



The Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act,
1971

Act 47 of 1971

Keyword(s):

Advance Price, Additional Price, Collection Centre, Controlled Area, Cotton, Cotton Ginning Factory, Cotton Pressing Factory, Cotton Season, Final Price, Green Card, Market Area, Marketing Society

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**THE MAHARASHTRA RAW COTTON (PROCUREMENT, PROCESSING
AND MARKETING) ACT, 1971.**

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[THE MAHARASHTRA RAW COTTON (PROCUREMENT, PROCESSING AND MARKETING) ACT, 1971]

¹[This Act received the assent of the President on the 4th December 1971; the assent was first published in the *Maharashtra Government Gazette*, Part IV, on the 13th December 1971].

Amended by Mah.	19 of 1972.*
” ” ”	5 of 1974† (12-1-1974). ¶
” ” ”	48 of 1974‡ (27-7-1974). ¶
” ” ”	8 of 1975§ (17-11-1974). ¶
” ” ”	17 of 1980§ (28-6-1980). ¶
” ” ”	59 of 1981@ (30-6-1981). ¶
” ” ”	32 of 1982£ (30-6-1982). ¶
” ” ”	35 of 1984††@@ (30-6-1984). ¶
” ” ”	1 of 1987.££ (30-6-1986). ¶

¹ For Statement of Object and Reasons, see *Maharashtra Government Gazette*, 1971, Part V, Extra, pages 238-240.

² This portion was substituted for the portion beginning with “ for acquiring *kapas* ” and ending with “ to consumers ” by Mah. 48 of 1974 s. 2.

* Maharashtra Ordinance No. VIII of 1972 was repealed by Mah. , 19 of 1972, s. 10.

† Maharashtra Ordinance No. 1 of 1974 was repealed by Mah. 5 of 1974, s. 3.

‡ Maharashtra Ordinance No. XVII of 1974, was repealed by Mah. 48 of 1974, s. 25.

§ Maharashtra Ordinance No. XXIII of 1974 was repealed by Mah. 8 of 1975, s. 5.

§ Maharashtra Ordinance No. VI of 1980 was repealed by Mah. 17 of 1980, s. 3.

¶ This indicates the date of commencement of Act.

@Maharashtra Ordinance No. XII of 1981 was repealed by Mah. 59 of 1981, s. 17, Section 16 of Mah. 59 of 1981 reads as under:—

“ 16. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1981, having been retrospectively extended from the date upto and inclusive to the 30th June 1982 by this Act, it shall not be deemed ever to have expired at any time and all its provisions as amended by this Act shall be deemed to be continuously in force, except for the purposes of section 15 of this Act.” Removal of doubt.

£ Maharashtra Ordinance No. XIII of 1982 was repealed by Mah. 32 of 1982, s. 5.

††Maharashtra Ordinance No. VII of 1984 was repealed by Mah. 35 of 1984, s. 3(I).

@@Sections 3 and 4 of Mah. 35 of 1984 read as under:—

“ 3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, before the 8th September 1984, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act by this Act.” Savings.

4. For the removal of dobut, it is hereby declared that the principal Act, which was to expire after the 30th June 1984, having been retrospectively extended from the date upto and inclusive of the 30th June 1986, by this Act, it shall not be deemed ever to have expired at any time and all its provisions as amended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force.” Removal of doubt.

££Maharashtra Ordinance No. IV of 1986 was repealed by Mah. 1 of 1987, s. 5.

Sections 3 and 4 of Mah. 1 of 1987 read as under:—

“ 3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st July 1986 and ending on the 16th September 1986, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act by this Act.” Savings.

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1986, having been retrospectively extended from that date up to and inclusive of the 30th June 1989, by this Act, it shall be deemed never to have expired at any time and all its provisions as amended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force.” Removal of doubt.

Amended by Mah. 14 of 1988.**

„ „ „	42 of 1989 @	£(30-6-1989)†
„ „ „	7 of 1991 ££	(30-6-1990)†
„ „ „	14 of 1994 £££	@@(30-6-1993)†
„ „ „	9 of 1995 §	‡(30-6-1994)†
„ „ „	10 of 1996	‡‡(30-6-1995)†
„ „ „	32 of 1997 §§	‡‡‡(30-6-1996)†
„ „ „	11 of 1999	(21-1-1999)†
„ „ „	12 of 1999 #	\$(30-6-1998)†
„ „ „	17 of 2000 ##	\$\$ (27-8-1999)†
„ „ „	7 of 2001 ###	\$\$\$ (30-6-2000)†

An Act to provide for the carrying on for a certain time of trade in raw cotton by the State in Maharashtra.

WHEREAS, ginned and pressed cotton has been commanding a high level of prices at the terminal markets in recent years, nevertheless it has been brought to the notice of the Government of Maharashtra that because of too many intermediaries and also defect in the marketing system growers of cotton in the State do not get a fair share of the price for their crop ;

AND WHEREAS, it is also necessary to supply unadulterated cotton to consumers at a reasonable price, and to guarantee the purity of cotton and honest trade practices at processing centres ;

** Section 3 of Mah.14 of 1988 reads as under :—

Mah. XIV 1988. "3. On and from the date of commencement of the Maharashtra Raw Cotton (Procurement, Processing and Marketing) (Amendment) Act, 1988 the Chairman and of the Managing Director of the Maharashtra State Co-operative Marketing Federation or their representatives who are *ex-officio* members of the Board shall cease to be such members and they shall be deemed to have vacated their office as such Members and the Chairman and the Managing Director of the Maharashtra State Cooperative Cotton Growers Marketing Federation Limited or their representatives shall be *ex-officio* members of the Board in their place." Consequence of amendment of section 4 of Mah. XLVII of 1971.

@ Maharashtra Ordinance No. VII of 1989 was repealed by Mah. 42 of 1989 s. 5.

£ Sections 3 and 4 of Mah. 42 of 1989 reads as under :—

"3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1989 and ending on the 29th September 1989, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act by this Act. Saving.

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1989, having been retrospectively extended from that date upto and inclusive of the 30th June 1990 by this Act, it shall be deemed never to have expired at any time and all its provisions as amended by this Act, shall subject to the provisions of section 3 of this Act be deemed to be continuously in force." Removal of doubt.

† This indicates the date of commencement of the Act.

££ Sections 3 and 4 of Mah. 7 of 1991 reads as follows :—

"3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1990 and ending on the date of publication of this Act in the *Official Gazette*, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act by this Act. Saving.

Removal of doubt. 4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1990, having been retrospectively extended from that date upto and inclusive of the 30th June 1993 by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force."

£££ Maharashtra Ordinance No. XIX of 1993 was repealed by Mah. 14 of 1993, s.5.

@@ Sections 3 and 4 of Mah. 14 of 1994 reads on follows:—

Saving. "3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1993 and ending on the 7th December 1993, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act.

Removal of doubt. 4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1993, having been retrospectively extended from that date upto and inclusive of the 30th June 1994 by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force."

§ Maharashtra Ordinance No. II of 1995 was repealed by Mah. 9 of 1995, s.5.

‡ Sections 3 and 4 of Mah. 9 of 1995 reads on follows :—

Saving. "3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1994 and ending on the 17th January 1995, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act.

Removal of doubt. 4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1994, having been retrospectively extended from that date upto and inclusive of the 30th June 1995 by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force."

