

REV

AGRICULTURE AND COOPERATION DEPARTMENT

Mantralaya Annexe, Bombay 400 032, dated 12th Sept. 1984

O R D E R

SUGARCANE CONTROL ORDER 1966 :

No.CSK 1084(48)/13-C - Whereas the Government of maharashtra had in the year 1980, appointed a Committee of Experts for making recommendations for formation of zones for drawal of sugarcane by the Sugar Factories in the State.

AND Whereas the Government of India has granted Letters of Intent for establishment of new sugar factories and has stipulated therein that the conversion of the letters of Intent into Industrial Licences shall, inter alia, depend on the State Government notifying the zones for drawal of sugarcane by the new factories :

AND whereas it is apprehended that in the event of non-availability of sugarcane to meet the requirements of the sugar factories in the State, the economic viability of large number of sugar factories is likely to be adversely affected, resulting in serious financial crisis and socio-economic problems among others, such as -

- i) The factories may incur heavy losses;
- ii) The factories may not pay the minimum statutory prices for the sugarcane;
- iii) The Sugarcane grower may suffer serious economic consequences;
- iv) The employees of the factories may not get their salaries and wages;
- v) The factories may not discharge their liabilities towards various financial institutions and other creditors;
- vi) The factories may not discharge their tax liabilities towards Government;
- vii) The seasonal employment of large section of population in rural areas may be adversely affected;
- viii) A large section of population and institutions directly or indirectly dependent on the factories will suffer from serious economic consequences;

AND Whereas the Government of Maharashtra is of the opinion that for avoiding the aforesaid apprehended financial crisis and socio-economic problems and also for fulfilling the condition stipulated by the Government of India for converting Letters of Intent of new sugar factories, it has become expedient, in the public interest, to make an order for the purposes mentioned herein below, namely:-

(a) reserving areas for drawal of sugarcane for each factory in the State having regard to the crushing capacity of each of the factories, the availability of sugarcane in the reserved areas and the need for production of sugar enabling each of the factories to purchase the quantity of sugarcane required by it,

(b) Manufacturing sugar from sugarcane only in accordance with the conditions specified in the licence issued in that behalf;

(c) Prohibiting or restricting or otherwise regulating the export of sugarcane from any reserved area except under and in accordance with the a permit issued in that behalf, and

(d) Empowering the Director of Sugar, Pune to call for information for securing compliance with the provisions of Order or to satisfy himself that the Order is complied with:

Now therefore, in exercise of the powers conferred by paragraphs (a), (e) and (f) of sub-clause (1) of clause 6 and sub-clause (a) of clause 9 of the Sugarcane (Control) Order 1966, read with the notification of the Government of India, Ministry of Food, Agriculture, Community Development and Cooperation Department (Department of Food) No. CSR/1127/BSS.Com/Sugarcane, dated the 16th July 1966, and of all other powers enabling it in this behalf, the Government of Maharashtra makes the following order, namely :-

1. Short title, extent, commencement and duration

(a) This Order may be called the Maharashtra Sugar Factories (Reservation of Areas and Regulation of Crushing and Sugarcane Supply) Order, 1984^{*} Amended in the year 1987, 1988, 1993, 1996 and 1997 as per G.R. dated 24.2.1987, 14.1.1988, 23.11.1993, 10.11.1996 & 30.4.1997 respectively //

(b) It extends to the areas specified in the schedule.

(c) It shall come into force from the date of its publication in the official Gazette.

2. Definitions :-

In this Order, unless the context otherwise requires :

(1-a) 'Allotment Order'^① means the Order for allotment of cane from the area outside the reserved area issued by the Commissioner of Sugar.

(a) "Cane" means sugarcane of all varieties used or intended to be used in sugar factories;

(b) "Cane Grower" means a person, who cultivates land for growing cane either as owner or as a tenant including a body corporates such as company registered under the Companies' Act 1955 (1 of 1956), a society registered under Maharashtra Cooperative Societies Act, 1960 (Mah XXIV of 1961) any body corporate, set up under any law for the time being in force, including an organisation owned or controlled by the Government of any State or Government of India.

