

UTTAR PRADESH SUGARCANE (REGULATION OF SUPPLY AND
PURCHASE) ACT, 1953¹

[U. P. Act No. XXIV of 1953]

Amended by

U. P. Act No. XXI of 1956
U. P. Act No. III of 1960
U. P. Act No. XXXIV of 1961
U. P. Act No. VI of 1962
U. P. Act No. IV of 1964
U. P. Act No. XI of 1966
U. P. Act No. VI of 1971
U. P. Act No. II of 1972
U. P. Act No. VII of 1974
U. P. Act No. XXVIII of 1974
U. P. Act No. X of 1976
U. P. Act No. XXXIV of 1976
U. P. Act No. 30 of 1979
U. P. Act No. 17 of 2006
U. P. Act No. 33 of 2007
U. P. Act No. 22 of 2008
U. P. Act No. 23 of 2008
U. P. Act No. 08 of 2019
U.P. Act No. 19 of 2020
U.P. Act No. 05 of 2021
U.P. Act No. 38 of 2021
U.P. Act No. 10 of 2026

**[Passed in Hindi by the Uttar Pradesh Legislative Assembly
on August 13, 1953 and by the Uttar Pradesh Legislative Council
on September 5, 1953.**

**Received the assent of the President on October 5, 1953
under Article 201 of the Constitution of India, and was published
in the *Uttar Pradesh Gazette Extraordinary*, dated October 9,
1953.]**

AN

ACT

***to regulate the supply and purchase of sugarcane required
for use in sugar ²[Factories and Gur, Rab or Khanidsari Sugar
Manufacturing Units]***

Preamble

**WHEREAS it is expedient to regulate the supply and
purchase of sugarcane required for use in sugar ²[Factories and
Gur, Rab or Khandsari Sugar Manufacturing Units] and other
connected matters ;**

1. For Statement of Objects and Reasons see U. P. Gazette Extraordinary, dated July 15, 1953.
2. [Subs. by sec. 2 of U. P. Act no. III of 1960.](#)

It is hereby enacted as follows :

CHAPTER I

PRELIMINARY

**Short title,
extent and
commence-
ment**

1. (1) This Act may be called the U. P. Sugarcane (Regulation of Supply and Purchase) Act, 1953.

(2) It extends to the whole of Uttar Pradesh.

(3) It shall come into force at once.

Definition

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

(a) “assigned area” means an area assigned to a factory under section 15 ;

(b) ¹[* * * *]

(c) “Cane” means sugarcane intended for use in a factory ²[or Gur, Rab or Khandsari Sugar Manugacturing Unit] ;

(d) “Cane Commissioner” means the officer appointed to be Cane Commissioner under section 9, and includes an Additional Cane Commissioner appointed under section 10 ;

(e) “Cane-grower” means a person who cultivates cane either by himself or by member of his family or by hired labour and who is not a member of a Cane-growers’ Co-operative Society ;

(f) “Cane-growers’ Co-operative Society” means a society registered under the Co-operative Societies Act, 1912, one of the objects of which is to sell cane grown by its members and includes the federation of such societies registered under section 8 of the said Act ;

(g) “Collector” includes any person whom the State Government may, by notification, appoint to exercise and perform the powers and duties of a Collector under this Act ;

(h) “Council” means the Cane Development Council established under section 5 ;

(i) “Crushing season” means the period ³[beginning on the 1st October in any year and ending on the 15th July next following ;]

⁴[(i-i) “Ethanol” means anhydrous ethyl alcohol of minimum 99 percentage strength, produced directly either from sugarcane juice or B-Heavy molasses or both.

Explanation: – When a sugar factory produces ethanol from sugarcane juice of B-Heavy molasses, the recovery rate in case of such sugar factory shall be determined by considering every 600 litres of ethanol so produced as equivalent to one ton production of sugar.