‡‡ Sections 3 and 4 of Mah. 10 of 1996 reads on follows :—

Saving. "3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1995 and ending on the date of publication of this Act in the *Official Gazette*, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act.

Removal of doubt. 4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1995, having been retrospectively extended from that date upto and inclusive of the 30th June 1996 by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force."

§§ Maharashtra Ordinance No. IX of 1997 was repealed by Mah. 32 of 1997, s.5.

‡‡‡ Sections 3 and 4 of Mah. 32 of 1997 reads on follows :—

Saving. "3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1996 and ending on the 24th February 1997, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act.

M/L
12/8/11

1971 : Mah. XLVII] *The Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971.*

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1999, having been retrospectively extended from that date upto and inclusive of the 30th June 2000, by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force." Removal of doubt.

Maharashtra Ordinance No. XVII of 1998 was repealed by Mah. 12 of 1999.

\$ Sections 3 and 4 of Mah. 12 of 1999 reads as under:—

"3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 2000 and ending on the 18th day of October 2000, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act. Savings.

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1998, having been retrospectively extended from that date upto and inclusive of the 30th June 1999, by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force." Removal of doubt.

Maharashtra Ordinance No. XXXV of 1999 was repealed by Mah. 17 of 2000.

\$\$ Sections 3 and 4 of Mah. 17 of 2000 reads as under:—

"3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 1999 and ending on the 27th of August 1999, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act. Savings.

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 1999, having been retrospectively extended from that date upto and inclusive of the 30th June 2000, by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force." Removal of doubt.

Maharashtra Ordinance No. XXIII of 2000 was repealed by Mah. 7 of 2001.

\$\$\$ Sections 3 and 4 of Mah. 7 of 2001 reads as under:—

"3. Nothing in this Act shall render any person liable to be convicted of any offence in respect of anything done by him or anything omitted to be done by him, during the period commencing on the 1st day of July 2000 and ending on the 18th day of October 2000, if such act or omission was not an offence but for the retrospective extension of duration of the principal Act, by this Act. Savings.

4. For the removal of doubt, it is hereby declared that the principal Act, which was to expire after the 30th June 2000, having been retrospectively extended from that date upto and inclusive of the 30th June 2001, by this Act, it shall be deemed never to have expired at any time and all its provisions as amended and extended by this Act shall, subject to the provisions of section 3 of this Act, be deemed to be continuously in force." Removal of doubt.

The Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971 [1971 : Mah. XLVII]

AND WHEREAS, the Government of Maharashtra has decided that all trade in raw cotton should be carried on by the State for a certain time ; and for that purpose to take flower ¹[for acquiring cotton from the growers and other persons having stocks thereof, getting it ginned or pressed into bales, selling it in any form to consumers] and others on behalf of the tenderers and paying compensation to the tenderers; and provide for matters relating to the purposes aforesaid; it is hereby enacted in the Twenty-second Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

Short title,
extent,
commencement
and
duration.

1. (1) This Act may be called the Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971.

(2) It extends to the whole of the State of Maharashtra.

(3) Chapters I and II shall come into force at once and the remaining provisions of this Act shall come into force on such ²date as the State Government may, by notification in the *Official Gazette*, appoint.

(4) This Act shall remain in force upto and inclusive of the 30th June ³[2001], and shall then expire ; and section 7 of the Bombay General Clauses Act, 1904 shall apply upon the expiry of this Act, as if it had then been repealed by the Maharashtra Act. Bom. I of 1904.

Definitions.

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

(a) “ advance price ” means the price payable or paid as such to a grower of cotton or a holder of stocks of cotton at the time of tendering ⁴[cotton] at a collection centre under section 20 or 21;

(b) “ bale ” means any pressed package of cotton of whatever size or density ;

(c) “ Board ” or “ Advisory Board ” means the Board established under section 3 ;

(d) ⁵[“ additional price”] in respect of any grower or other person tendering cotton at a collection centre, means if the final price fixed for any cotton season exceeds the guaranteed price, the proportionate amount payable to him as ⁶[additional price] under sections 30 and 32, on the quantity of ⁴[cotton] acquired from him;

(e) “ collection centre ” means the place designated by the market committee ⁷[or direct to be so designated by the Director of Marketing under section 21A, for tendering cotton], by any grower or any other person holding stocks thereof ;

(f) “ controlled area ” means an area specified in a notification under section 3 of the Bombay Cotton Control Act, 1942 ; Bom. XXX of 1942.

(g) “ cotton ” means raw cotton whether ginned or unginning ;

(h) “ cotton ginning factory ” has the meaning assigned to it in the Cotton Ginning and Pressing Factories Act, 1925 ; XII of 1925.

¹ This portion was substituted for the portion beginning with “ for acquiring *kapas* ” and ending with “ to consumers ” by Mah. 48 of 1974, s.2.

² 1st August 1972 *vide* G.N.A. and CD. No. KPS. 1072/4552-V-6, dated 1st August 1972.

³ These figures were substituted for the figures “ 2000 ” by Mah. 7 of 2001, s.2.

⁴ This word was substituted for the word, “ *kapas* ” by Mah. 48 of 1974, s.3(a).

⁵ These words were substituted for the word “ *bonus* ” by Mah. 59 of 1981, s.3(a).

⁶ These words were substituted for the word “ *kapas* ” by Mah. 48 of 1974, s.3(b).

⁷ This portion was substituted for the words “ for rendering *kapas* ” *ibid.*, s.3(c).

XII of
1925.

(i) "cotton pressing factory" has the meaning assigned to it in the Cotton Ginning and Pressing Factories Act, 1925 ;

(j) "cotton season" means the period from the 1st day of July of any year to the 30th day of June of the next year (both days inclusive);

(k) "final price" means the price determined as such ¹[under section 29, in respect of any specified variety of grade of cotton], as payable to the cotton growers and other persons tendering ²[cotton], at the collection centres under sections 20 and 21 ;

³[(ka) "green card" means the card issued in the prescribed form and in the prescribed manner to every grower of cotton (whether he is its member or not), by the Primary Agricultural Credit Society, within whose area of operation he grows cotton;]

(l) "guaranteed price" means the price determined as such under section 24, in respect of any ⁴[specified variety or grade of cotton] as payable to the cotton growers and other persons tendering ²[cotton], at the collection centres ;

(m) "kapas" means unginned cotton ;

Mah.
XX of
1964.

(n) "market area" means an area specified in a declaration made under section 4 of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963.

Mah.
XX of
1964.

(o) "market committee" means a committee constituted for a market area under section 11 of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 ;

Mah.
XXIV
of
1961.

(p) "marketing society" means a taluka or block co-operative purchase and sale union, or a marketing society of agricultural produce registered or deemed to be registered under the Maharashtra Co-operative Societies Act, 1960 as an agricultural society, and includes a cotton sale society ;

(q) "member" means a member of the Advisory Board, and includes the Chairman or Vice-Chairman of the Board ;

(r) "non-official Member" means who is not a Member *ex-officio*;

(s) "prescribed" means prescribed by or under rules made under this Act;

Mah.
XXIV
of
1961.

(t) "Registrar" means a person appointed to be the Registrar of Co-operative Societies under the Maharashtra Co-operative Societies Act, 1960, and includes any person appointed to assist him and on whom all or any of the powers of the Registrar under that Act are conferred.

¹ This portion was substituted for the portion beginning with "in the prescribed manner" and ending with "specified variety of cotton", by Mah 48 of 1974, s. 3(d).

