

West Bengal Ordinance No. XVII of 1950

THE RAW JUTE (CENTRAL JUTE BOARD AND MISCELLANEOUS PROVISIONS) ORDINANCE, 1950.

[Published in the "Calcutta Gazette, Extraordinary", of the 14th December, 1950.]

West Ben.
Act VI of
1950.

WHEREAS a crisis has arisen in the jute industry on account of the owners of jute-mills not being able to secure adequate supplies of raw jute at the maximum prices fixed under the West Bengal Jute (Control of Prices) Act, 1950;

AND WHEREAS it is expedient to set up a Central Jute Board in West Bengal for ensuring equitable supply of raw jute to the owners of different jute-mills;

AND WHEREAS it is also expedient to make certain other miscellaneous provisions for the better regulation of the jute trade and for the protection of cultivators of jute;

AND WHEREAS the Legislative Assembly of West Bengal is not in session and the Governor is satisfied that circumstances exist which render it necessary for him to take immediate action;

AND WHEREAS the instructions of the President under the proviso to clause (1) of article 213 of the Constitution of India have been obtained;

The Governor is pleased, in exercise of the power conferred by clause (1) of the said article, to make and promulgate the following Ordinance, namely:—

1. (1) This Ordinance may be called the Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950.

Short title,
extent
and
commen-
cement.

(2) It extends to the whole of West Bengal.

(3) It shall come into force on the date of its publication in the *Official Gazette*.

2. In this Ordinance, unless there is anything repugnant in the subject or context,—

Defini-
tions.

(1) "appointed day" means the date specified by the State Government by notification in the *Official Gazette* as the appointed day for the purpose of this Ordinance;

(2) "the Board" means the Central Jute Board constituted under section 4 of this Ordinance;

(3) "cultivator of jute" means any person who, whether by himself or by members of his family or by hired labour or by *adhiars* or *bargadars* or *bhagdars*, grows jute on any land in his possession;

(4) "jute" means the plant belonging to any species of the genus *Corchorus* and commonly called *pat*, *kosta*, *nalia* or *bimalipatam* and includes also the plant *hibiscus cannabinus*, commonly called *mesta*;

(5) "jute-mill" means a factory defined in, or declared to be a factory under the Factories Act, 1948, which is engaged wholly or in part in the manufacture of jute products;

2 *The Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950.*

[West Ben. Ord.]

(Sections 3, 4.)

- (6) "owner of a jute-mill" means the person who has ultimate control over the affairs of the jute-mill:

Provided that, where the affairs of a jute-mill are entrusted to a managing agent, such agent shall be deemed to be the owner of the jute-mill;

- (7) "prescribed" means prescribed by rules made under this Ordinance;

- (8) "raw jute" means the fibre of jute which has not been subjected to any process of spinning or weaving and includes jute cuttings, jute ropes and *habi jabi* whether loose or packed in bales or drums and whether or not containing any waste product or moisture;

- (9) "stockist of raw jute" means an owner of a jute-mill, a baler, a dealer in raw jute or any other person who in the ordinary course of business stocks raw jute;

- (10) "waste product" means strippings, odd filaments or fragments, droppings, sweepings, or other waste product of jute and includes also ropes of raw jute used for fastening raw jute in bales and also articles commonly known in the jute trade as *habi jabi*.

Avoidance
of certain
contracts.

3. (1) Every contract for the sale or supply of raw jute entered into before the appointed day which on such day remains to be performed wholly or in part shall to the extent it so remains to be performed, be void and unenforceable in law.

(2) So much of any brokerage in respect of any contract as aforesaid as relates to such contract to the extent such contract becomes void and unenforceable under sub-section (1), shall not be payable.

Constitu-
tion of
Central
Jute
Board.

4. (1) As soon as may be after the commencement of this Ordinance the State Government shall constitute a Central Jute Board consisting of the following members, namely:—

- (a) four persons representing the Indian Jute Mills Association nominated by that Association and approved by the State Government;
- (b) two persons representing the Jute Dealers Associations nominated by the State Government;
- (c) two persons representing the Jute Balers Associations nominated by the State Government.

(2) The Chairman of the Board shall be nominated by the State Government and shall be a member of the Board. The Chairman shall hold office for such period as may be determined by the State Government.

XVII of 1950.]

(Sections 5, 6.)

(3) The procedure of the Board shall be such as may be prescribed.

(4) The Board shall comply with such directions, if any, as may from time to time be issued to it by the State Government.

5. (1) No person shall sell or agree to sell raw jute to the owner of a jute-mill and no owner of a jute-mill shall buy or agree to buy raw jute save and except in pursuance of a contract for the sale or the supply of raw jute entered into in the manner provided in section 6.

Contracts for sale or supply of raw jute not to be made except in the manner provided.

(2) Any contract entered into for the sale or the supply of raw jute with the owner of a jute-mill save and except in the manner provided in section 6 shall be void and of no effect.

(3) Any person contravening the provisions of sub-section (1) shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

6. (1) Any person who intends to enter into a contract for the sale or the supply of raw jute with the owner of a jute-mill shall apply to the Board specifying the quantity, quality and trade description of such jute and such other particulars in respect thereof, if any, as may be prescribed.

Manner of making contracts.

(2) The Board shall, after considering the application, select an owner of a jute-mill (who has signified in writing to the Board his intention to buy raw jute) with whom the applicant shall enter into a contract for the sale or the supply of raw jute within a date specified by the Board.