⁵[(j) “Factory” means any premises, including the precincts thereof wherein twenty or more workers are working or were working on any day during the preceding twelve months and in any part of which any manufacturing process connected with the production of sugar by means of vacuum pan process or ethnlol either directly from sugarcane juice or molasses, including B-Heavy molasses or both as the case may be, is being carried on or is ordinarily carried on with the aid of mechanical power] ;

[1. Omit. by sec. 3 of U. P. Act no. 17 of 2006.](#)

[2. Ins. by sec. 2 \(1\) of U. P. Act no. IV of 1964.](#)

[3. Subs. by sec. 2 of U. P. Act no. 6 of 1971.](#)

[4. Ins. by sec. 2 \(a\) of U.P. Act no. 23 of 2008.](#)

[5. Subs. by sec. 2 \(b\) of U.P. Act no. 23 of 2008.](#)

¹[(j-i) “Gur, Rab or Khandsari Sugar Manufacturing Unit” means a unit engaged or ordinarily engaged in the manufacture or production of gur, rab or khandsari sugar in a reserved area, and which is capable of handling sugarcane juice produced with the aid of a crusher driven by any mechanical power ;]

²[(j-ii) “Inspector” means any person appointed or any officer designated as inspector under section 11 ;]

³[(k) “Occupier” in relation to a factory or a Gur, Rab or Khandsari Sugar Manufacturing Unit, means the person (including a company, firm or other association of individuals) who, or the authority which, owns or has the ultimate control over the affairs of such factory or unit and where the said affairs are entrusted to a Managing Agent or a Director or other officer of such person or authority, includes such Managing Agent, Director or other officer.

Explanation—Notwithstanding that the affairs of a factory or unit are entrusted to a Maganing Agent or a Director or other officer, the liability under section 17 of the person, who or the authority which , owns or has the ultimate control over the affairs of the factory or unit shall remain unaffected;]

(l) “Prescribed” means prescribed by rules ;

(m) ⁴[* * *]

⁵[(n) “Reserved area” shall mean the area reserved for a factory under an Order for reservation of sugarcane areas made under rule 125-B of the Defence of India Rules, 1962 and when no such order is in force, the area specified in an order made under section 15.]

(o) “Rule” means a rule made under this Act ;

(p) “State Government” means the Government of Uttar Pradesh; and

(q) “Sugar Commissioner” means the officer appointed to be Sugar Commissioner under section 9 ⁶[and includes an Additional Sugar Commissioner appointed under section 10.]

CHAPTER II

ADMINISTRATIVE MACHINERY

3. ⁷[X X X X]

1. [Add. by sec. 3 \(1\) of U. P. Act no. 3 of 1960.](#)

2. [Ins. by sec. 2 of U. P. Act no. 34 of 1976.](#)

3. [Subs. by sec. 2 \(a\) of U. P. Act no. 7 of 1974 and deemed to have been always substituted.](#)

4. [Omit. by sec. 2 \(b\) *ibid*.](#)

5. [Subs. and be deemed to have been subs. with effect from October 17, 1963 by sec. 2 \(2\) of U. P. Act no. IV of 1964.](#)

6. [Ins. by sec. 2 \(3\) of U. P. Act no. 4 of 1964.](#)

7. [Omit. by sec. 3 of U. P. Act no. 17 of 2006.](#)

**The
Development
Council**

4. ¹[X X X X]

5. (1) There shall be established for the reserved area of a factory a Cane Development Council (hereinafter called the Council) which shall be body corporate by the name of such area or such other name as may be prescribed, having perpetual succession, and subject to such restrictions or qualifications as may be imposed and subject to such restriction or qualification as may be imposed under this Act or any other enactment vested with the capacity of suing and being sued in its corporate name, of acquiring, holding, administering and transferring property both movable and immovable, and of entering into contracts ;

Provided that where the Cane Commissioner so directs the Council may be established for a larger or smaller area than the reserved area of a factory.

(2) The area for which a Development Council is established be called a zone.

²(3) The Council shall consist of the following, namely :

(i) two representatives of the sugar factory concerned, to be nominated by the occupier ;

³(ii) seven representatives of the Cane-grower's Co-operative Societies functioning in the reserved area, to be elected by the members of the Committees of Management of such societies from amongst the members of such societies :

Provided that out of seven representatives one representative shall be from the persons belonging to the Schedule Castes or the Scheduled Tribes and one from the persons belonging to the other backward classes and one representative shall be a women ;]

(iii) one representative of the licensed power-driven *khand-sari* manufacturing units in the reserved area, to be elected by their owners;

(iv) the District Cane Officer ;

(v) the Sugarcane Protection Inspector ;

⁴(vi) the Seed Production Officer ;

(vii) the Senior Cane Development inspector, who shall be *ex-official* Member-Secretary.

