

THE BIHAR MOLASSES (CONTROL) RULES, 1955

No. D/A2-104/56E-621 the 16th March, 1956.— In exercise of powers conferred by section 13 of the Bihar Molasses (Control) Act, 1947 (Bihar Act, VI of 1947), the Governor of Bihar is pleased to make the following rules in supersession of the rules framed under the Government notification no. 3613-L.S.G. dated the 16th April, 1948, namely :—

1. These rules may be called the Bihar Molasses (Control) Rules, 1955.
2. In these rules, unless there is anything repugnant in the subject or context —
 - (a) "the Act" means the Bihar Molasses (Control) Act, 1947;
 - (b) "Special Officer Molasses" means an officer not below the rank of an Excise Superintendent appointed by Government to assist the Controller of Molasses in the discharge of his function under the Bihar Molasses (Control) Act and rules
 - (c) "Distillery" means the premises, where under a license issued under the provisions of the Bihar and Orissa Excise Act, 1915 (B. & O. Act II of 1915), power, potable or industrial alcohol may be manufactured;

- (d) "Distillery Officer" means an Excise officer not below the rank of an Excise Sub-Inspector appointed under clause (c) of Section 7 of the Bihar and Orissa Excise Act 1915 (B. O. Act II of 1915) deputed by the Excise Commissioner and the Controller to perform any function under the Act and these rules at a distillery;
- (e) "Excise Chemist" means any officer appointed by the State Government to discharge the function of an Excise Chemist under these rules;
- (f) "Form" means a form appended to these rules;
- (g) "Gallons" means in imperial gallon; and
- (h) "Government" means the Government of Bihar.

3. Supply of Molasses.—(a) Every distillery in the State shall submit to the Controller by the 31st October each year an indent in Form M.F. 1 of its estimated requirement of molasses during the twelve months commencing from the 1st January, following.

¹[(b) ... Every sugar factory shall submit to the Controller by the 31st October of each year in Form M.F.2 its estimated production of molasses and sugar during next crushing season.

(c) On receipt of the statements referred to in sub-rules (a) and (b) the Controller will check the requirement of molasses indented for and after making such variations therein as he considers necessary, prepare a consolidated statement, showing the requirement of each distillery, indicating the sugar factories from which these requirements are to be met and make a provisional allotment of molasses to each distillery.

(d) The orders allotting molasses to the distilleries shall be communicated to the sugar factories, the Excise officers posted at the sugar factories, distilleries and Distillery officers and to such other persons, if any, as may be concerned.

(e) The Controller may, if necessary, make modifications in the orders allocating molasses.

¹[(f) ... After the close of the cane crushing every sugar factory shall furnish a report in form M.F. 3 showing the total production of molasses and sugar which should reach the Controller, not later than a week after the close of every crushing season.

(g) The final allotment of molasses shall be communicated to all concerned in the same manner as the provisional allotment.

(h) Every sugar factory and every stockist shall, on receipt of an order from the Controller and on intimation of the allotment of tank wagons for the transport of molasses, make all necessary arrangements promptly for the haulage and loading of molasses and where the owner, occupier or Manager of a sugar factory or the stockist fails to make such arrangements without sufficient reason, the Excise officer shall have the power on his behalf, to enter upon the premises, make arrangement for the haulage and loading of molasses by manual labour, if necessary and recover the cost incurred thereby from the said owner, occupier as Manager of the sugar factory or the stockist.

(i) Haulage and loading of a tank wagon by an owner or occupier or Manager of a sugar factory or by a stockist shall not be refused on the plea of holiday including Sunday on any other ground without prior approval of the Controller.

²[(j) The ownership of all molasses despatched in Rail wagons to distillery shall continue to vest in the owner, occupier or Manager of sugar factory concerned until it is

1. Subs. by S.O. 248 & 21.11.2000

2. Subs. by S.O. 250 dt. 21.11.2001

actually delivered at the distillery and all losses occurring from any cause other than a wilful omission on the part of distillery shall be borne by the Sugar factory. The ownership of molasses to be transported by road shall pass to allottees as soon as the molasses is taken out of the factory premises with Transport pass in Form M.F. 6 and such allottees shall be responsible for its safe arrival at the destination and for the loss in transit, if any.