² This word was substituted for the word "kapas", *ibid.*, s.3(a).

³ Clause (ka) was inserted by Mah. 59 of 1981, s.3(b).

⁴ These words were substituted for the words, "specified variety of cotton" by Mah. 48 of 1974, s.3(e) (i).

CHAPTER II

ESTABLISHMENT, PROCEEDINGS AND DUTIES OF STATE ADVISORY BOARD¹

3. The State Government may, by notification in the *Official Gazette*, establish for the purposes of this Act a Board by the name of "the Maharashtra State Cotton Control Advisory Board."
4. (1) The Board shall consist of the following members:—
- (a) the Minister of State for Co-operation, Maharashtra State, *ex-officio* Chairman;
- (b) the Secretary to the Government of Maharashtra, Agriculture and Co-operation Department (Co-operation Wing), *ex-officio* Vice-Chairman;
- (c) one representative of the Ministry of Agriculture, appointed by the Central Government, *ex-officio*;
- (d) the Chairman, Maharashtra State Co-operative Cotton Growers Marketing Federation, *ex-officio* or his representative;
- (e) the Managing Director, Maharashtra State Co-operative Cotton Growers Marketing Federation, *ex-officio* or his representative;
- (f) the Managing Director, Maharashtra State Co-operative Bank, *ex-officio* or his representative;
- (g) the Managing Director, Cotton Corporation of India Ltd., *ex-officio*, or his representative;
- (h) the Managing Director, Maharashtra State Textile Corporation Ltd., *ex-officio* or his representative;
- (i) the Chairman, Maharashtra Rajya Bazar Samiti Sahakari Sangh, *ex-officio*, or his representative;
- (j) the Director of Agriculture, *ex-officio*, or his representative;
- (k) the Director of Marketing, *ex-officio*, and until such Director is appointed the Joint Registrar of Co-operative Societies (Marketing), *ex-officio*;
- (l) three representatives of cotton growers, appointed by the State Government;
- (m) one representative of textile mills appointed by the State Government;
- (n) one representative of Co-operative Spinning Mills, appointed by the State Government;
- (o) one representative of the Co-operative Ginning and Pressing factories appointed by the State Government;
- (p) one representative of East India Cotton Association appointed by the State Government;
- (q) a Deputy Secretary to the Government of Maharashtra in the Agriculture and Co-operation Department, designated by the State Government in this behalf, who shall also be the Secretary to the Board.
- (2) The names of the non-official Members appointed by the State Government shall be published in the *Official Gazette*.
5. The headquarters of the Board shall be in Greater Bombay.
6. (1) Every non-official Member shall hold office for a period of three years from the date of his appointment:
- Provided that, the State Government may extend the said period by a further period not exceeding one year :
- Provided further that, after the expiry of the period of his appointment, a person shall, unless disqualified or removed, be eligible for reappointment.

Establishment of State Advisory Board.

Composition of the Board.

Headquarters of the Board.

Term of office and conditions of service of non-official Members.

¹ Clauses (d) and (e) were substituted by Mah. 14 of 1988, s. 2.

(2) Every non-official Member shall receive from the State Government such allowances for the purpose of meeting the personal expenditure incurred in attending the meeting of the Board or in performing any other functions as such Member, as may be prescribed.

Resignation of non-official Members. 7. Any non-official Member may at any time resign his office by writing under his hand addressed to the State Government, and upon the acceptance thereof the office of the Member shall become vacant.

Temporary absence of Members. 8. If any Member is by infirmity or otherwise rendered temporarily incapable of carrying out his duties or is absent on leave or otherwise, not involving the vacation of his appointment, the State Government may appoint another person to officiate for him and carry out his functions under this Act or any rules or regulations made thereunder.

Disqualification of non-official Members. 9. A person shall be disqualified for being appointed or continuing as a non-official Member, if he—
(a) holds any office or place of profit under the State Government (except when he is appointed under clause (j) of sub-section (1) of section 4);
(b) is of unsound mind, and stands so declared by a competent Court;
(c) is an undischarged insolvent; or
(d) has been or is convicted of any offence involving moral turpitude.

Removal of Members. 10. If the State Government is of opinion that, any Member is guilty of misconduct in the discharge of his duties, or is incompetent to perform or has become incapable of performing his duties as a Member or should for any other good and sufficient reason be removed, the State Government may, after giving the Member an opportunity to show cause against his removal, by notification in the *Official Gazette*, remove him from office.

Vacation of membership. 11. If a non-official Member,—
(a) becomes subject to any of the disqualifications mentioned in section 9, or
(b) is absent without the permission of the Board from all meetings of the Board for a period of two successive months,
he shall cease to be a member.

Filling of vacancies. 12. (1) In the event of a vacancy in the office of any Member, the vacancy may be filled by the State Government, and the person so appointed shall hold office so long only as the Member in whose place he is appointed would have held office.

(2) A vacancy of a Member shall be filled as early as practicable :

Provided that, during any such vacancy the continuing Members may act, as if no vacancy had occurred.

Meetings of the Board. 13. (1) The Board shall meet at such times, at least once in a month, and at such places as the Chairman, may determine.

(2) The Chairman, or in his absence the Vice-Chairman, shall preside at a meeting of the Board. In the absence of both, the meeting shall be presided over by one of the members present as may be chosen by the meeting to be the Chairman for the meeting.

(3) One-third of the total number of members of the Board shall be the quorum required to constitute a meeting of the Board.

(4) Minutes shall be kept of the names of the Members present and of others who attend the meetings of the Board under the provisions of this Act, and of the proceedings of each meeting, in a minute book to be kept for the purpose. The minutes shall be signed at the next ensuing meeting after confirmation at such meeting.

(5) Subject as aforesaid, the Board may observe such rules of procedure in regard to the transaction of its business, or the business of any committee appointed by it as may be provided by the regulations made by the Board, with the previous sanction of the State Government.

14. No act or proceeding of the Board or any of its committees shall be invalid by reason only of a vacancy therein, or any defect in the appointment of any person acting as the Chairman or Vice-Chairman or Member, if such act or proceeding is otherwise in accordance with the provisions of this Act. Proceedings presumed to be good and valid.

15. (1) The Board may, with the previous sanction of the State Government, associate with itself or consult such persons whose assistance or advice it may require, for the purpose of performing any of its functions under this Act; such persons may be paid such remuneration or fees or allowances as may be sanctioned by the State Government. Consultation or association with experts.

(2) The person so assisting or advising the Board may take part in the discussions of the Board relevant to the purpose for which he is associated or consulted.

16. Subject to the control, direction and superintendence of the State Government, it shall be the duty of the Board— Duties of the Board.

(a) to advise the State Government with regard to the policy to be adopted in the matter of cultivation of cotton in the State and grading and marketing of cotton with a view to ensure a fair price to the grower and the giving effect to the other objectives of this Act;

(b) to recommend the places at which the collection centres may be located;

(c) to advise the State Government in the matter of fixation of final prices of different varieties of cotton;

(d) to recommend the number and places of godowns required for storing cotton, and the cotton ginning and pressing factories required for processing cotton and if necessary for requisitioning godowns or factories;

(e) to advise the State Government with regard to the policy to be adopted for disposal of cotton-seed and cotton-waste;

(f) to advise the State Government on any other matter connected with the administration of this Act in respect of which that Government may consider it necessary to obtain the advice of the Board;

(g) to advise the State Government on all other matters to facilitate the proper carrying out of the purposes of this Act.