(3-A) The members of the Council shall elect ⁵from among the five representatives refer to in clause (ii) of sub-section (3) a person to be the Chairman of such Council ;]

[1. Omit. by sec. 3 of U. P. Act no. 17 of 2006.](#)

[2. Ins. by sec. 2 \(a\) of U. P. Act no. 10 of 1976.](#)

[3. Subs. by sec. 2\(a\) of U. P. Act no. 22 of 2008.](#)

[4. Subs. by sec. 2 \(1\) \(b\) of U.P. Act no. 30 of 1979.](#)

[5. Subs. by sec. 2 \(2\) of U.P. Act no. 30 of 1979.](#)

¹[(4) The term of council shall be co-terminous with the term of Cane Co-operative Society and upon its expiry the council shall be re-constituted in accordance with the provisions of sub-section (3).]

(5) Where a Council is dissolved the following consequences shall follow :—

(a) ²[the Chairman and all members but not the Secretary] shall on a date to be specified in the order vacate their offices but without prejudice to their eligibility for appointment or nomination as member ;

(b) the Council shall be reconstituted by the Cane Commissioner in accordance with the provisions of sub-section (3) ; and

(c) the duties, powers and functions of the Council shall, pending its reconstitution, be discharged, exercised and performed ³[by the Secretary] for such period and subject to restrictions as may be specified in the order.

Functions of the Council

6. (1) Functions of the Council shall be :—

(a) to consider and approve the programme of development for the zone ;

(b) to devise ways and means for the execution of the development plan in all its essentials such as cane varieties, cane seed, sowing programme, fertilizers and manures,

(c) to undertake the development of irrigation and other agricultural facilities in the zone ;

(d) to take necessary steps for the prevention and control of diseases and pests and to render all possible help in the soil extension work ;

(e) to impart technical training to cultivators in matters relating to the production of cane ;

(f) to administer the funds at its disposal for the execution of the Development Scheme subject to the general or special directions of the Cane Commissioner ; and

(g) to perform other prescribed functions pertaining and conducive to the general development of the zone.

[1. Subs. by sec. 2\(b\) of U. P. Act no. 22 of 2008.](#)

[2. Ins. by sec. 4 \(b\) \(i\) of U. P. Act no. 7 of 1974.](#)

[3. Subs. by sec. 4 \(b\) \(ii\) of U.P. Act no. 7 of 1974.](#)

(2) The State Government may by rule provide for an annual meeting of all the development Councils in a district. Every such meeting shall be presided over by the Collector.

Casual vacancy

7. A casual vacancy in the Council shall be filled up, as far as may be, in the manner stated in sub-section (3) of section 5.

Council Fund

8. (1) There shall be a fund at the disposal of the Council to meet the charges in connection with, the discharge of its duties and performance of its functions under this Act.

(2) The fund of the Council shall consist of —

(a) grants, if any, made by the Indian Central Sugar-cane Committee ;

(b) grants, if any, made by the State Government ;

(c) contributions made by the sugar factories ¹[*Gur, Rab or Khandsari* Sugar Manufacturing Units] and Cane-grower's Co-operative Societies at rates to be prescribed ; and

(d) any other sums which the State Government may require to be credited to it.

Supersession of Council

²**[8-A.** If at any time, the State Government is, after taking into consideration the explanation, if any, of the Council, satisfied that the Council has made a willful default in the performance of any of its functions and duties under this Act, it may, by notification, supersede the Council for such period as may be specified, and shall make such arrangements for the performance of the functions and duties of the Council, during the period of supersession, as it may deem fit.]

Motion of Confidence against Chairman

³**[8-B.** (1) A Motion expressing non-confidence against the Chairman of a Cane Development Council shall be made and proceeded with, in accordance with such procedure as may be prescribed.

(2) When a motion for non-confidence is carried the Chairman against whom it is carried shall cease to hold office forthwith and shall be succeeded by his/her elected successor who shall be elected according to sub-section (3-A) of section 5 of this Act.]

Sugar Commissioner and Cane Commissioner

9. The State Government may for purposes of this Act appoint—

(a) a Sugar Commissioner, and

(b) a Cane Commissioner,

who shall perform the duties and exercise all powers conferred or imposed upon them by or under this Act ;

Provided that nothing in this section shall prevent the State Government from appointing the same person to be the Sugar Commissioners and the Cane Commissioner.