(k) Supplies to distilleries in accordance with the orders issued by Controller shall not be contingent on prepayment of price. Such supplies shall be made in the ordinary course of business and all disputes arising out of the supplies made shall be referred to the Controller whose decision in the matter shall be final.

¹[3A. Any person desiring to obtain molasses from any sugar factory or stockist shall apply in form M.F. (IA) to the Superintendent of Excise of the district to which he belongs or in the case of a company/firm/co-operative society where the company/firm/co-operative society is registered or situated, duly affixed with court fee stamp of the same value as prescribed for applications filed before the Superintendent of Excise.

On receipt of the application, the Superintendent of Excise shall get the statements made in the application form verified. After necessary verification, he will forward the application to the Controller of Molasses with his recommendations. The Controller after necessary verification, shall pass orders on the application.]

4. The price at which molasses of various grades shall be sold by the owner, occupier or Manager of a sugar factory or by a stockist to the Government or distilleries or to the allottees shall be notified by the Government.

¹[4A. (i) Administrative charges to be realised on released molasses shall be exclusive of the price payable to the sugar factories and the person to whom the molasses will be allotted shall deposit the amount of administrative charges on the quantity of molasses allotted to him, through treasury challan before the Excise Officer posted in the sugar factory, after which delivery of molasses shall be made by the Sugar Factory in presence of the Excise Officer.

(ii) The Excise Officer posted in the sugar factory shall keep an account of delivery of molasses and administrative charges realised therefrom in a form prescribed by the Molasses Controller, and shall submit a statement to Molasses Controller, Assistant Commissioner of Excise or Superintendent of Excise as directed by the Molasses Controller in the form prescribed by him.]

5. (a) The Controller shall specify from time to time the grade under which molasses shall be classified. Molasses issued for sale from the sugar factory shall conform to such grades.

(b) The method of analysis to be followed in determining the specifications and grades to which molasses shall conform shall be prescribed by the Controller.

6. The contents of any tank or pit intended for the storage of molasses at a sugar factory or a distillery, not being molasses shall, if the Controller by an order in writing, so directs, be disposed of as waste, in such manner as may be prescribed by the Controller.

7. Every owner, occupier or Manager of a sugar factory and every stockist shall maintain the entire stock of molasses for distillery purposes or for such purpose as may be required by the Controller from time to time.

1. Ins. by G.S.R. 840 dated 13.3.1968.

¹[8 (a) Every owner, occupier or Manager of a Sugar factory shall keep covered storage tank for the safe storage of the entire quantity of molasses to be produced. They shall provide necessary safe guards against leakage, or any other accident likely to affect the quality of molasses stored in the tank

(b) Every owner, occupier or Manager of a sugar factory shall take adequate safeguards to see that the wastage in the storage of molasses in a year does not exceed 1.5 percent of the total, quantity stored. In case the wastage exceeds 1.5 percent the owner, occupier or manager of the sugar factory concerned shall be liable to penalties imposed under the Act, for contravention of the rule. Provided that if it is proved to the satisfaction of the Controller that the wastage or deficiency in excess of the above prescribed limit has been caused by accident or any other unavoidable reason. Then the owner of sugar mill or the management shall not be liable to punishment.

9. The owner, occupier or Manager of a sugar factory shall maintain in Form M.F. 5 an accurate account of all molasses produced, issued or stored in the sugar factory.

²[9A. (i) No stockist shall sale, re-sale or keep stock of molasses for such purposes, otherwise than under the conditions and sureties of a licence granted in form M.F. 9 by the Controller of Molasses, Bihar :

Provided further that a licence fee of rupees ³[Five hundred] and ³[One hundred twenty five.] shall be payable for grant or renewal of licence for sale, re-sale or keeping stock of molasses in quantities exceeding 25 quintals and that of upto 25 quintals respectively.