CHAPTER III

PROHIBITIONS ON TRADING IN AND TRANSPORT OF ¹[COTTON] AND ON COTTON GINNING AND PRESSING FACTORIES

17. Save as otherwise provided by or under this Act and except with the previous permission of the State Government, no person, other than the State Government or an officer or agent of such Government, authorised by it in this behalf, shall purchase, sell, or ²[store for sale cotton (not being baled cotton) or carry on business therein]. Prohibition on carrying on business in ²[Cotton] (other than baled cotton).

18. (1) No owner or person in charge of a cotton ginning factory shall, except with the previous permission of the State Government, gin or cause to be ginned in his factory any *kapas*, other than *kapas* to be ginned on Government account. Prohibition on cotton ginning and pressing factories.

(2) No owner or person in charge of a cotton pressing factory shall, except with the previous permission of the State Government, press or cause to be pressed ginned cotton into bales, other than such cotton to be pressed on Government account.

¹This word was substituted for the word "KAPAS" by Mah. 48 of 1974, s. 4.

²This portion was substituted for the words "store for sale *Kapas*, or carry on business in *Kapas*", *ibid.*, s. 5 (a).

*This was substituted for the word "*Kapas*" *ibid.*, s. 5(b).

Prohibition on transport of ²[cotton (other than baled cotton)] outside the State. 19. No person, other than the State Government or the Head of any Department authorised by the State Government in this behalf, shall, except with the previous permission of the State Government or such Head of the Department, ¹[transport or attempt to transport cotton (not being baled Cotton)] from any place in the State to any place outside the State. Where the State Government or the Head of the Department refuses the previous permission in any case, the reasons therefor shall be recorded in writing.

CHAPTER IV

PROCUREMENT, GRADING AND POOLING ³[COTTON]

Every grower of cotton to sell his produce to Government. 20. ⁴[(1)] Every grower of cotton shall, after the picking operations are over, sell all *kapas* produced by him and which he wishes to dispose of, to the State Government, by tendering it at a collection centre:

Provided that, the grower may, where such practise prevails, in the area pay the labourers engaged by him wages in kind, i.e. in *kapas*, and then tender the remaining quantity to the State Government as provided in this section :

⁵[Provided further that, where a person is a grower of hybrid, foundation or nucleus cotton seeds and is duly approved by the Department of Agriculture for the cultivation of such seeds, such person shall be permitted to get his *kapas* ginned, subject to such conditions (if any) as may be prescribed, but shall then sell his ginned cotton, which he wishes to dispose of, to the State Government by tendering it at a collection centre.] :

⁶[Provided also that, where the grower of cotton is a member of the Growers' Co-operative Spinning Mill, he may tender and sell the cotton produced by him, in part or full, to such Mill. When any cotton is sold to the Mill by such member, it shall be incumbent on the Mill to make initial payment of the price to the member, which shall not be less than the guaranteed price for the variety or grade of cotton as fixed by the State Government and to make final payment of the price, which shall not be less than the final price for the variety or grade as fixed by the State Government. The Mill shall tender and sell excess cotton so acquired by it to the State Government at the price paid by it.]

⁷[(2) (a) Save as otherwise provided in the first proviso to sub-section (1) of the section or in section 21, no person shall be entitled to tender any cotton grown by him at a collection centre, except on a green card issued to him, or to tender any cotton grown by another person on his behalf at a collection centre, except on a green card issued to that person and except on production of a written authority from such person for such tender.

(b) The condition subject to which a green card may be issued to, and used by, any person and subject to which it shall be liable to be suspended or cancelled shall be such as may be prescribed.

¹This portion was substituted for the words "transport *kapas*" by Mah. 48 of 1974, s. 6(a).

²This portion was substituted for the word "*kapas*", *ibid.*, s. 6(b).

³This word was substituted for the word "*kapas*" *ibid.*, s. 7.

⁴Section 20 was re-numbered as sub-section (1) of that section by Mah. 59 of 1981, s. 4(1).

⁵Second proviso was added by Mah. 48 of 1974, s. 8.

⁶This proviso was added by Mah. 59 of 1981, s. 4(1).

⁷Sub-sections (2), (3) and (4) were added, *ibid.*, s. 4(2).

(3) If any officer, not below the rank of Assistant Registrar of Co-operative Societies, is satisfied that any person has tendered or attempted to tender at a collection centre any cotton not grown by him on the green card issued to him, or any cotton on the green card issued to another person, which is grown by the tenderer or by any other person other than the person to whom that card is issued, or any cotton in contravention of sub-section (2), such officer, after holding such inquiry as he deems necessary and after giving a reasonable opportunity to such tenderer to offer his explanation, may, without prejudice to any prosecution or other action which may be taken against such tenderer, by order direct that the whole or any part of the stocks of cotton so tendered or attempted to be tendered and all packages, coverings or receptacles in which such stocks are found or kept and every animal vehicle, vessel or other conveyance used in carrying such stocks, shall be forfeited to the State Government. Where such tenderer has already been paid the price for any such stocks of cotton, such officer may by order direct that the amount paid as price to such tenderer shall be refunded by him at the collection centre, within two days from the date of receipt of such order by him and on his failure to do so shall be recovered from him as an arrear of land revenue.

(4) Any tenderer aggrieved by any order made by an officer under sub-section (3) may, within one month from the date of communication to him of such order, appeal to the District Deputy Registrar of Co-operative Societies of the District. Such Deputy Registrar shall, after giving an opportunity to the appellant to be heard, pass such order as he may think fit, confirming, modifying or annulling the order appealed against. The decision of such Deputy Registrar shall be final.]

21. Any *kapas* given by the grower to labourers in lieu of wages as provided in ¹[the first proviso] to the last preceding section shall not be sold by the labourer to any person other than the State Government. The labourers may tender the *kapas* so obtained either personally or through an agent authorised by the State Government in this behalf, at a collection centre. Tendering of *kapas* by persons other than the grower.

Mah. XX of 1964. ²[21A. (1) Notwithstanding anything contained in the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, it shall be the duty of every market committee to designate and maintain one or more convenient places as may be found necessary, for tendering ³[cotton] by the growers and other persons holding stocks thereof. Duty of every Market Committee to designate and maintain sufficient collection centre at convenient places.

(2) If after making such inquiry as he deems fit the Director of Marketing is satisfied that any collection centre designated by any market committee is not convenient to the growers and other persons who wish to tender ³[cotton] or that no collection centre is designated by it or the collection centre designated by it is not sufficient for the needs of the locality he may by order direct the market committee to designate and maintain such place or places as may be specified by him as the collection centre or centres, and the market committee shall comply with such direction.

(3) If the Director of Marketing is satisfied on a complaint or otherwise, that any direction issued by him under sub-section (2) is not complied with by the market committee within a reasonable period, he may, after giving a notice of at least 15 days and giving a reasonable opportunity to the market committee of being heard, by order fix a period for compliance with the direction and communicate such order to the market committee.

¹These words were substituted for the words "the proviso" by Mah. 48 of 1974, s. 9.

²Section 21A was inserted by Mah. 19 of 1972, s. 3.

³This word was substituted for the word "*kapas*" *ibid.*, s. 10.