[1. Ins. by sec. 6 of U. P. Act no. III of 1960.](#)

[2. Ins. by sec. 3 of U. P. Act no. 10 of 1976.](#)

[3. Ins. by sec. 2 of U. P. Act no. 19 of 2020.](#)

**Additional,
Deputy or
Assistant
Cane Sugar
Commissioner]**

Inspectors

¹ **10.** The State Government may appoint any person or designate any Government officer as Additional, Deputy or Assistant Cane Commissioner or Additional, Deputy or Assistant Sugar Commissioner.]

11. (1) The State Government may for purposes of this Act appoint any persons or designate such officers of the Government, as it thinks fit to be Inspectors within such local limits as may be assigned to them.

(2) The Inspector shall perform the duties and exercise the powers conferred or imposed upon them by or under this Act.

CHAPTER III

SUPPLY AND PURCHASE OF CANE

**Estimates of
requirements**

12. (1) The Cane Commissioner, may for purposes of section 15, by order, require the occupier of any factory to furnish in the manner and by the date specified in the order to the Cane Commissioner an estimate of the quantity of cane which will be required by the factory during such crushing season ²[or crushing seasons] as may be specified in the order.

(2) The Cane Commissioner shall examine every such estimate and shall publish the same with such modifications, if any, as he may make.

(3) An estimate published under sub-section (2) may be revised by an authority to be prescribed.

**Register of
cane-growers
and Cane-
grower's Co-
operative
Society or
Societies**

13. (1) The occupier of a factory shall maintain in the prescribed form a register of all such cane-growers and Cane-growers' Co-operative Society or Societies and shall sell cane to that factory.

(2) The State Government may, by rules, make provision for the following—

(a) correction of entries made in the register and addition of new entries, if necessary ;

(b) fixing of prices in respect of the entries so corrected or added in the register and prescribing of the procedure for payment of such price ; and

(c) the supply of copies of entries made in the register on payment of the prescribed fee.

**Power of
survey, etc.**

14. (1) The State Government may, for purposes of section 15, by order, provide for —

(a) a survey to be made of the area proposed to be reserved or assigned for the supply of cane to a factory and the recovery of the cost of such survey from the occupier of the factory ;

[1. Subs. by sec. 4 of U. P. Act no. IV of 1964.](#)

[2. Ins. by sec. 2 of U. P. Act no. XXI of 1956.](#)

(b) the appointment of an officer for purposes of such survey, his duties and powers ;

(c) the procedure in accordance with which the survey shall be made ;

(d) the assistance and facilities to be provided to the officer appointed in pursuance of clause (b) by the persons owning or occupying land in the area ; and

(e) such incidental and consequential matters as may appear to be necessary or desirable for this purpose.

(2) Any amount due from the occupier of a factory in pursuance of clause (a) of sub-section (1) shall be recoverable from such occupier as an arrear of land revenue.

Declaration of reserved areas and assigned area

15. (1) Without prejudice to any order made under clause (d) of sub-section (2) of section 16 the Cane Commissioner may, after consulting the Factory and Cane-growers' Co-operative Society in the manner to be prescribed —

(a) reserve any area (hereinafter called the reserved area) ;

(b) assign any area (hereinafter called an assigned area) ;

for the purposes of the supply of cane to a factory in accordance with the provisions of section 16 during ¹[one more crushing seasons as may be specified] and may likewise at any time cancel such order or alter the boundaries of an area so reserved or assigned.

(2) Where any area has been declared as reserved area for a factory, the occupier of such factory shall, if so directed by the Cane Commissioner, purchase all the cane grown in that area, which is offered for sale to the factory.

(3) Where any area has been declared as assigned area for a factory, the occupier of such factory shall, purchase such quantity of cane grown in that area and offered for sale to the factory, as may be determined by the Cane Commissioner.

(4) An appeal shall lie to the State Government against the order of the Cane Commissioner passed under sub-section (1).

Regulation of purchase and supply of cane in the reserved and assigned areas

16. (1) The State Government may, for maintaining supplies, by order, regulate—

(a) the distribution, sale or purchase of any cane in any reserved or assigned area ; and

(b) purchase of cane in any area other than a reserved or assigned area.