(bb) "Commissioner"^② means an Officer appointed by the Government to be the Commissioner of Sugar^Δ for the State of Maharashtra.

(c) "Crushing season" means the period so determined by the "Commissioner of Sugar".^Δ

(d) "Commissioner" means the Officer appointed by the State Government to be the Commissioner of Sugar^Δ for the State of Maharashtra.

(e) "Export" means to take or cause to be taken by any means whatsoever sugarcane from any reserved area to any place outside that reserved area.

(f) "Form" means a form appended to this Order.

(g) "Government" means the Government of Maharashtra.

① Added by Govt. Resolution dated 23.11.1993

Δ Replaced by Govrt. Resolution dated 23.11.1993

(h) "Licence" means Licence for crushing of sugarcane by !Sugar factory, granted under this order.

(i) "Licensing Authority" means the Director of Sugar, Maharashtra State, Pune

(j) "Occupier" in relation to a sugar factory means the person including a company, firm, cooperative society or other association of individuals, who, or the authority, which owns or has the ultimate control over the affairs of such factory or unit;

(k) "Permit Officer" means any officer authorised by the Commissioner of Sugar[△] to issue export permit un under this order to export sugarcane from the reserved area;

(l) "Reserved Area" means the area reserved for a factory as specified in the schedule pertaining to that factory;

(m) "Schedule" means a scheduyle appended to this Order and shall include foot-notes appearing thereunder, which shall also form part of the Schedule.

(n) "Sugar" means any form of sugar which is produced by vaccum pan process from sugarcane and includes sugar in process;

(o) Words and expressions used but not defined in this Order shall have the meanings respectively assigned to them in the Essential Commodities Act 2955 and the Sugarcane(Control)order, 1966

3. Reservation of Areas

(1)[□] Subject to provisions of clause 6 and having regard to[□] the crushing capacity of sugar factories and, the yield of sugarcane in the reserved areas, and the ned of production of sugar, the area as specified in each of Part-I of the schedule is hereby reserved for the factory mentioned in that schedule, with a view to enabling it to purchase the quantity of sugarcane required by it.

(1-A)[⊙] The area specfied in each of the schedules and reserved for the factorymentioned in that schedule in accordance with sub-clause(1) of this clause shall be reviewed by the State Government after every three years (24.2.1987)

△ Replaced by Govt.Resolution dated 23.11.1993

□ Replaced by Govt.Resolution dated 14.1.1988

⊙ Sub-clause added by G.R. dated 24.2.1987

(2) Subject to the provisions of clauses 4 and 5 of this Order, no sugar factory shall purchase cane or accept supplies of cane from cane growers, except from the area reserved for that factory.

@ Provided that in case of a Cooperative Sugar Factory the cane growers who are not members of the Cooperative society, shall be free to any factory of their choice.

Provided further that a member of a Cooperative Sugar Factory shall be bound to supply sugarcane to that Cooperative Sugar Factory in the ratio of shares held by him and area under sugarcane as per the byelaws of the sugar factory and he will be free to supply excess cane. If any, to any factory of his choice by entering into agreement or contract to that effect.

Provided also that the non-member cane growers in case of a Cooperative Sugar Factory and cane growers in case of other Sugar factories shall be free to supply their sugarcane to any factory of their choice by entering into agreement or contract to that effect. Same provision will apply to excess sugarcane or the members of Cooperative Sugar Factories.