(4) If the direction is not complied with within the period so fixed, the Director of Marketing may appoint some person to comply with the direction and may order that the expense for such compliance with a reasonable remuneration to the person so appointed shall be paid from time to time by the market committee from its Market Fund. Any sums so payable shall be deemed to be sums due to the State Government and shall be recoverable as arrears of land revenue.]

22. ¹[All cotton tendered at the collection centres as required by section 20] by the growers or the persons holding stocks or on their behalf by the agents for collection authorised by the State Government shall be graded and marked with the grade designation marks ²[in accordance with the provisions of the rules made in this behalf] and pooled according to the grades ;

Grading and pooling of [cotton] tendered at collection centres.

3[* * * * *]

23. (1) Weighment of all ⁴[cotton] so tendered at the collection centres shall be done in accordance with the provisions of the Maharashtra Agricultural procedure Marketing (Regulation) Act, 1963 and the bye-laws of the market committee made thereunder, and every tenderer shall be granted a receipt for ⁴[cotton] tendered by him.

Weighment procedure and grant of receipt to the tenderer.

(2) Such receipt shall specify the collection centre at which and the date on which ⁴[cotton] was tendered, the name of the party tendering, the quantity of ⁴[cotton] which was tendered, and the grade thereof, and other particulars as may be prescribed.

CHAPTER V

MODE OF FIXING AND PAYMENT OF PRICE FOR ⁴[COTTON] TENDERED AT COLLECTION CENTRES

⁵[24. (1) At the commencement of every cotton season the Cotton Co-ordination Committee, as established under sub-section (2), shall recommend to the State Government the guaranteed prices for different varieties or grades of cotton and, where necessary, also of ginned cotton. The State Government shall, in accordance with the recommendation of the Cotton Co-ordination Committee, notify in the *Official Gazette* and in such other manner as it deems fit, the guaranteed prices for different varieties or grades of cotton and, where necessary, also of ginned cotton.

Establishment of Cotton Co-ordination Committee and fixation of guaranteed price.

(2) The State Government shall appoint a Cotton Co-ordination Committee. It shall consist of the following :—

(a) the Secretary to Government of Maharashtra, Agriculture and Co-operation Department (Co-operation wing) ;

(b) a representative each of the Union Ministry of Agriculture and the Union Ministry of Commerce (Department of Textiles) ;

(c) the Textile Commissioner ;

(d) the Chairman-cum-Managing Director, Cotton Corporation of India Limited ;

(e) two representatives of the Government of Maharashtra ;

(f) a representative of the Maharashtra State Co-operative Marketing Federation or such other body as may be appointed by the State Government as its agent to give effect to the provisions of the Act.]

¹ These words and figures were substituted for the words " All *kapas* tendered at the collection centres " by Mah. 48 of 1974, s. 11(a).

² These words were substituted for the portion beginning with " in accordance with " and ending with " of the market committee " by Mah. 19 of 1972, s. 4.

³ This proviso was deleted by Mah. 48 of 1974, s. 11(b).

⁴ This word was substituted for the word " *kapas* " *ibid.*, ss. 11(c), 12 and 13.

⁵ Section 24 was substituted for the original by Mah. 59 of 1981, s. 5.

Advance price payable to tenderer. ¹[25. (1) Every tenderer of cotton at a collection centre shall in the first instance be entitled to receive eighty per cent. of the guaranteed price for the quantity of cotton tendered by him ²[which shall be payable to him] in lump sum or in such instalments, not exceeding two, as the State Government may, from time to time, having regard to the availability of the funds, by general or special order determine. The payment of eighty per cent. of the guaranteed price in this manner shall be the advance price payable to the tenderer.]

(2) The difference between the guaranteed price and the advance price shall be payable to the tenderer ³[within a period of three months] after the close of every cotton season] :

⁴[Provided that, where the payment of the advance price or any part thereof is deferred for any reason or the difference between the guaranteed price and the advance price is not paid immediately after the close of any cotton season, there shall be paid to the tenderer by or on behalf of the State Government interest on the amount which remains unpaid, from the date of tender of cotton by him or from the close of the cotton season, as the case may be, till the date of payment of such amount, at such rate not less than ten per cent. per annum, as the State Government may, from time to time, by general or special order, specify.]

Mode of payment of advance price ⁵[and the difference between the guaranteed price and advance price] shall be paid to the tenderer through the market committee ⁷[or through any co-operative society or person authorised by the State Government in this behalf] after making any deductions as required by the next succeeding section.

Deduction to be made from advance price ⁸[and remaining guaranteed price] for dues of co-operative societies and market committee. ⁹[27. The market committee or the authorised co-operative society or person, as the case may be, may deduct from ¹⁰[the advance price, and the difference, between the guaranteed price and advance price, to be paid to a tenderer of cotton] any sums due to any co-operative society, or any dues which the market committee is authorised to deduct by or under the Maharashtra Agriculture Produce Marketing (Regulation) Act, 1963, in respect of any notified produce, to such extent and ¹¹[in such manner, Mah. XX of 1964. as the State Government may, notwithstanding anything contained in this Act or any other law for the time being in force, by general or special order, direct] and pay the balance to the tenderer :

Provided that, the deductions may be made in such instalments as may be deemed fit, keeping in view ¹²[any sums due from the tenderer which are recoverable under this Act and the quantity of cotton] the person concerned is likely to tender from time to time in future :]

¹ This section was substituted for the original by Mah. 48 of 1974, s. 15.

² This portion was substituted for the words " which shall be the advance price payable to him. by Mah. 8 of 1975, s. 2(a).

³ These words were substituted for the word " immediately ", *ibid.*, s. 2 (b).

⁴ This proviso was added by Mah. 8 of 1975, s. 2 (c).

⁵ These words were substituted for the words " The advance price ", *ibid.* s. 3.

⁶ These words were inserted by Mah. 48 of 1974, s. 16 (a).

⁷ These words were inserted by Mah. 19 of 1972, s. 5.

⁸ These words were inserted by Mah. 48 of 1974, s. 16 (b).

⁹ Section 27 was substituted by Mah. 19 of 1972, s. 6.

¹⁰ These words were substituted for the words " the advance price to be paid to a tenderer of kapas " by Mah. 48 of 1974, s. 17 (a).

¹¹ These words were substituted for the words " in such manner as may be laid down in that Act " by Mah. 8 of 1975, s. 4 (a).

¹² These words were substituted for the words " the quantity of kapas " by Mah. 48 of 1974, s. 17 (b).

¹[Provided further that, where the payment of any sum deducted under this section by or on behalf of the State Government or by or on behalf of any co-operative spinning mill as sum due to a co-operative society is deferred for any reason, there shall be paid to the society by or on behalf of the State Government or, as the case may be, by or on behalf of the co-operative spinning mill, interest on the sum so deducted and payable to the society, from the date on which the sum due becomes payable till the date of payment, at such rate not less than ten per cent. per annum, as the State Government may, from time to time by general, or special order, specify.]

28. (1) The State Government shall cause the ²[cotton] pooled under section 22 to be ³[ginned or pressed] into bales ; and shall, subject to the directions (if any) issued by Textile Commissioner under any law for the time being in force, cause ⁴[the bales or ginned cotton to be sold] or otherwise disposed of in the prescribed manner.

Cotton pooled
to be
ginned or
pressed
into bales,
and to be
sold] or
otherwise
disposed
of by
Government
at certain
price.