(2) Without prejudice to the generality of the foregoing powers such order may provide for —

[1. Subs. by sec. 3 of U. P. Act no. XXI of 1956.](#)

(a) the quantity of cane to be supplied by such cane-grower or Cane-grower's Co-operative Society in such area to the factory for which the area has so been reserved or assigned ;

(b) the manner in which cane grown in the reserved area or the assigned area, shall be purchased by the factory for which the area has been so reserved or assigned and the circumstance in which the cane grown by a cane-grower shall not be purchased except through a Cane-Growers' Co-operative Society ;

(c) the form and the terms and conditions of the agreement to be executed by the occupier or manager of the factory for which an area is reserved or assigned for the purchase of cane offered for sale ;

¹ [(d) the circumstances under which permission may be granted—

(i) for the purchase of cane grown in reserved or assigned area by a ²[*Gur, Rab, or Khandsari* Manufacturing Unit or any person or factory] other than the factory for which area has been reserved or assigned] ; and

(ii) for the sale of cane grown in a reserved or assigned area to ²[a *Gur, Rab, or Khandsari* Manufacturing Unit or any person or factory] other than the factory for which the area is reserved or assigned ;

(e) such incidental and consequential matters as may appear to be necessary or desirable for this purpose.

**Payment of
cane price**

17. ³ [(1) The occupier of a factory shall make such provision for speedy payment of the price of cane purchased by him as may be prescribed.]

(2) Upon the delivery of cane the occupier of a factory shall be liable to pay immediately the price of the cane so supplied, together with all other sums connected therewith. ⁴[***]

(3) Where the person liable under sub-section (2) is in default in making the payment of the price for a period exceeding fifteen days from the date of delivering, he shall also pay interest at a rate of 7^{1/2} per cent per annum from the said date of delivering, but the Cane Commissioner may, in any case, direct, with the approval of the State Government, that no interest shall be paid or be paid at such reduced rate as he may fix.

⁵[Provided that in relation to default in payment of price of cane purchased after the commencement of this proviso, for the figures '7½' the figures '12' shall be deemed *substituted*.]

[1. Subs. by sec. 5 \(1\) of U. P. Act no. IV of 1964.](#)

[2. Subs. by sec. 5 *ibid*.](#)

[3. Subs. by sec. 6 *ibid*.](#)

[4. Omit. by sec. 5\(1\) *ibid*.](#)

[5. Ins. by sec. 2 of U. P. Act no. 28 of 1974.](#)

(4) The Case Commissioner shall forward to the Collector a certificate under his signature specifying the amount of arrears on account of the price of cane plus interest, if any, due from the occupier and the Collector, on receipt of such certificate, shall proceed to recover from such occupier the amount specified therein as if it were an arrear of land revenue.

¹ [Provided that notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, it shall be lawful that before or after the issue of recovery certificate by the Cane Commissioner but at any time before the completion of the recovery proceedings, if it is found that the owner of the company of the concerned defaulter factory has given any loan or done investment under any legal arrangement to a subsidiary company, associate company or other company that is engaged or not engaged in manufacturing of sugar, and to whom under any contract, any amount is to be received from any Department of the State Government or from any Corporation or Board or any other institution constituted under any statutory rules, the State Government may for the purpose of ensuring payment of cane price arrears of sugarcane farmers, forfeit the loan or investment amount or an amount equivalent to the outstanding cane arrear and give necessary instructions to the Cane Commissioner to take further action.

Explanation.—The words “company” or “associate company” used in the proviso above shall have the meanings respectively assigned to them in the Companies Act, 2013 (Act no. 18 of 2013)]

²[(5)(a) Without prejudice to the provisions of the foregoing sub-sections, where the owner or any other person having control over the affairs of the factory or any other person competent in that behalf enters into an agreement with a bank under which the bank agrees to give advance to him ³[on the security of sugar or ethanol (directly produced from the sugarcane juice or B-Heavy Molasses)] produced or to be produced in the factory, the said owner or other person shall provide in such agreement that ⁴[a percentage determined by such authority and in such manner as may be prescribed] of the total amount of advance shall be set apart and be available only for repayment to cane-growers or their co-operative societies on account of the price of sugarcane purchased or to be purchased for the factory during the current crushing season from those cane-growers or from or through those societies, and interest thereon and, such societies’ commission in respect thereof.

(b) Every such owner or other person as aforesaid shall send a copy of every such agreement to the Collector within a week from the date on which it is entered into.]

