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MINISTRY OF FOOD, AGRICULTURE,
COMMUNITY DEVELOPMENT AND COOPERATION
(DEPARTMENT OF FOOD)

O R D E R

New Delhi, the 10th June, 1966
20th Jyaistha, 1888.

G.S.R. 912 /Ess.Com./Sugar.- In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely:-

1. Short title, extent and commencement. - (1) This Order may be called the Sugar (Control) Order, 1966.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force at once.

2. Definitions. - In this Order, unless the context otherwise requires,-

(a) 'Chief Director' means the Chief Director in the Directorate of Sugar and Vanaspati, Ministry of Food, Agriculture, Community Development and Cooperation (Department of Food) and includes the Additional Chief Director, an Officer on Special Duty, a Director and a Deputy Director in that Directorate;

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(b) 'ex-factory price' means the price of sugar (inclusive of excise duty) packed in such manner as may be prescribed by the Central Government and loaded at the buyer's option on buyer's carts, lorries, or other means of transport, or into railway wagons at the railway station or siding generally used by the producer, and includes all incidental charges and dunnage charges, which are on account of the ex-factory seller;

(c) 'producer' means a person carrying on the business of manufacturing sugar;

(d) 'recognised dealer' means a person carrying on the business of purchasing, selling or distributing sugar, and licensed under the Order relating to licensing of sugar dealers for the time being in force in a State or Union territory;

(e) 'sugar' means -

- (i) any form of sugar containing more than 90 per cent of sucrose including khandsari sugar, sugarcandy and bura sugar;
- (ii) any sugar of crystalline structure;
- (iii) sugar in process in vacuum pan sugar factory or raw sugar produced therein.

3. Power to regulate production of sugar. - The Central Government may, by order published in the Official Gazette, direct that no sugar shall be manufactured from sugarcane except under and in accordance with the conditions specified in a licence issued in this behalf, whether on payment of a fee or otherwise.

4. Restriction on sale, etc., of sugar by producers. - No producer shall sell or agree to sell or otherwise dispose of sugar, or deliver or agree to deliver sugar, or remove any sugar from the bonded godowns of the factory in which it is produced, except under and in accordance with a direction issued in writing by the Central Government or the Chief Director.

5. Powers to issue directions to producers and dealers. - The Central Government or the Chief Director may, from time to time, by general or special order, issue to any producer or recognised dealer, or any class of producers or recognised dealers, such directions regarding the production, maintenance of stocks, storage, sale, grading, packing, marking, weighment, disposal, delivery and distribution of sugar as it or he may deem fit.

6. Power to regulate movement of sugar. - The Central Government or the Chief Director may, by general or special order, direct that no person shall transport or offer or accept for transport whether by road, rail or water all or any specified type or grade of sugar, except under -

- (a) a general or special permit issued in this behalf;
- (b) a military credit note:

Provided that nothing in this clause shall apply to the transport of sugar not exceeding one kilogram as part of the personal luggage of a bona-fide traveller.

7. Power to fix sugar prices. - (1) The Central Government may, from time to time, by notification in the Official Gazette, fix the price or the maximum price at which any sugar may be sold or delivered, and different prices may be fixed for different areas or different factories or different types or grades of sugar.

(2) Such price or maximum price shall be fixed having regard to the estimated cost of production of sugar determined on the basis of the relevant Schedule of Cost given in the Report of the Sugar Enquiry Commission (October, 1965), subject to the adjustment of such rise in cost subsequent to the Report aforesaid as in the opinion of the Central Government cannot be absorbed by the provision for contingencies in the relevant Schedule to that Report.

(3) Where the price or the maximum price has been so fixed, no person shall sell or purchase or agree to sell or purchase any sugar at a price in excess of that fixed under sub-clause (1):

Provided that the price at which sugar may be sold for delivery otherwise than ex-factory shall not exceed the price or the maximum price, as the case may be, fixed under sub-clause (1) for sale ex-factory plus such charges in respect of transport to any town or any specified area and other incidental charges as may be fixed by the

concerned State Government or by any officer authorised in this behalf by the Central Government or that State Government in accordance with the instructions issued by the Central Government in this behalf from time to time.

8. Power to allot quotas of sugar. - The Central Government or the Chief Director may, from time to time, by order, allot quotas of sugar to any specified State or area.

9. Power to issue directions to supply sugar. - (1) The Central Government or the Chief Director may, from time to time, by order, issue directions to any producer or recognised dealer to supply sugar of such type or grade and in such quantities -

(a) to such persons or organisations, in such areas or markets; or

(b) to such State Governments, as may be specified in the order and at a price not exceeding the price or the maximum price fixed under clause 7.

(2) Where any direction is issued to any producer or recognised dealer under sub-clause (1) for the supply of sugar to any State Government, that State Government may either arrange to take delivery of the sugar by itself or nominate any person, organisation or authority to take delivery of the sugar.