(2) Subject to sub-section (1), ⁶[the bales or ginned cotton shall be sold] or disposed of—

(a) at such procurement prices as may be fixed by the Central Government or by the Textile Commissioner on the advice of the Agricultural Price Commission under any law for the time being in force, for the different varieties of cotton grown in the country ;

(b) in any other case, ⁷[in the prescribed manner.]

⁸[(2A) The State Government shall further cause the cotton pooled under section 22 to be released for sale at such prices and in quantities as may be specified by the Cotton Co-ordination Committee established under sub-section (2) of section 24.]

⁹[(3) Notwithstanding anything contained in this section it shall be lawful, for the State Government to set aside such quantity of *kapas* pooled under section 22 as it thinks necessary, having regard to the interests of the growers, for meeting any requirements of students undergoing training at the approved basic training schools in the State, and sell *kapas* for the purpose at such price as it may fix in that behalf.]

¹⁰29. (1) Soon after the 30th September succeeding each cotton season, or soon after any other date (which may be earlier or later than the 30th September) specified by the State Government by notification in the *Official Gazette*, the State Government shall, in consultation with the Advisory Board, fix in the prescribed manner the final price for different varieties or grades of *kapas* or ginned cotton acquired during the said cotton season, and notify the final price in the *Official Gazette* and in any other manner as it thinks fit. In fixing the final price, regard shall be had to the price at which bales of cotton, ginned cotton, *kapas*, cotton seed and cotton waste acquired during the cotton season immediately preceding were sold and the

¹This proviso was substituted by Mah. 59 of 1981, s. 6.

²This word was substituted for the word "*kapas*" by Mah. 48 of 1974, s. 18(a)(i).

³These words were substituted for the words "ginned and pressed", *ibid.*, s. 18 (a)(ii).

⁴These words were substituted for the words "the bales to be sold" *ibid.*, s. 18(a)(iii).

⁵These words were substituted for the words "to be ginned and pressed into bales, and bales to be sold", *ibid.*, s. 18(d).

⁶These words were substituted for the words "the bales shall be sold", *ibid.*, s. 18(b)(i).

⁷These words were substituted for the words "at the prevailing market price", *ibid.*, s. 18(b)(ii).

⁸Sub-section (2A) was inserted by Mah. 59 of 1981, s. 7.

⁹Sub-section (3) was added by Mah. 48 of 1974, s. 18(c).

¹⁰This section was substituted for the original, *ibid.*, s. 19.

stocks on hand on the 30th September or the specified date as the case may be ; and all expenditure incurred on the handling and ginning of *kapas*, the handling and pressing into bales of ginned cotton and the handling of cotton bales, cotton seed and cotton waste shall be taken into consideration :

Provided that, for arriving at the final price of each variety or grade of cotton, the closing stocks not disposed of and on hand on the 30th September or the specified date, as the case may be, shall be valued at the average sale price or the market price whichever is lower, obtained for such variety or grade of cotton sold earlier in the season.

(2) Where after the sale of any undisposed stocks, either wholly or partly, the total amount realised for the last preceding cotton season is more than the total amount calculated at the final price fixed as above, the excess amount shall be credited to the Price Fluctuation Fund and where it is less, the deficit amount shall be debited to, and paid from, the said Fund. Where part of the undisposed stock still remains undisposed at the end of the subsequent season, that part of the stock shall be carried forward as the opening stocks and the accounts of the Fund for the previous season shall be finalised and closed.

(3) Where as a result of the audit of the accounts, any error is noticed and adjustments are required to be made, and on account of such adjustments any excess or deficit in relation to the total amount calculated as the final price fixed as above is found, the excess amount shall be credited to, and the deficit amount shall be debited to, and paid from, the said Fund.]

¹[30. (1) After the final price is fixed and notified by the State Government, if that price is more than the guaranteed price, every person, who or on whose behalf *kapas* or ginned cotton was tendered at the collection centre, shall be paid ²[seventy-five per cent, of the difference between the final price and the guaranteed price, as the additional price.] Settlement of account after final price is fixed and notified.

(2) The balance ³[of twenty-five per cent.] of the difference referred to in sub-section (1) shall be credited to the Price Fluctuation Fund.]

31. The payment of any amount to be made to any person under the last preceding section, shall be made in the same manner and shall be liable to the same deductions (if any) as laid down in sections 26 and 27. Mode of payment of difference.

32. If in any cotton season, the amount at the credit of the Price Fluctuation Fund is equal to or more than 30 per cent. of the average total sales of cotton during the three preceding seasons, the entire amount realised in excess of the guaranteed price shall be distributed and paid ⁴[as further additional price] to the persons concerned, in the same manner and subject to the deductions (if any) as laid down in sections 26 and 27. ⁵[After the expiry of this Act, the balance in the Fund shall be distributed among the tenders in the prescribed manner.] payment of [further additional price.]

CHAPTER VI

PRICE FLUCTUATION FUND

33. (1) For the purpose of this Act, there shall be established and maintained a Fund called the "Price Fluctuation Fund" (in this Chapter referred to as "the Fund"). Constitution of Price Fluctuation Fund.

⁷ [(2) The Fund shall be made up of an initial contribution of rupees one crore and of such further contributions to the Fund made by the State Government, from time to time, for meeting any liability referred to in sub-section (1) of section 34, only when the balance in the Fund is inadequate for that purpose, and of the amounts credited to the Fund, from time to time, in accordance with sub-section (2) of section 30 :

Provided that the further contribution by the State Government to the Fund as aforesaid shall be met from the Capital Formation Fund established under section 35A, and the State Government may be required to make additional contribution to the said Fund in consequence thereof, as may be needed for the purpose of that Fund, under appropriation duly made in that behalf.

(3) The amount available in the Price Fluctuation Fund may be utilised as margin money or for other purposes of the Capital Formation Fund established under section 35A for the operation of the scheme, carrying interest at the rate often per cent. per annum or such other rate as may be fixed, from time to time, by the State Government. The interest shall be debited to the profit and loss account of the scheme and credited to the Price Fluctuation Fund.]

¹ Section 30 was substituted for the original by Mah. 48 of 1974, s.20.

² These words were substituted for the words "three-fourth of the difference between the final price and the guaranteed price, as bonus." by Mah. 59 of 1981, s.9(a).

³ These words were substituted for the words "of one-fourth" *ibid.*, s.9(b).

⁴ These words were substituted for the words, "as bonus" *ibid.*, s.10(a).

⁵ These words were added, *ibid.*, s.10(b).

⁶ These words were substituted for the words "additional bonus" *ibid.*, s.10(c).

⁷ Sub-sections (2) and (3) were substituted for the original sub-section (2) *ibid.*, s.11.

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34. (1) Where for any cotton season, the final price is less than the guaranteed price, the amount of difference shall be paid from and debited to the Fund.

Accounting of difference between the guaranteed price and the final price.

(2) Where for any cotton season, the final price is more than the guaranteed price of cotton, subject to the provisions of section 32, ¹[the amount of twenty-five per cent, of] the difference shall be credited to the Fund as provided by ²[sub-section (1) of section 30.]

35. All other matters connected with the Fund, including the manner in which the Fund shall be maintained, operated and expended, shall be regulated by rules made in this behalf.

Other matters connected with the Fund to be regulated by rules.