(ii) ⁴[An application shall be made for grant of licence to Excise Superintendent/ Assistant Commissioner of Excise or Excise Commissioner and Controller of Molasses in Form M.F. with passport size photographs in three copies and the three specimen signatures both attested by a gazetted officer and after getting the sanction of licence by the competent authority, one copy of the photo and specimen signature shall be retained in the office of the Controller of Molasses, the second copy of photograph and specimen signature shall be sent to Supdt. of Excise/Asstt. Commissioner of Excise of the concerned district who shall pass the photo and specimen signature on the molasses licence register, and the third copy of photo and specimen signature shall be pasted on the M.F. 9 and the following form shall be inserted after M.F.7.

⁴[10. (a) No molasses shall be moved from the premises of a sugar factory except under a pass in Form M.F. 6. This form shall be in sextuplicates and shall be issued by the Excise Officer posted to the Sugar factory. Two copies of the pass shall accompany the consignment, one copy shall remain with the Excise Officer, one copy shall be sent to the Assistant Commissioner of Excise, Headquarter (Distribution), one shall be sent to the Excise Supdt. of the district in which the sugar factory is situated and one copy will be sent to the Excise Supdt. of the district to which the consignment is despatched.

(b) The consignee shall provide adequate safeguards against any wastage or deficiency of molasses in transit. In case the wastage or deficiency exceeds 0.5 percent the consignee other than a distiller shall be liable to punishment imposed under the Act for the contravention of the rule :

Provided that if it is proved to the satisfaction of the Controller that wastage or deficiency in excess of 0.5 percent has been caused by accident or any other unavoidable cause the consignee shall not be liable to punishment.

(c) The Range Inspector shall carefully check the original copy of the transport pass with that of the receipted copy.

11. No person shall move molasses from the premises of any sugar factory or distillery or otherwise dispose of such molasses except under a movement order in Form M.F. 7 of the Controller as provided in the Act, and these Rules.

1. Subs. by S.O. 250 dt 21.11.2000

2. Subs. by S.O. 15 dated 15.1.1991.

3. Ins. by G.S.R. 78 dated 12.9.1977.

4. Subs. by S.O. 252 dt. 21.11.2000

¹[11A. Any person desiring to remove molasses from any sugar factory or from any such place where molasses is stored, shall submit an application for the grant of a licence before an Excise Officer posted in the concerned Sugar Factory or before an Excise Officer in whose jurisdiction such molasses is stored along with a copy of Treasury Challan after depositing licence fee in the Government Treasury at rates prescribed from time to time by the Government. Such Excise Officer to whom such an application is submitted shall verify the payment of the licence fee and if found correct, shall record his recommendation on the said application and forward the same along with the Treasury Challan, to the Controller of Molasses for issuing the orders of movement of the molasses.

12. For the control test of molasses, it should be seen whether molasses conform to the specifications and standards prescribed under rule 5(a)

13. (a) On arrival of molasses at a distillery before discharge into the storage tank reserved for the purpose, control test shall be carried out forthwith with the assistance, if necessary, of the distillery or such other officer as may be deputed by the Controller. The result of the test shall be prepared in triplicate the original being sent to the occupier of the sugar factory, the duplicate to the Special Officer for Molasses within twenty-four hours of the test, and the triplicate copy shall be pasted in the guard file maintained for the purpose.

(b) Subject to the result of final test under these rules and unless otherwise directed by the Controller, the price of molasses payable to the occupier of a sugar factory shall be based on grade determined by the Excise Inspector or the other officer referred in sub-rule (a).

(c) Persons making control test under sub-rule (a) shall take a sample in triplicate and shall keep the same in safe custody. In case there is any disagreement between the Excise Inspector or the other officer referred to in sub-rule (a) and the owner of the sugar factory as to the grade of the molasses, the occupier of a sugar factory or the distillery may within 14 days of control test required in writing the Excise inspector or other officer referred to in sub-rule (a) to send two of the samples of molasses to the Excise Chemist, Bihar, provided the occupier of the sugar factory or distillery, as the case may be, or as ordered by the Controller shall bear the cost of analysis.

