of the same ;

(d) to recommend ways and means of maintaining healthy relations between occupier of the factory and Sugarcane growers.

**5. Payment to Sugarcane growers.**— (1) As soon as the Sugarcane is supplied to the occupier of a factory, the factory shall be liable to pay, within fourteen days of the receipt thereof, the minimum price as per FRP applicable at the relevant time.

(2) Payment shall be made on the basis of the recorded weight of the Sugarcane at the factory.

(3) The actual payment for Sugarcane fixed by the Board shall be paid in two steps. The first would be payment of FRP. Balance payment of Sugarcane dues will be paid subsequent to publication of half yearly ex-mill prices and values, determined by the Board in accordance with the provisions of clause (a) of section 4.

(4) Every payment made by the factory, under the provisions of this Act shall be paid to the farmer through his bank account only.

**6. Offences and penalties.**— (1) Contravention of the provisions of this Act and the rules made thereunder shall be an offence.

(2) Every such person shall on conviction be punished with fine which may extend to twenty-five thousand rupees.

**7. Cognizance of offences.**— No court shall take cognizance of any offence punishable under section 6, except on a complaint made by an officer authorized by the Commissioner for sugar and no court inferior to that of a Judicial Magistrate of the First Class, shall try any such offence.

**8. Compounding of offences.**— (1) The Commissioner for Sugar may, either before or after the institution of proceedings, for any offence punishable under section 6, after affording the person concerned an opportunity of being heard, accept from such person by way of composition of an offence a sum of rupees fifty thousand or a sum double the amount of due and payable under the provisions of section 5, whichever is more.

(2) On payment of such sum as may be determined by the Commissioner for Sugar under sub-section (1), no further proceedings shall be taken against the accused person in respect of the same offence and any proceedings, if already taken, shall stand abated.

**9. Offences by companies.**— (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded and punished accordingly :

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded and punished accordingly.

*Explanation.*— For the purposes of this section,—

(a) “company” means a body corporate, and includes a firm, association of persons or body of individuals whether incorporated or not;

and

(b) “Director” in relation to a firm, means a partner in the firm and in relation to any association of persons or body of individuals, means any member controlling the affairs thereof.

**10. Commissioner for Sugar to be public servant.**— The Commissioner for Sugar and every officer appointed under this Act shall be deemed to be public servant within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860).

**11. Protection of action taken in good faith.**— No suit, prosecution or other legal proceedings shall lie against Government or any officer or official for anything which is done or purported to have been done in good faith in pursuance of any provisions of this Act or any rule or order made thereunder.

**12. Power to make rules.**— (1) The Government may, by notification in the *Official Gazette*, make rules for carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing provisions, such rules may provide for,—

(a) the allowances payable to the non-official members of the Board ;

(b) the procedure to be adopted by the Board in discharging its functions under this Act ;

(c) the form in which any notice required shall be given ;

(d) any other matter which is to be or may be prescribed under this Act.

(3) Except when the rules are made for the first time, all rules made under this Act shall be subject to the condition of previous publication.

(4) Every rule made under this Act 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 or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, and notify such decision to that effect in the *Official Gazette*, the rule shall, from the date of publication of such decision in the *Official Gazette*, have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.