³[CHAPTER VIA

CAPITAL FORMATION FUND

35A. (1) For providing margin money or equity base for generation of additional requirement of funds for the proper and continuous operation of the scheme which are to be borrowed, from time to time, from the credit institutions, a separate account is hereby established to be called the Capital Formation Fund (hereinafter in this Chapter referred to as "the Fund").

Provision for Capital Formation Fund.

(2) The State Government shall, under appropriation duly made in this behalf contribute and pay, from time to time, into the Fund an aggregate sum of not less than Rs. 25 crores, on or before the 31st March 1985, including any contributions already made by it for the purposes of this Fund before the commencement of the Maharashtra Raw Cotton (Procurement, Processing and Marketing) (Retrospective Extension of Duration and Amendment) Act, 1981.

Mah.
LIX of
1981.

(3) Notwithstanding anything contained in this Act or any other law for the time being in force, the market committee or the authorised co-operative society or person making deductions under section 27 shall, while making payment to any tenderer, also deduct a sum equal to such per cent, (not exceeding three per cent.) of the guaranteed price, as the State Government may, from time to time, specify by notification in the *Official Gazette*, fifty per cent, of which as the contribution of the growers to the Fund and the remaining fifty per cent, as their contribution for the development of industrial co-operatives based on cotton and shall pay the sum so deducted and collected into the Fund in such manner and within such time as the State Government may, by general or special order, direct.

⁴[*Explanation.*—In this sub-section, the expression " industrial co-operatives based on cotton " would also mean and include, " industrial

¹ These words were substituted for the words "the amount of one-fourth of " by Mah. 59 of 1981, s.12(a).

² These words, brackets and figures were substituted for the words, brackets and figures " sub-section (2) of section 30 " *ibid.*, s.12(b).

³ Chapter VIA was inserted, *ibid.*, s.13.

⁴ This *Explanation* was added by Mah. 11 of 1999, s. 2.

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co-operatives based on cotton stalk, that is, a stem of cotton plant or any other part of a cotton plant".].

(4) Any agent appointed by the State Government under section 42 shall contribute and pay into the Fund every year a sum of not less than such per cent, (not exceeding three per cent.) of the agency charges payable to him as the State Government may, by general or special order, direct.

(5) The Fund shall be used for the purposes for which it is established including the purpose referred to in the proviso to sub-section (2) of section 33 and operated by such agency as may be authorised by the State Government.

(6) Separate accounts shall be maintained of the different sources from which contributions or other income is received, and the amount standing to the credit of the Fund at the time of expiration of this Act shall, as far as possible, be distributed in proportion to their contributions amongst the State Government, the tenderers and the agent, in such manner and subject to such deductions (if any) as the State Government may, by general or special order, determine.

(7) All other matters connected with the Fund, including the manner in which the Fund shall be maintained, operated and expended or utilised, shall be regulated by rules made in this behalf.]

CHAPTER VII

CONTROL OF COTTON GINNING AND PRESSING FACTORIES.

36. The State Government, or any officer authorised by it in this behalf, may issue to any owner or person in charge of a cotton ginning factory or cotton pressing factory such general or special directions as it or he may think necessary or expedient, for maintaining or increasing the supply of ginned or baled cotton and the owner or such person shall be bound to follow and act upon such directions.

Power to issue directions to cotton ginning and pressing factories.

37. If the State Government is of opinion that it is necessary so to do for maintaining or increasing the production and supply of ginned or baled cotton, it may, by order, published in the *Official Gazette*, and in such other manner as it deems fit, authorise any person (hereinafter in this section referred to as "an authorised controller") to exercise, with respect to the whole or any part of any specified undertaking which is a cotton ginning factory or cotton pressing factory, such functions of control as may be provided therein, and so long as such order is in force with respect to such undertaking or part thereof—

Power to appoint authorised controller.

(a) the authorised controller shall exercise his functions in accordance with any instructions given to him by the State Government, so, however, that he shall not have any power to give any direction inconsistent with the provisions of any enactment or any instrument determining the functions of the persons in charge of the management of the undertaking, except in so far as may be specifically provided by the order; and

(b) the undertaking or part shall be carried on in accordance with any directions given by the authorised controller under the provisions of the order, and any person having any functions of management in relation to the undertaking or part shall comply with any such directions.

CHAPTER VIII

SETTLEMENT OF DISPUTES REGARDING BALED COTTON SOLD BY GOVERNMENT.

[38. (1) Notwithstanding anything contained in any law for the time being in force, when ginned cotton pressed into bales is sold by or on behalf of the State Government to any person, and there is a dispute between the seller and the buyer, regarding the quality of the goods sold or regarding the price or delivery of such goods or regarding any other matter connected with the sale, the dispute, unless resolved by settlement between the parties, may be referred to the East India Cotton Association Ltd. (hereinafter in this section referred to as "the Association"), by any of the parties to the dispute.

Disputes regarding baled cotton sold by Government to be referred to the East India Cotton Association Ltd. and its decision to be final.

(2) Where any such dispute is referred to the Association under the last preceding sub-section, it shall be deemed to be submitted to arbitration of the Association and shall be decided in accordance with the provision of its Bye-laws. The award made or decision given by the authority appointed under the Bye-laws of the

¹ Section 38 was substituted by Mah. 19 of 1972, s. 8.

Association to decide such dispute shall be communicated to the parties concerned, and they shall have a right of one or more appeals as provided in the Bye-laws of the Association.

(3) The fees payable for surveys, arbitrations and appeals and the costs which may be awarded and the period of limitation for referring to arbitration and periods for filing appeals shall be in accordance with the provisions of the Bye-laws of the Association.

(4) Any award made or decision given by the authority appointed to decide the dispute, subject to an appeal or appeals as provided in the Bye-laws of the Association, and where an appeal is filed, the decision of the appellate authority concerned, shall be final and binding on the parties concerned.]

CHAPTER IX

DISPOSAL OF COTTON SEEDS

39. The graded *kapas* pooled under section 22 shall be ginned separately, in the same lots into which the *kapas* has been graded, ¹* * * and setting aside the cotton seed required for issue to the cotton growers for cultivation in the controlled areas, the registered seed growers, the Taluka Seed Multiplication Farms and such other persons as may be prescribed, the remaining cotton seed shall be sold after taking into consideration the advice tendered by the Advisory Board in this behalf, preference being given to the local growers. ²[The price at which any cotton seed shall be issued or sold under this section shall be such as may be determined by the State Government.]

Disposal of cotton seeds.

CHAPTER X

SPECIAL PROCEDURE FOR RECOVERY OF STATE-PROCEEDS FROM PURCHASES OF ³[GINNED COTTON,] COTTON BALES AND COTTON SEEDS.

40. (1) Notwithstanding anything contained in any law for the time being in force, ⁴[when ginned cotton, cotton bales] or cotton seeds are supplied or sold to any person by or on behalf of the State Government, and there is a default in payment of the amount payable for the purchase of ⁵[such cotton, bales or seeds.] then on an application by an officer or person authorised by the State Government made in the prescribed manner, the Registrar may, after holding such inquiry as he deems fit, and after giving the party concerned a reasonable opportunity of being heard grant a certificate for the recovery of the whole or any part of the amount stated in the application to be due as arrears.

Recovery of amount due on account of purchase of ⁴[ginned cotton] cotton bales and cotton seeds from Government.