14. On receipt of report of the Excise Chemist, Bihar, the Excise Inspector incharge of a distillery or other officer shall forthwith send intimation to the occupier of the sugar factory or distillery. If the occupier of the sugar factory or distillery does not accept the report of the Excise chemist it may within 14 days of the date of despatch of intimation appeal to the Controller. On receipt of such an appeal, the Controller may, if necessary, call for another sample and get it analysed at the cost of the sugar factory or distillery, as the case may be.

15. If there is no disagreement as to the grade of molasses or if there is disagreement and on the report of final analysis an appeal has been received, the sample of molasses kept by Excise Inspector shall be destroyed on the expiry of 30 days from the date of control test or receipt of the final report on appeal, as the case may be.

16. (1) No distillery shall refuse molasses supplied by the sugar factory under the orders of the Controller, without the prior approval of the Controller.

(2) In case of the unauthorised refusal by the distillery the cost of molasses, freight and other incidental charges as fixed by the Controller may be recovered from the distillery as an arrear of land revenue and paid to the sugar factory concerned.

(3) If in the opinion of the Controller the molasses dispatched to a distillery is not of the grade as specified under rule 5(1) the same may be returned to the sugar factory concerned and the freight and other incidental charges as fixed by the Controller may be recovered from the sugar factory as an arrear of land revenue.

17. In addition to the powers which the Controller may exercise under the provisions of the Act and the these rules, he may, by general or special order and subject to the

provisions of the Act and these rules direct—

(1) what measures, weights and instruments shall be maintained by the occupier of the sugar factory or distillery, how they may be standardised and what persons may inspect them;

(2) what returns shall be submitted and what records and books shall be maintained by the occupiers of sugar factories or distilleries, the Distillery Excise Inspector, and the manner in which they are to be verified and the time when returns are to be submitted;

(3) how the articles seized under the Act shall be disposed of;

(4) in what forms, passes, certificates or permits shall be issued under these rules; and

(5) the functions that shall be performed by the officers of the Excise Department for carrying out the provisions of the Act and these rules.

18. The officer making seizure of molasses, adulterated or deteriorated molasses under the Act or these rules shall take three samples of articles seized and immediately seal them and also the stock. The person from whose possession the seized articles have been recovered shall be allowed to affix his seal also on stock and samples, if he so desires. One of the samples shall be delivered to such person and other two retained by the person making such seizure, if he is an officer empowered to make an investigation under the Act or these rules, he shall immediately report to an officer empowered to make such investigation and produce before him the other two samples.

(2) The officer making the seizure may depute a person to watch the sealed stock.

¹[19. (1) No molasses in respect of which the order of confiscation has been passed under section 10 of the Act, shall be disposed of until the expiration of the period of appeal against the order of conviction or when an appeal has been filed until the appeal has been decided.

(2) All molasses other than molasses which have been confiscated under section 10 of the Act, shall be sold by public auction and the proceeds credited to Government.]

20. (1) An appeal shall lie to the Controller from every order passed by an Excise officer.

(2) A petition of appeal to the Controller shall be presented within 30 days of the date of the order appealed against exclusive of the time taken in obtaining the copy of the order. The petition shall be properly stamped and accompanied by the certified copy of the order appealed against.

²[(3) An appeal shall lie to the Board from any order made by the Controller of Molasses under section 10 of the Act: Provided that every memorandum of appeal shall be submitted within 15 days from the date of communication to the appellant of the order appealed against in original or any authenticated copy of such order unless the omission to produce such order or copy is explained to the satisfaction of the Board.

(4) The State Government may on its own motion or on the application of any aggrieved person, revise any order passed under the Act by the Controller, except an order passed under section 10 of the Act.

Provided that no application shall be entertained under this rule unless it is made within 30 days of the order complained of.]

FORM M.F.I.

(Under Rule 3)

Preliminary indent form for molasses to be submitted by the Distilleries on 31st October.

1. Quantity of molasses required for the manufacture of—

(a) C.S.