Provided also that if any cane grower fails to enter into such contract for supply of his sugarcane, responsibility of disposal of such cane shall be entirely his own. There shall be no responsibility on any Sugar Factory. Cooperative or otherwise or on the State Government, for crushing of any such cane. @

@ ----- @ sub clause, added by Government Resolution
dated 30.4.1997

4. Grant of Licence for Crushing Cane :

(1) No Sugar factory shall manufacture sugar from sugarcane, except under and in accordance with the terms and conditions specified in the Licence issued in this behalf by the Licensing Authority. ^(a) In the event of manufacturing sugar from Sugarcane without obtaining the licence, a penalty of Rs.1000/- per day shall be charged. ^(a)

(2) A separate licence shall be necessary for each crushing season.

(3) Every application for a licence for crushing cane under sub-clause (1) above shall be made to the Licensing Authority by 30th September of each year, in form 'A'. ^(a) In case of the failure to make application within time-limit, penalty of Rs.100/- per day till the date of receipt of application, shall be charges. ^(a)

△ (3-A) No application for a licence for crushing cane received after 30th September of each year shall be granted by the Licensing Authority unless the licensing authority is satisfied that there was sufficient reason for not submitting the application for the licence before 30th September.

* (4) Every factory applying for licence for crushing cane shall pay to the Licensing Authority as security for performance of the terms and conditions of the licence and pay to him application fee on the basis of its crushing capacity, as indicated below :

Sr.No. Crushing capacity	Security Amount(Rs. in lahs)	Fee (Rs.thousand)
1. Upto 1250 Tonnes capacity per day	2.00	10,000
2. More than 1250 tonnes but upto 2500 tonnes capacity per day	4.00	15,000
3. More than 2500 tonnes but upto 3500 tonnes per day	5.00	20,000
4. More than 3500 TCD but upto 4500 TCD	7.50	25,000
5. More than 4500 TCD	10.00	30,000

^(a) --- ^(a) Added by Govt.Resl.dated 11.10.1996

△ Sub-clause added by Govt.Resl.dt. 14.1.1988

* --- * Substituted by Govt.Resl. dated 11.10.1996

(5) The Licensing Authority shall grant the licence applied for in Form 'B' or for reasons to be communicated in writing, refuse to grant it, provided that, no Licence shall be refused unless the applicant has been given an opportunity to show cause against such refusal.

(6) A Licence granted under sub-clause (5) above shall be subject to such conditions as the Licensing Authority may impose at the time of its grant in respect of all or any of the following matters, namely :

- i) A minimum quantity of sugarcane that shall be crushed during the crushing season,
- ii) The maximum quantity of sugarcane that can be crushed during the crushing season;
- iii) The period during which the licence shall remain valid;
- iv) The date of starting of crushing by the factory as also the date of closure by the factory;
- v) The areas from which the factory shall draw cane for crushing;
- vi) Any other matter which the Licensing Authority may deem fit.

(6-A) The Licensing Authority shall, while issuing the licence referred to in sub-clause (1) of this clause, allow a sugar factory to manufacture sugar from sugarcane to be purchased by it from non-members which is grown in the area reserved for it which is overlapping or 'common' with the factories, if such factory has entered into contracts for purchase of cane from such growers and such sugarcane does not exceed the requirements of the factory based on its licenced crushing capacity during any crushing season.

Explanation :

For the purpose of this sub.-clause 'a non-member' means a person who is not a member of the cooperative sugar factory or who has admitted as such member before the date of commencement of this order despite restrictions regarding enrolment of members laid down in the Schedule.

(7) (a) Where the Licensing Authority is satisfied in respect of any licence granted under Sub-clause (5) above that there has been a breach of any of the conditions, subject to which the Licence was given or that the Licence has been obtained by fraud or misrepresentation of material particulars, it may suspend or cancel the licence [ⓐ] or impose penalty of forfeiture in full or part, of security Deposit deposited under sub-clause (4) [ⓐ] for the reasons to be recorded in writing provided that the licensee shall be given an opportunity to show cause against the proposed suspension or cancellation of the licence.

