

Sugar Factories (Control) (Amendment) Act, 2021 (ACT OF 2021)

May 2021

The Punjab Government vide Notification No PAP/ Legis-2(76)/2020/2528 dated 17 May 2021 has notified the Sugar Factories (Control) (Amendment) Act, 2021 after passing it from the provincial Assembly of Punjab. The Act has brought some amendments in the Sugar Factories (Control) Act, 1950 (XXII of 1950) [Act, 1950] which was necessary to ensure payments to the Cane-growers in a timely and transparent manner and to make provisions for the ancillary matters. The Act will come into force at once. The salient features of Act, 2021 are as under:

Cane Purchase Receipt (CPR) defined

A new clause (ff) has been inserted in section 2 of Act, 1950 defining CPR as under:

Cane Purchase Receipt (CPR) means receipt of Cane purchased by an Occupier of a factory or a Purchasing agent mentioning weight and price for Cane purchased from a person who cultivates Cane either by himself or by members of his family or by hired labour and who is not a member of a Cane-growers' Cooperative Society.

Crushing commencement date prescribed

The old section 8 of the Act, 1950 has been deleted to replace a new section 8 under the head "Crushing" which states that the occupier of a factory shall start crushing of cane not later than 30 November each year.

Purchase of cane from a Cane-grower or a Cane-growers' Co-operative Society made mandatory

The old section 13(2) of the Act, 1950 has been deleted to replace a new subsection (2) which states that the occupier of a factory shall purchase cane from a Cane-grower or a Cane-growers' Co-operative Society, as the case may be, against CPR at the rate notified under section 16 of the Act, 1950 and shall make payment to the Cane-grower;

Provided that the occupier of a factory shall not purchase cane from a person who is a member of a Cane growers' Co-operative Society.

Further, the provision of section 13(5) of the Act, 1950 has been omitted.

Liability of the Occupier of a factory

A new section 13A has been inserted in the Act, 1950 to state that the occupier of a factory will clear the cane payment before 30 June following the crushing season and an appeal shall lie to the Secretary Food against any order passed by the Cane Commissioner or Additional cane Commissioner.

Issuance of Cane Purchase Receipt (CPR) made mandatory

The old Clause (ii) of section 14 of the Act, 1950 has been deleted to replace a new clause (ii) which states that the occupier of a factory shall purchase cane from a Cane-grower or a Cane-growers' Co-operative Society or a Purchasing agent, duly authorized by the Cane Commissioner and shall issue CPR to the Cane grower or the Cane-growers' Co-operative Society, as the case may be;

Provided that the Purchasing agent nominated by the occupier of a factory shall also issue CPR of the sugar factory for purchase of cane from the cane-grower as may be prescribed.

The old Clause (iii) of section 14 of the Act, 1950 has been deleted to replace a new clause (iii) which states that if the occupier of a factory enters into an agreement with a Purchasing agent for purchase of Cane, the Purchasing agent shall issue CPR of the sugar factory for purchase of Cane from Cane-grower and shall be liable to pay to the Cane-grower for the Cane purchased from him through a bank as may be prescribed.

Further clause (iv) of section 14 of the Act, 1950 has been omitted.

Punishment for contravening the provisions of the Act, 1950

The old Clause (a) of section 21 of the Act, 1950 has been deleted to replace a new clause (a) which states that subject to clause (aa) any person contravening the

provisions of the Act, 1950 or any order or rule made thereunder shall be punishable with imprisonment for a term which may extend to three years or with fine which may extend to five million rupees per day but shall not be less than one million rupees per day or with both;

Provided that the fine shall not be less than five million rupees per day in case of a repeated offence.

The old Clause (b) of section 21 of the Act, 1950 has been deleted to replace a new clause (b) which states that offences under the Act, 1950 shall be non-cognizable and bailable.

Further the clauses (i) and (ii) of section 22 have been omitted.

Repeals

The following have been repealed after the introduction Act, 2021:

- Sugar Factories (Control) (Amendment) Ordinance, 2020 (XIII of 2020);
- Sugar Factories (Control) (Second Amendment) Ordinance, 2020 (XIV of 2020)

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