¹ [Ins. by sec. 2 of U.P. Act no. 38 of 2021.](#)

² [Ins. by sec. 2 of U.P. Act no. 2 of 1972.](#)

³ [Subs. by sec. 3 of U.P. Act no. 23 of 2008.](#)

⁴ [Subs. and be deemed always to have been substituted by sec. 5 \(b\) of U.P. Act no. 7 of 1974.](#)

**Contribution
purchase of
cane**

18. (1) There shall be paid by the occupier of a factory or a Gur, Rab or Khandsari Sugar Manufacturing Unit a contribution for every one mound of cane purchased by the factory or a Gur, Rab or Khandsari Sugar manufacturing Unit.

(a) Where the purchase is made through a cane-growers' Co-operative Society, the contribution shall be payable to the Cane-growers' Society and the council in the capital/fund thereof in such proportion as the State Government may declare, so however that the share payable to the Council shall not exceed fifty percent, and

(b) Where the purchase is made directly from the cane-grower, the contribution in the fund shall be payable to the Council ;

Provided that different rates of contribution may be prescribed for a factory and for a Gur, Rab or Khandsari sugar manufacturing Unit ;

(2) The contribution payable under clauses (a) and (b) of sub-section (1) shall be at such rates as may be prescribed not exceeding the rates at which the contribution in the fund may be payable to the Council under clause (a)

(3) The provisions relating to payment, interest and recovery including recovery as arrears of land revenue, applicable to price of cane shall mutatis mutandis apply to payment and recovery of contribution under sub-section (1).]

Provided further that the State Government may by notification in the official Gazette remit in whole or in part such contribution in respect limited purpose specified in the notification.

**Power to
declare
varieties of
cane to be
unsuitable for
use in factories**

19.(1) The State Government may, by notification, declare that -

(a) cane of any variety grown in any area specified in such notification is unsuitable for use in all or any factories situated in the said area;

(b) ratoon cane of any variety grown in any area specified in such notification is unsuitable for use in any or all factories situated in the said area; and

(c) seed cane of any variety is unsuitable for distribution cultivators in an area as specified in such notification.

(2) The notification under sub-section (1) shall be issued after December 31, and before September 1, in any calendar year.

(3) Where any seed cane of any variety has been declared under sub-section (1) to be unsuitable for distribution to cultivators in that area, the occupier of a factory or any other person acting on his behalf or Cane-growers' Co-operative Society shall not distribute seed cane of such variety or varieties to any person to be used by cane-growers or the members of the Cane-growers' Co-operative Societies in any area.

(4) Where cane or ratoon cane of any variety has been declared under sub-section (1) to be unsuitable for use in a factory, the occupier of such factory or any other person acting on his behalf or a cane-grower or a Cane-growers' Co-operative Society shall not plant cane of any variety, or keep ratoon cane of any such variety.

CHAPTER IV
Miscellaneous

20. ¹[***]

**Determination
of occupier
for the
purposes of
Section 22.]**

21.(1) Where the occupier of ³[a factory or Gur, Rab or Khandsari Sugar Manufacturing Unit] is a firm or other association of individuals ⁴[(not being a company)], any one or more of the partners or members thereof may be prosecuted and punished under this Act, for any offence for which the occupier of ³[the factory or the Gur, Rab or Khandsari Sugar Manufacturing Unit] is punishable.

Provided that the firm or association may give notice to the Collector that it has nominated one of its members to be occupier of ²[the factory or a Gur, Rab or Khandsari Sugar Manufacturing Unit] for the purpose of ⁵[this sub-section] and such individual shall be deemed to be the occupier for the purpose of this sub-section until further notice cancelling his nomination is received by the Collector or until he ceases to be a partner or member of the firm or association.

(2) Where the occupier of a factory is a company or a Gur, Rab or Khandsari Sugar Manufacturing Unit is a company any one or more of the directors thereof, or, in the case of a private company, any one or more of the share-holders thereof may be prosecuted and punished under this Act for any offence for which the occupier of ²[the factory or the Gur, Rab or Khandsari Sugar Manufacturing Unit] is punishable:

Provided that the company may give notice to the Collector that it has nominated a director, or in the case of a private company, a share-holder to be the occupier of ³[the factory or the Gur, Rab or Khandsari Sugar Manufacturing Unit] for the purposes of this sub-section and such director or share holder shall be deemed to be the occupier of ³[the factory or the Gur, Rab or Khandsari Sugar Manufacturing Unit] for the purposes of ⁵[this sub-section] until further notice cancelling his nomination is received by the Collector or until he ceases to be a director or share-holder.