(b) As soon as the order suspending or cancelling the licence is made, a copy thereof shall be served on the factory holding the licence;

(c) Where a licence is suspended or cancelled under para (a) of sub clause (7) the licence or any other person shall not be entitled to any compensation from the Government or any officer of the Government on the ground of any loss or damage arising from such suspension or cancellation or to the refund of any fee paid to the Government in respect of such licence.

(d) If a licence granted under this order is defaced, lost or destroyed, the Licensing Authority may issue duplicate licence thereof on an application accompanied by a satisfactory proof of payment into the Treasury of Rs.100/-.

5. Regulation of Supply of Sugarcane:

(1) [ⓐ] On application of a cane grower or a sugar factory [ⓐ] a Permit Officer may allow a sugar factory to purchase cane or to accept supplies of cane from cane growers from areas other than the area reserved for it under clause 3 [ⓐ] and specified in Part II of the schedule [ⓐ] if he is satisfied that any of the following circumstances exist, namely:

(a) In the event of production of cane in the area reserved for the factory being not adequate for enabling it to reach optimum level of crushing,

[ⓐ]---[ⓐ] added by Govt. Resolution dated 11.10.1996

[ⓐ]---[ⓐ] words inserted by Govt. Resl. dated 14.1.1988

[ⓐ]---[ⓐ] substituted by Govt. Resl. dated 11.10.1996

(b) In the event of surplus production of cane in the areas reserved for other factories which those factories are not able to crush during the crushing season.

(c) In the event of stoppage of nearby sugar factory due to mechanical break down, labour unrest, lock-out or any other reasons;

(d) In the event of cane grower or cane growers from the area reserved for a particular factory declining to supply cane to the said factory on account of any of the following reasons, if found justified by the permit officer :-

i) Non-payment or late payment of cane price by the sugar factory; or

ii) Non-fulfilment of any of the obligations by the sugar factory arising out of agreement between the cane grower or cane growers and the sugar factory; or

iii) Discrimination by the sugar factory in harvesting of cane and thereby causing loss to the cane grower or the cane growers.

~~iv) Non-members~~

~~v) Members cane which is not registered with the karkhana.~~

Provided that before passing any order under this sub-clause, for any of the above reasons, the Permit Officer shall give the parties concerned a reasonable opportunity of being heard in person or through the authorised representative.

5-(2) ~~①~~ The licensing Authority shall issue allotment Order in Form-D.

6. Application for Export Permit, fees and Security Deposit

(a)(i) Any factory desiring to produce sugar from sugarcane by obtaining an Export Permit may make an application for that purpose to the Permit Officer in Form A-1. ~~ⓧ~~ Provided that an application filed by a Cane Grower shall be accompanied by an application in Form 'A' from the factory agreeing to receive his cane. ~~ⓧ~~

① Sub--clause added by Govt.-Resl. dated 23.11.1996

~~ⓧ~~ ~~ⓧ~~ inserted by Govt. Resl. dated 11.10.1996

~~sub-clause added by Govt. Resl. dated 24.2.1987~~

(ii) Every factory applying for Export permit shall pay to the Permit Officer an application fee of Rs. Five Thousand and deposit with him Rs. Ten thousand along with such application as security for the performance of the terms and conditions of the Export Permit.

Ⓐ (iii) An application for Export permit shall be decided by the Permit Officer within a period of 15 days from the date on which it is presented to him. Ⓒ

7. Issue of Export Permit.

(1) The Permit Officer shall issue an Export permit to the applicant factory in Form B.I.* after receiving the allotment order from the Licensing Authority.*

(2) The Export permit issued under clause 7(1) will come in force after an interval of three clear working days excluding the day on which the copy of the Export Permit is served on the affected party.

8. Power to refuse Export Permits

The Permit Officer may, after giving the applicant an opportunity of being heard and for reasons to be recorded in writing, refuse to issue Export Permit. Ⓒ The order of refusing the Export permit shall be the Speaking Order. Ⓒ

9. Return of Security Deposit

The amount of security deposit shall be returnable by the permit officer.

