

THE TOBACCO BOARD (AMENDMENT) ACT, 1985

No. 57 OF 1985

[6th September, 1985.]

An Act further to amend the Tobacco Board Act, 1975.

BE it enacted by Parliament in the Thirty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Tobacco Board (Amendment) Act, 1985.

Short  
title and  
Com-  
mence-  
ment.

(2) It shall come into force on such date<sup>1</sup> as the Central Government may, by notification in the Official Gazette, appoint.

4 of 1975.

2. In section 4 of the Tobacco Board Act, 1975 (hereinafter referred to as the principal Act),—

Amend-  
ment of  
section 4.

(a) in sub-section (4),—

(1) in clause (e),—

(i) for the words "eight members", the words "ten members" shall be substituted; and

(ii) the following proviso shall be inserted at the end, namely:—

"Provided that the number of members appointed under this clause from amongst the growers of tobacco shall not exceed six.";

(2) after clause (e), the following clauses shall be inserted, namely:—

"(f) the Agricultural Marketing Adviser to the Government of India, Department of Rural Development, *ex officio*;

(g) the Executive Director, *ex officio*.";

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

"(4A) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.";

<sup>1</sup> 1-12-1985 : *Vide* Notification No. S. O. 864 (E) dated 29-11-1985, Gazette of India, Extraordinary, 1985, Part II, Section 3(ii).

(c) in sub-section (7), for the words "The Executive Director and any such officer", the words "Any officer" shall be substituted.

Amendment of section 8.

3. In section 8 of the principal Act, in sub-section (2), for clause (a), the following clause shall be substituted, namely:—

"(a) regulating the production and curing of virginia tobacco having regard to the following factors, namely:—

(i) the demand for virginia tobacco in India and abroad;

(ii) the suitability of land for growing virginia tobacco;

(iii) the differences in soil characteristics and agro-climatic factors in different regions of the country where virginia tobacco is grown and the effect thereof on the quality and quantity of virginia tobacco produced in those regions;

(iv) the marketability of different types of virginia tobacco;

(v) the need for rotation of crops; and

(vi) the nature of the holdings of the growers of virginia tobacco whether owned or leased;".

Insertion of new section 10A.

Registration of growers of virginia tobacco seedling for commercial purposes.

4. After section 10 of the principal Act, the following section shall be inserted, namely:—

"10A. (1) No person shall grow virginia tobacco seedlings for commercial purposes unless he registers himself as a nursery grower with the Board in accordance with the rules made under this Act.

*Explanation.*—For the removal of doubts, it is hereby declared that nothing in this sub-section shall apply to the growing by a registered grower of any virginia tobacco seedlings for his own use.

(2) No registered nursery grower shall sell or cause to be sold any virginia tobacco seedlings grown by him to any person other than a registered grower."

Insertion of new sections 11A and 11B.

Registration of processors and manufacturers of virginia tobacco, etc.

Licences to be obtained for grading work and construction of barns etc.

5. After section 11 of the principal Act, the following sections shall be inserted, namely:—

"11A. No person shall process virginia tobacco or manufacture products therefrom unless he registers himself as such processor or manufacturer, as the case may be, with the Board in accordance with the rules made under this Act.

11B. No person shall—

(i) take up grading work relating to virginia tobacco for commercial purposes; or

(ii) take up the construction and operation of a barn,

unless he obtains a licence from the Board in accordance with the rules made under this Act.

*Explanation.*—For the purposes of this section,—

(i) “barn” means a building or structure with a roof of zinc sheets or tiles having flue pipes, furnace and tiers used for flue curing of tobacco leaves;

(ii) “grading work” means separating tobacco leaves into specific grades on the basis of plant position, maturity, colour, body and blemish and in accordance with such specifications as may be prescribed.

6. After section 13 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 13A and 13B.

“13A. No registered dealer or registered exporter shall purchase or cause to be purchased virginia tobacco elsewhere—

Duty of registered dealers and exporters to purchase at auction platforms, etc.

(a) than at an auction platform registered with the Board in accordance with the rules made under this Act or established by the Board under this Act; or

(b) than from any other registered dealer or a registered grower or curer:

Provided that in relation to any State in which the provisions of section 13 are not in force, the condition specified under clause (a) shall not apply.