Penalties

22. If any person contravenes any of the provision of this Act or any rule or of Order made thereunder, he shall be ⁶[liable to a penalty which may extend to two lakh rupees and, in the case of a continuing contravention, with an additional penalty which may extend to five thousand rupees for each day during which the contravention continues].

**Inquiry into
Contraventions**

⁷[**22 (A)** (1) An Inspector, specially empowered by the State Government by notification, may conduct inquiries into any contravention of this Act or Rules or Orders made thereunder within the limits of his jurisdiction.

1. *Omit. by sec. 9(1) of U.P. Act no. 22 of 1956.*

2. *Subs. and be deemed always to have been substituted by sec. 6(a) of U.P. Act no. 7 of 1974.*

3. *Subs. by sec. 9 of U.P. Act no. 3 of 1960.*

4. *Ins. and be deemed always to have been inserted. by sec. 6(b) of U.P. Act no. 7 of 1974.*

5. *Ins. by sec. 6(c) of U.P. Act no. 7 of 1974.*

6. *Subs. by THE SCHEDULE of U.P. Act no. 10 of 2026.*

7. *Subs. by THE SCHEDULE of U.P. Act no. 10 of 2026..*

(2) Such Inspectors may exercise powers to issue notices, summon documents, and collect evidence necessary to ascertain compliance and recommend penalties under this Act.

(3) The State Government may prescribe procedures for such inquiries to ensure fair and transparent enforcement.]¹

Duty of officers of certain departments to report offences and to assist Inspectors

22. (B) Every officer of the Police, Revenue and Excise Departments shall be bound to give immediate information to an Inspector of all branches of any of the provisions of this Act which may come to his knowledge and upon request made by an Inspector, to aid him in carrying out the provisions of this Act and the rules made thereunder.]

Adjudication, Compounding, and Appeal

²**23.** (1) Any contravention of this Act or rules or orders made thereunder shall be subject to a penalty imposed by the Cane Commissioner appointed under Section 9 or an officer designated under Section 10, based on an inquiry conducted by an Inspector under Section 22A.

(2) The Cane Commissioner or an officer designated under Section 10 may, on application by the person liable for a penalty, compound the contravention by levying a composition fee not exceeding fifty percent of the penalty imposed under Section 22, subject to procedures prescribed by the State Government.

(3) Any person aggrieved by the imposition of a penalty or compounding decision may appeal to the Sugar Commissioner appointed under Section 9 or an appellate authority designated by the State Government within thirty days, in such form and manner as may be prescribed.]

Special powers of Magistrates

24. ³[* * *]

Protection of action taken under the Act

25. (1) 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 in pursuance of any order or rule made under this Act.

(2) No suit or other legal proceeding shall lie against the State Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of any order or rule made under this Act.

Repeal and Savings

26. The U.P. Sugar Factories Control Act, 1938 (hereinafter in this section and Section 27 referred to as "the said Act") is hereby repealed:

Provided that without prejudice to the general application of Section 6 and 24 of the U.P. General Clauses Act, 1904, with regard to repeal and continuation of appointments, notification, orders, etc., under enactment repealed and re-enacted, this repeal shall not prejudice or affect-

1. Subs. by THE SCHEDULE of U.P. Act no. 10 of 2026..
2. Subs. by THE SCHEDULE of U.P. Act no. 10 of 2026.
3. Omit. by THE SCHEDULE of U.P. Act no. 10 of 2026.

(a) The operation of any notice served, order made or any permit licence or sanction granted before the commencement of this Act under the powers conferred by the said Act;

(b) the continued validity of any cess, tax fee or other penalty assessed or imposed under the said Act prior to its repeal or the power to assess or impose any such cess, tax, fee or penalty in respect of the period prior to its repeal or anything done or permitted to be done thereunder, and such cess, tax, fee or penalty may be assessed or imposed any such thing done as if the said Act had not been repealed:

(c) the continuance of a Board, or Cane Development Council constituted under the said Act and the same shall, till such Board or Council has been duly constituted under and in accordance with this Act, exercise the powers, duties and functions exercisable or dischargeable by it under this Act: or

(d) the continued operation of any immunity, exemption or protection granted by or under the said Act:

Provided further, that any area declared to be a reserved area or an assigned area under the said Act shall unless directed otherwise or superseded by anything done or any action taken under this Act, continue in force as if declared under this Act.