(a) As soon as application to issue Export Permit is refused; or

(b) If Export Permit is issued, on surrender of such Export Permit after the crushing season of the factory is over and on satisfaction that the terms and conditions of Export Permit are complied with by the factory.

----- Added by Govt. Resl. dated 23.11.1993

Ⓐ-----Ⓐ Sub-clause added by Govt. Resl. dated 24.2.1987

Ⓒ-----Ⓒ Words inserted by Govt. Resl. dated 11.10.1996.

10. Revocation of Permit

(1) The Permit Officer may, after giving the factory holding a permit an opportunity of being heard, at any time, revoke the permit issued under clause 7 for any of the following reasons, namely :-

a) that the Permit has been obtained by the Permit holder by fraud or misrepresentation of material particulars;

b) that any of the provisions of this order or any term or condition of Permit has been contravened by the Permit Holder.

(2) As soon as the order revoking the permit is made, a copy thereof shall be served on the Permit Holder.

(3) On receipt of the copy of such revocation order, the Permit Holder shall surrender the permit to the Permit Officer forthwith.

11. Forfeiture of Security Deposit:

If the Export permit is revoked under clause 10, or the Permit Officer is satisfied that the factory holding the Permit has contravened any of the terms and conditions of the Export Permit, he may after giving the factory concerned a reasonable opportunity to make representation, by order in writing forfeit the whole or any part of the Security amount deposited by the factory and send a copy of the said order to the Permit Holder.

Provided that where revocation of the permit is duly ordered by the Permit Officer, the order of revocation shall also be accompanied by an order forfeiting the deposit.

12. Appeal

(1) Any person aggrieved by any order of the Licensing Authority including any order refusing to issue or revoking the Licence under the provisions of this order may, within thirty days from the date of such

(2) Any person aggrieved by any order of the Permit Officer, including any order refusing to issue or revoking the permit or forfeiting the security deposit under the provisions of this Order, may within thirty days from the date of such order appeal to the Commissioner of Sugar^A whose decision shall be final.
Provided that if any such order is passed by the Commissioner of Sugar^A the appeal lie with the State Government. ☒

^a (2-A) The appeal referred to in sub-clause (2) shall be disposed off by the Commissioner of Sugar^A within a period of ten days.

(3) No order shall be made under this clause unless the aggrieved person has been given a reasonable opportunity of stating its or his case.

(4) Pending the disposal of the appeal the State Government or the Commissioner of Sugar^A, as the case may be, may direct that the impugned order shall not take effect, until the appeal is disposed off.

^c (5) If the appeal referred to in sub-clause (2) is preferred within a period of three working days from the date of issue of Export Permit the Commissioner of Sugar^A shall direct that the order appealed against shall not take effect until the appeal is disposed off.

P. T. O.

~~13. Power of the Commissioner of Sugar~~

~~(1) The Commissioner of Sugar or any officer authorised by him in this behalf, with a view to securing compliance of the provisions of this Order, with such assistance as he may think fit~~

@ sub clause added by Govt. Resl. dated 24.2.1987

^A Words replaced by Govt. Resl. dated 23.11.1993

☒ --- ☒ Added by Govt. Resl. dated 11.10.1996

* Clause 12-A added by Govt. Resl. dt. 15.12.1987

Ⓐ (12-A) Revision

(1) The State Government or the Commissioner of Sugar, may suo-moto at any time or on an application by an aggrieved person made within 30 days from the date of any order against which an appeal is not preferred as provided in clause 12 of this order or an order against which an appeal lies but has not been filed under the said clause 12, call for and examine and record of any proceedings of any matter, where any decision has been taken or an order has been passed by any subordinate officer for the purpose of satisfying itself or himself, as the case may be as to the legality or propriety of any such decision or order and as to the regularity of such proceedings. If in any such case or proceedings, it appears to the State Government or the Commissioner that any decision or order so called for revision should be modified, annulled or reversed, the State Government or the Commissioner of Sugar, as the case may be, after giving the person affected thereby an opportunity of being heard, pass such order thereon as it or he may deem just and proper.