(3)(i) The applicant and the owner of a jute-mill selected under sub-section (2) shall thereupon, within the date specified by the Board, enter into a contract for the sale or supply of raw jute on such terms and conditions (including terms as to arbitration in case of dispute), as may be agreed upon between them, and in the event of there being no such agreement, as may be prescribed:

Provided that the prices for raw jute fixed under such contract, shall not exceed the maximum prices, if any, as may be fixed under the West Bengal Jute (Control of Prices) Act, 1950.

(ii) An applicant or the owner of a jute-mill selected under sub-section (2), who refuses to comply in any manner with the provisions of clause (i), shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

(4) In considering applications and in selecting owners of jute-mills under sub-section (2), the Board shall endeavour to ensure equitable supply of raw jute among owners of different jute-mills, but the selection of the Board shall not be questioned by or in any court of law.

4 *The Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950.*

[West Ben. Ord.]

(Sections 7—9.)

(5) The Board may levy in the prescribed manner a cess from the applicant who enters into a contract for the sale or the supply of raw jute in accordance with the provisions of clause (i) of sub-section (3), at such rate as may be fixed from time to time by the Board, not exceeding one-eighth *per centum* of the value of the raw jute sold or supplied by the applicant under such contract.

Prohibition of delivery or acceptance of raw jute except in pursuance of contracts made in the manner provided.

7. (1) No person shall deliver or cause to be delivered to the owner of a jute-mill and no owner of a jute-mill shall accept or cause to be accepted any raw jute save and except in pursuance of a contract for the sale or the supply of raw jute entered into in the manner provided in section 6.

(2) Any person contravening the provisions of sub-section (1) shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

(3) The provisions of section 5, section 6, and this section shall have effect on and from the appointed day.

Power to license stockists of raw jute.

8. (1) The State Government may, at any time by notification in the *Official Gazette*, require all stockists of raw jute to take out licenses under this Ordinance within a date specified in the notification.

(2) The terms and conditions and the procedure and the manner of taking out licenses shall be such as may be prescribed.

(3) The State Government may, by notification in the *Official Gazette*, require all holders of license to submit returns of stocks of raw jute in such form and at such times as may be specified in the notification.

(4) Any stockist in raw jute who fails to take out license within the date specified in the notification or fails to submit returns as required under sub-section (3), shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

Obtaining information, etc.

9. (1) Subject to such rules as may be prescribed, any officer authorised in this behalf by the State Government may, with a view to securing compliance with the provisions of this Ordinance—

(a) require any person to give any information in his possession with respect to any business carried on by that or any other person;

(b) enter with such assistants, if any, being persons in service of the State Government, as he thinks fit, any premises and

(i) make or cause to be made by such assistants such examination of premises and of any accounts, books, documents and stocks of jute therein as he thinks fit;

XVII of 1950.]

(Sections 10—13.)

(ii) take or cause to be taken by such assistants extracts from copies of any accounts, books or documents referred to in sub-clause (i);

(iii) seize or cause to be seized by such assistants any stocks of jute in respect of which he suspects that any offence under this Ordinance has been committed and any accounts, books or other documents referred to in sub-clause (i) which are in his opinion relevant to prove the commission of such offence and keep such stocks of jute, accounts, books or documents in his custody or in such other custody as may be prescribed, pending investigation or prosecution.

(2) Any person who fails to give any information required to be given under clause (a) of sub-section (1) or who obstructs any person in the exercise of any power conferred by clause (b) of that sub-section shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

10. (1) The State Government may, by notification in the *Official Gazette*, fix minimum prices which may be charged for raw jute bought from cultivators of jute.

Power to fix minimum prices of raw jute bought from cultivators.

(2) Different minimum prices may be fixed under sub-section (1) according to the quality, variety and trade description of raw jute and the area in which such jute is grown.

(3) Any person buying raw jute from a cultivator of jute at any price lower than the minimum price fixed under sub-section (1), after a notification has been issued under that sub-section, shall be guilty of an offence under this Ordinance and shall be punishable with imprisonment which may extend to six months or with fine or with both.

11. Where the person committing any offence under any of the provisions of this Ordinance is a company or an association or a body of persons whether incorporated or not, every director, manager, secretary or other officer or person concerned in the management thereof shall, unless he proves that the offence took place without his knowledge or that he exercised all due diligence to prevent the commission of such offence, be deemed to be guilty of such offence.

Offence by corporations, etc.

12. No prosecution for any offence under this Ordinance shall be instituted except with the previous sanction of the State Government or of such other officer of the State Government as may be prescribed.

Cognizance of offences.

13. (1) No suit or other legal proceeding shall lie against the State Government for anything which is in good faith done, or intended to be done, under this Ordinance or any rules made thereunder.

Indemnity.

6 *The Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950.*

[West Ben. Ord. XVII of 1950.]

(Sections 14, 15.)

(2) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done, or intended to be done, under this Ordinance or any rules made thereunder.

Power to
make
rules.

14. (1) The State Government may make rules for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the power under sub-section (1), such rules may provide for all or any of the matters required to be prescribed under this Ordinance.

Ordinance
to prevail
over other
law, etc.

15. The provisions of this Ordinance and of any rules made thereunder shall have effect notwithstanding anything to the contrary in any other law, or in any custom, usage, contract or instrument.