(3) Any sugar taken delivery of under sub-clause (2) may be stored, distributed or sold -

- (a) where such sugar has been taken delivery of by the State Government, in such manner as the State Government deems fit;
- (b) in any other case, in accordance with such directions as may be issued by the State Government or by any officer or authority empowered by the State Government in this behalf.

10. Power to call for information, etc. - The Central Government or the Chief Director or any person authorised in this behalf by the Central Government may, with a view to securing compliance with this Order, or to satisfy itself or himself that any order or direction issued under this Order is complied with,-

- (a) require any producer or recognised dealer to furnish within such period or at such intervals as may be specified, such information, returns or reports and in such forms as may be required; and
- (b) prescribe the manner in which accounts of any sales, purchases or other transactions of sugar should be kept.

11. Powers of inspection, entry, search, sampling, seizure, etc. - The Chief Director or any officer authorised by the Central Government in this behalf may -

- (a) direct any producer or recognised dealer to maintain such records as he may specify;
- (b) direct any producer or recognised dealer to furnish such information as he may require;

- (c) inspect or authorise any person to inspect any books or any documents or stocks of sugar belonging to or under the control of a producer or a recognised dealer;
- (d) enter and search or authorise any person to enter and search -
 - (i) any place where sugar is manufactured including the machinery installed therein;
 - (ii) any place in which there is reason to believe that sugar is stored in contravention of this Order;
- (e) draw or authorise any person to draw, in accordance with the procedure laid down in clause 12, samples for examination -
 - (i) from any stock of sugar belonging to, or under the control of, a producer or recognised dealer;
 - (ii) from any consignment of sugar in the course of its delivery or despatch by a producer;
- (f) stop and search or authorise any person to stop and search -
 - (i) any person transporting sugar; or
 - (ii) any vehicle, vessel or other conveyance used or capable of being used for the transport of sugar,

in contravention of this Order;

(g) seize or authorise the seizure of any sugar in respect of which he has reason to believe that a contravention of this Order has been, is being or is about to be, committed, along with the packages, coverings or receptacles in which sugar is found or the animals, vehicles, vessels or other conveyances used in carrying such sugar and thereafter take or authorise the taking of all measures necessary for securing the production of such packages, coverings, receptacles, animals, vehicles, vessels or other conveyances in a court and for their safe custody pending such production.

12. Procedure for drawing samples. - Subject to the provisions of sub-clause (e) of Clause 11, the person drawing the samples shall follow the procedure as hereunder:-

(1) The samples shall be drawn in the presence of a producer or recognised dealer, as the case may be, or a representative of the producer or recognised dealer;

(2) A separate sample shall be drawn from each lot consisting of sugar bags declared by the producer or recognised dealer to have the same grade of sugar;

(3) The sample drawn shall be divided into three portions and each portion shall be put in a separate container which shall be sealed and signed both by the person taking the sample and the producer or recognised dealer, as the case may be, or his representative;

(4) Two such portions shall be forwarded to the Directorate of Sugar and Vanaspati and the third shall be left with the producer or recognised dealer, as the case may be, or his representative.

13. Certificate regarding samples drawn, etc. - A certificate to the effect that each of the samples drawn is representative of the lot from which it was drawn shall be furnished to the person drawing such samples by the producer or recognised dealer, as the case may be, or his representative and such certificate shall be countersigned by the person drawing the samples and an endorsement to the effect that the procedure prescribed under clause 12 has been followed shall be made thereunder by the person drawing the samples and such endorsement shall be countersigned by the producer or recognised dealer, as the case may be, or his representative.

14. Compliance of orders. - Every producer or recognised dealer or other person to whom any order or direction is issued under any powers conferred by or under this Order, shall comply with such order or direction.

15. Delegation of powers. - The Central Government may, by notification in the Official Gazette, direct that all or any powers conferred upon it by this Order shall, subject to such restrictions, exceptions and conditions, if any, as may be specified in the direction, be exercisable also by -

(a) any officer or authority of the

Central Government;

(b) a State Government or any officer or authority of a State Government.

16. Forfeiture. - Any court trying a contravention of this Order may, without prejudice to any other sentence which it may pass, direct that any stock of sugar in respect of which the court is satisfied that this Order has been contravened, shall be forfeited to Government.

17. Repeal and Saving. - (1) The Sugar (Control) Order, 1955 and any order made by the Central Government or a State Government or any authority regulating or prohibiting the production, supply and distribution of sugar and trade or commerce therein are hereby repealed except as respects things done or omitted to be done under any such order before the commencement of this Order.

(2) Notwithstanding such repeal, an order made by any authority, which is in force immediately before the commencement of this Order and which is consistent

with this Order, shall continue in force and all appointments made, prices fixed, licences and permits granted, and directions issued under any such order and in force immediately before such commencement shall likewise continue in force and be deemed to be made, fixed, granted or issued in pursuance of this Order.

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Sd/-
(K. L. Pasricha)
Joint Secretary