(2) The power of revision under this clause shall be exercised by the State Government, if the decision has been taken or order is passed by the Commissioner of Sugar and by the Commissioner of Sugar if it is taken or passed by any subordinate officer.

(3) The Revisional Authority may entertain any application made after the period of 30 days, if the applicant satisfies it that he had sufficient cause for not making the application within such period.

(4) The State Government may by general or special order, direct that the powers conferred on it by this clause shall, in such circumstances and under such condition, if any, as may be specified in the order, be exercised also by an officer of the rank of Secretary to Government. Ⓐ

(13) Power of the Commissioner of Sugar in respect of entry, search, seizure etc.

The Commissioner of Sugar or any officer authorised by him, in this behalf, with a view to securing compliance of the provisions of this Order, with such assistance as he may think fit.

(a) Require the grower, occupier or any other person in-charge of any place or premises in which he has reasons to believe that any contravention of the provisions of this order or the conditions of any licence or permit issued thereunder has been, is being or is about to be committed, to produce any books, account or other document showing transactions relating to such contravention and to give any information in his possession in respect of any process connected with the manufacture of the Sugar.

(b) Require a Licensee or Permit Holder to maintain, furnish or produce such record, data or information as may be necessary from time to time.

(c) Enter, inspect or break open and search any place, premises or vehicle and seize any article in respect of which he has reason to believe that any contravention of the provisions of this order or of the conditions of any licence or permit issued thereunder has been, is being or is about to be committed.

(d) Inspect any book or document and any stock of sugarcane belonging to or under the control of any person in respect of which he has reason to believe that a contravention on any provision of this order has taken place or is likely to take place and may take such book or document into his possession for examination or scrutiny;

(e) Search, seize, remove and take into custody stocks of sugarcane or sugar used or manufactured and any implement used in connection with the manufacture of sugar or sugarcane intended for conversion into sugar in respect of which breach of any provision of this order or conditions of the licence or permit has been committed or is apprehended and thereafter takes or authorises the taking of all measures necessary for securing the production of the said stocks so seized in a court and for their safe custody pending such production.

(f) Take or cause to be taken extract from or copies of document or record which is produced before him.

(g) Put a seal on such vital or running part of any implement, used or likely to be used in any process connected with manufacture or production of sugar without obtaining a licence under clause 4(1) of this Order or where necessary, a permit under clause 6 of this order, or after the licence given under clause 4(1) of this Order was suspended or cancelled under clause 4(7)(a) thereof, as may prevent its use of incapacitate the same without removal of the scale.

(2) Every officer shall, as soon as he has sealed the implement as aforesaid, prepare on the spot a statement in Form-C in quadruplicate. The first copy whereof shall be sent to the State Government, the second to the Licensing Authority and the third shall be handed over to the manufacturer, after obtaining his signature, on the last copy. The copies shall be sent to the authorities concerned on the day of sealing itself.

(3) The provisions of sections 100, 102 and 103 of the Code of Criminal Procedure, 1973 (2 of 1974) relating to search and seizure shall as far as may be, apply to search and seizures under this clause.

14. Penalty

Any person who contravenes any of the provisions of this Order or of the terms and conditions of the licence, permission or permit granted under this Order, shall be punishable under Section 7 of the Essential Commodities Act, 1955.

15. Membership to the Maharashtra State Farming Corporation

In addition to the Sugar Factories in the Schedules 1 to 128 for their forms the Maharashtra State Farming Corporation (which is a Government undertaking) may apply to any other sugar factories for membership and become share holder of one or more such factories.

16. Delegation of Certain Powers of the Commissioner

The Commissioner may authorise the Director to exercise powers conferred on him under sub-clause (5) of clause 4, sub-clause (2) of clause 5, and