(2) A certificate by the Registrar under sub-section (1) shall be final and conclusive as to the arrears due. Without prejudice to any other mode of recovery, the arrears stated to be due in such certificate shall be recoverable according to the law and under the rules for the time being in force for the recovery of arrears of land revenue.

41. The Registrar may recover any amount due under a certificate granted by him under the last preceding section in the same manner in which he recovers any amount due under a certificate granted by him under sub-section (1) or (2) of section 101 or under sub-section (1) of section 137 of the Maharashtra Co-operative Societies Act, 1960, and for that purpose he shall have all the powers under section 156 and other provisions of that Act and the rules made thereunder, as if the amount due were dues under that Act.

Execution of certificate of recovery.

Mah. XXIV of 1961.

CHAPTER XI

MISCELLANEOUS

42. (1) The State Government may, by notification in the *Official Gazette*, direct that any power or duty which by this Act is conferred or imposed upon the State Government (except the power to make rules) shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised or discharged also by an Officer or authority subordinate to it.

Power to delegate and to appoint agents.

¹The words, brackets and figures " under the supervision of the officer concerned under the Agricultural Produce (Grading and Marketing) Act, 1937, " were deleted by Mah. 48 of 1974, s. 21(a).

²This portion was added, *ibid.*, s. 21(b).

³These words were inserted, *ibid.*, s. 22.

⁴These words were substituted for the words " when ginned cotton pressed into bales ", *ibid.*, s. 23(a)(i).

⁵These words were substituted for the words " such cotton or seed ", *ibid.*, s. 23(a)(ii).

⁶These words were inserted, *ibid.*, s. 23(b).

¹[(2) (a) The State Government may for the purpose of purchasing, selling, storing, processing, marketing and carrying on other business in cotton, on its behalf appoint agents for the whole State or any specified area, and any such agent may be appointed for more than one such area.

(b) Any agent so appointed, if specially authorised by the State Government in this behalf, shall be entitled to pledge, mortgage or otherwise dispose of all or any of the stocks of cotton for the time being in his possession as such agent, for the purpose of raising any monies by way of loans or advances required by the agent for carrying on his business in cotton, and any person, in whose favour any such pledge, mortgage or disposal is effected, shall have, by reason of such pledge, mortgage or disposal, the same rights as he would have had if the agent were the owner of the stocks of cotton so pledged, mortgaged or disposed of, as the case may be.

(c) The terms and conditions of appointment of agents shall be such as may be mutually agreed upon between the State Government and the agent concerned.]

Offences. 43. (1) Whoever contravenes the provisions of section 17, 18 (1) or (2), 19, ²[20], 21 or 47(1) shall, on conviction be punished with imprisonment for a term which may extend to six months, or with fine, or with both.

³[(1A) Any Court trying a contravention of the provisions of section 19 may, without prejudice to any other sentence it may pass, direct that the stocks of cotton in respect of which the Court is satisfied that the said provisions have been contravened, and all packages, coverings or receptacles in which such stocks are found and every animal, vehicle, vessel or other conveyance used in carrying such stocks, shall be forfeited to the State Government.]

(2) Whoever contravenes the provisions of section 36 or 37 shall, on conviction, be punished with fine which may extend to five hundred rupees.

Cognisance of offence. 44. (1) No Court shall take cognisance of any offence punishable under this Act except with the previous sanction of the State Government or any officer authorised by it in this behalf.

(2) Notwithstanding anything contained in the *Code of Criminal Procedure V of 1898— 1898.

(a) all offences punishable under this Act shall be cognisable and bailable;

(b) it shall be lawful for a Presidency Magistrate or Magistrate of the First Class to pass on any person convicted of an offence under sub-section (1) of section 43 a sentence of fine as provided in that sub-section, in excess of his powers under section 32 of the said Code.

Protection of action taken in good faith. 45. No suit, prosecution or other legal proceedings shall lie against the State Government or any member, market committee officer, agent or authority functioning under this Act for anything which is in good faith done or intended to be done under this Act or any rules or regulations made thereunder.

Power to make rules. 46. (1) The power to make all rules under this Act shall be exercisable by the State Government by notification in the *Official Gazette*.

(2) Without prejudice to any power to make rules contained elsewhere in this Act, the State Government may make rules consistent with this Act generally to carry out the purposes of this Act.

(3) All rules made under this Act shall be subject to the condition of previous publication.

¹Sub-section (2) was substituted by Mah. 19 of 1972, s. 9.

²These figures were inserted by Mah. 59 of 1981, s. 14.

³Sub-section (1A) was inserted by Mah. 48 of 1974, s. 24.

*See now the Code of Criminal Procedure, 1973 (2 of 1974).

(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 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 in the *Official Gazette*, the rule shall from the date of publication of such notification 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.

47. (1) If any person holds any stock (exceeding 10 quintals) of ginned cotton not pressed into bales on the date of commencement of this Act, whether on his own account or on behalf of any other person, he shall, within 15 days from such commencement, furnish in writing to the Collector or any other officer or person authorised by the State Government in this behalf, a full and correct statement declaring the stock to such officer. In such declaration, he shall state his full name and address, the total quantity of stock held, the exact location of the godown and place where the stock is kept and if any quantity is held on behalf of any other person the quantity so held and the name and address of the person of whose behalf it is held.

Declaration of stocks of ginned cotton not pressed into bales, held at the commencement of the Act and their disposal.

(2) If any person, who holds any stock of ginned cotton not pressed into bales at the date of commencement of this Act, wishes to sell the stock or any quantity therefrom to the State Government, he may, after the expiry of 15 days from the date of such commencement, tender it personally or through an agent authorised by the State Government, at a collection centre. Such person shall be entitled to receive such price for the quantity sold as the officer authorised in this behalf may determine, having regard to the guaranteed price for *kapas* fixed for the current cotton season, the reasonable expenses required for ginning and storing the cotton and the quality of the cotton tendered.

48. The provisions of this Act shall be in addition to, and shall not, save as expressly provided hereinbefore, be in derogation of the Essential Commodities Act, 1955 or any other law for the time being in force.

Application of other laws not barred.

49. (1) If the State Government is of opinion that having regard to any of the purposes of this Act, the enforcement of certain provisions thereof is unnecessary or inexpedient for a certain time, the State Government may, by notification in the *Official Gazette*, suspend for such period or periods as may be necessary or expedient and as may be specified in the notification, the operation of those sections; and thereupon the provisions of those sections shall stand suspended except as respects things done or omitted to be done before the date of publication of the notification.

Power to suspend the operation of Provisions of the Act.

(2) Where the operation of the provisions of any sections is suspended for any period or periods under sub-section (1), and the State Government thereafter, or at any time before the expiry of the period or periods notified, is of opinion that those provisions (or any of them) are necessary to be revived and enforced again, or it is expedient to revive and enforce them (or any of them) again, the State Government may cancel partially or wholly any such notification of suspension by a like notification; and thereupon those provisions which were suspended and which are revived shall again have full effect from the date of publication of the second notification.

(3) The suspension of the operation of any sections under sub-section (1) shall not affect the provisions of those sections which are not suspended; and in respect of *kapas* already tendered before the periods of suspension (or which may be voluntarily tendered during the periods of suspension) at the collection centres (or any other centres specified by the State Government in that behalf), all the provisions of this Act shall continue to apply or apply thereto as if none of the provisions had been suspended.]

¹ This section was added by Mah. 5 of 1974, s. 2.