13B. Every dealer who purchases virginia tobacco in any State in which the provisions of section 13 are not in force,—

Duty of buyers of virginia tobacco at places other than auction platforms to refrain from certain unfair practices.

(a) shall pay the full price for the whole quantity of virginia tobacco so purchased by him at the rate at which he agreed to purchase such tobacco and shall refrain from claiming any discount in the weight or other deductions in weight thereof or any deductions from the price as calculated in accordance with such rate;

(b) shall pay the full price for virginia tobacco so purchased by him as calculated in accordance with the provisions of clause (a) as expeditiously as possible and in any case within such reasonable time as may be specified in this behalf by the Board; and

(c) shall refrain from having recourse to any practices which the Board may, having regard to the need for protection of persons selling virginia tobacco in such State and all other relevant considerations, specify to be unfair practices.”

7. In section 14 of the principal Act,—

Amendment of section 14.

(i) for the words and figures “for registration of curers for the purposes of section 11”, the words, figures and letters “for registration of nursery growers for the purposes of section 10A, for registration of curers for the purposes of section 11, for registration of processors and manufacturers for the purposes of section 11A, for

obtaining licences for taking up grading work or construction and operation of barns under section 11B" shall be substituted;

(ii) for the portion beginning with the words "the registration as curers" and ending with the words "as may be prescribed", the following shall be substituted, namely:—

"the registration as nursery growers, curers, processors, exporters, packers or auctioneers of, or dealers in, virginia tobacco or as manufacturers of the products of virginia tobacco or in granting licences under section 11B, the returns to be submitted and the registers to be maintained by registered growers, nursery growers, curers, processors, exporters, packers or auctioneers of, or dealers in, virginia tobacco or the registered manufacturers of the products of virginia tobacco or the persons licensed under section 11B and the registers to be kept by the Board shall be such as may be prescribed".

8. After section 18 of the principal Act, the following section shall be inserted, namely:—

"18A. Subject to such conditions as may be specified by the Central Government, where the Board is of opinion that any amount due to, or any loss, whether of money or of property, incurred by, the Board is irrecoverable, the Board may, with the previous approval of the Central Government, sanction the writing off finally of the said amount or loss:

Provided that no such approval of the Central Government shall be necessary where such irrecoverable amount or loss does not exceed in any individual case and in the aggregate in any year such amounts as may be prescribed."

9. In section 19 of the principal Act, in sub-section (1), for the words "profit and loss account", the words "income and expenditure account" shall be substituted.

10. After section 20 of the principal Act, the following section shall be inserted, namely:—

"20A. Without prejudice to the provisions of clause (g) of sub-section (2) of section 8 and notwithstanding anything contained in any other provision of this Act, if the Central Government is satisfied that it is necessary or expedient so to do, it may, by order in writing and subject to such conditions and limitations as may be specified in the order, authorise any body or other agency to purchase virginia tobacco from the growers and dispose of the same in India or abroad."

11. In section 25 of the principal Act,—

(a) for the words "or of any rules made thereunder", the words "or of any rules or regulations made thereunder" shall be substituted;

Insertion of new section 18A.

Writing off of losses.

Amendment of section 19.

Insertion of new section 20A.

Power of Central Government to authorise purchase of virginia tobacco.

Amendment of section 25.

(b) for the words "extend to six months, or with fine which may extend to one thousand rupees, or with both", the words "extend to two years, or with fine which may extend to five thousand rupees, or with both" shall be substituted.

12. In section 32 of the principal Act, in sub-section (2),—

Amend-  
ment of  
section  
32.

(a) after clause (g), the following clause shall be inserted, namely:—

"(ga) the specifications with regard to grading work referred to in section 11B;"

(b) after clause (j), the following clause shall be inserted, namely:—

"(ja) the amounts for the purposes of the proviso to section 18A;"

13. In section 33 of the principal Act,—

Amend-  
ment of  
section  
33.

(a) in sub-section (2), after clause (h), the following clause shall be inserted, namely:—

"(i) the time within which full price for virginia tobacco shall be paid under clause (b), and the unfair practices for the purpose of clause (c), of section 13B;"

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter 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 under that regulation."