Transitional provisions

27. The State Government may for the purpose of removing any difficulties in relation to the transition from the provisions of the said Act to this Act, by order published in the official Gazette-

(a) direct that this Act shall during such periods as may be specified in the order take effect subject to such adaptations whether by way of modification, addition or omission as it may deem fit to be necessary or expedient; and

(b) make such other temporary provision for the purpose of removing any such difficulty as it may deem fit to be necessary or expedient:

Provided that no such order shall be made after twelve months from the commencement of this Act.

Power to make rules

28. (1) The State Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) Without prejudice to the generality of foregoing power, such rules may provide for-

(a) The establishment and constitution of the ¹[Council];

(b) The dissolution and reconstitution of the ¹[Councils] and other matters incidental thereto;

(c) The procedure to be followed in removal of members of the ¹[Council];

(d) The provisions for the conduct of business by the ¹[Council].

[1. The word "Council" substituted in place of the word "board and council" wherever occurs by U.P. Act no. 17 of 2006.](#)

(e) The manner of summoning of the annual meeting of the Council under Section 6, the business to be transacted at such meetings and the procedure for the transaction of such business;

(f) The manner and form in which the fund placed at the disposal of the Council under Section 8 shall be maintained and the application and payment from such fund;

(g) The directions to be issued by the State Government to the ¹[Councils] for carrying out the purposed of this Act;

(h) The duties, powers and functions of the Sugar Commissioner and Cane Commissioner;

(i) The matters relating to the appointment and other conditions of service of Inspectors to be appointed under Section 11 and their duties, powers and functions;

(j) The time within which application and appeals may be presented under this Act, in cases for which no specific provision in that behalf has been made herein;

(k) The fees to be paid in respect of application and appeals under this Act;

(l) ²[***]

(m) The form of the agreement to be entered into by or under the provisions of this Act and the penalty to be paid for breach of conditions of agreement;

(n) ³[The constitution, operation, management, supervision and audit of Councils and control

of their staff and finances] and conditions relating to the recognition of the U.P. Cane Unions' Federation and Cane-growers' Co-operative Societies for the purposes of this Act;

(o) The rate at which and the manner in which commission shall be paid to the Cane-growers' Co-operative Society on supply of cane by them;

(p) The correct weighment of cane, the provision of facilities for weighment and for checking weighment and of timings of weighments;

(q) The provision of approach roads, parking space for carts bringing cane to factories, sheds for bullocks and cart-drivers, water troughs for bullocks and other connected matters;

(r) The reference to the Cane Commissioner of the disputes-

i. ⁴[Regarding the business of the Cane-growers' Co-operative Societies between the Society and the factory or between a Cane-grower and factory;]

[1. The word "Council" substituted in place of the word "board and council" wherever occurs by U.P. Act no. 17 of 2006.](#)

[2. Omitted by sec. 7 of U.P. Act No. 7 of 1974.](#)

[3. Sub. by sec. 134 \(5\) \(1\) of U.P. Act No. 11 of 1966.](#)

[4. Subs. by sec. 134 \(5\) \(2\) of U.P. Act No. 11 of 1966.](#)

ii. Between the Council and Cane-growers' Co-operative Societies or between the Council and the factory or between the Council and the cane-growers regarding the payment of contribution to the Council by the Societies or the factories and any other dispute relating to the business of the Council;

For decision to the Cane Commissioner or if he so directs to arbitration, the mode of appointing arbitrators, the procedure to be followed before the Cane Commissioner or the arbitrator and the enforcement of the decision of the Cane Commissioner or the awards of the arbitrator or arbitrators;

(s) The form of the statements, returns, registers and other forms required to be maintained by or under this Act and the filing of such returns, statement and forms;

(t) The forms and the manner in which applications shall be made for various purposes by or under this Act;

(u) The duties of any officer or authority having jurisdiction under the Act and the procedure to be followed by such officer or authority; and

(v) The matters which are to be or may be prescribed.

(3) The Rules made under this section shall come into force from a date to be appointed by the State Government.

(4) All such rules shall be laid before the State Legislature when it meets immediately after their enforcement and shall be subject to such omissions, alterations and additions as the Legislature may make.