1. Subs. by G.S.R. 382 dated 14.1.1971.

2. Subs. by S.O. 244 dated 21.11.2000

- (b) R.S.
- (c) P.A.
- (d) D.S.
- for the year.....
(January to December)
- 2. Quantity of molasses received and used during the previous year (January to December) for the manufacture of-
 - (a) C.S.
 - (b) R.S.
 - (c) P.A.
 - (d) D.S.
- 3. Quantity of molasses used since January to 31st October this year for the manufacture of-
 - (a) C.S.
 - (b) R.S.
 - (c) P.A.
 - (d) D.S.
- 4. Quantity of molasses in stock on the 1st day of January.
- 5. Quantity of molasses received from 1st January to 31st October this year.
- 6. Total (Column 4 and column 5)
- 7. Quantity of molasses used in the manufacture.
(as shown in column 3).
- 9. Quantity of molasses still to be lifted according to existing allotment.
- 10. Quantity likely to be consumed during the period 1st November to 31st December.
- 11. Balance quantity of molasses likely to remain in storage.

Signature of the Proprietor/Manager, Distillery

Date.

Countersignature of the Distillery Officer.

[FORM M.F. 1A

(See Rule 3A)

- 1. Name and Father's name of the applicant and his age
- 2. Name and address of the firm/company/co-operative society which he represents if he is not applying for himself with evidence of authority to represent.
- 3. If registered, registration no. and date.
- 4. If licensed as stockist of molasses, license no. and date of the district in which licensed.
- 5. Names of partners/members of the Executive body of the society, if any.
- 6. Clearance certificates from Income-tax and Commercial Taxes Department, if any.
- 7. Permanent address of the applicant.
- 8. Present address of the applicant.
- 9. Quantity of molasses required in a year.
- 10. Purpose for which molasses is to be used:-

- (a) for the manufacture of Hookah tobacco;
- (b) for any other purpose.
- 11. Quantity of Hookah tobacco/other products produced during the last three years.
- 12. Quantity of molasses, if any, obtained in previous year. If so, whether through permit or through open gate sale and from where.
- 13. Central Excise license no. and date, if any, in case of manufacture of hookah tobacco.
- 14. Quantity of molasses applied for giving full justification.

Signature of the applicant.

Witnesses:

- 1.
- 2.

I declare that the particulars mentioned in the application are true to the best of my knowledge and belief.

Signature of the applicant.

Witnesses :

- 1.
- 2.

To be used by Excise Officer:

- 1. Report of the Enquiring Officer.
- 2. Recommendation of Excise Superintendent.
- 3. Recommendation of Special Officer, Molasses.
- 4. Orders of Controller of Molasses.

FORM M. F2

(Under Rule 3 (a)).

- 1. On what date your factory will start cane crushing for the next season.
- 2. (a) What is your anticipated production of molasses for the next season.
- (b) Quantity of molasses which may be produced daily.
- [(c) Quantity of sugar to be produced daily.]
- (d) What is the anticipated production of sugar for the next season.]"
- 3. What is your total storage capacity (in quintals). No. of Quintalage storage.
- Type of storage—
- (a) Steel tanks.
- (b) Covered pucca tanks.
- (c) Uncovered pucca tanks.
- (d) Uncovered katcha tanks or pits.
- (e) Covered katcha tanks or pits.
- 4. How much of the new production will be stored in—
- (a) Steel tanks.

- (b) Covered pucca tanks.
 - (c) Uncovered pucca tanks.
 - (d) Uncovered katcha tanks or pits.
 - (e) Covered katcha tanks or pits.
5. Can loading of molasses be taken up while cane crushing is going on in your factory?
If so, how many tankwagons can be loaded daily within free time allowed/ If not, from what date loading of molasses can be taken up at your factory?
6. What is the actual and final production of molasses of the previous three seasons.
7. What quantity of molasses out of the quantity quoted in column 6 has been delivered to—
(Figures of each year to be noted separately).
- (a) Indian Molasses Co. Mokamahghat.
 - (b) Distilleries.
(Name and quantity to be written).
 - (c) Any other person or persons to whom allotment has been made from this office.
 - (d) Gate sale.
 - (e) Total.
8. What quantity of molasses of previous three seasons is still available with you under the following heads? Figures of different seasons to be furnished separately.
- (a) For Indian Molasses Co. Mokamahghat.
 - (b) For any other person or persons to whom allotment has been made.
 - (c) For distilleries.
(with name of distilleries)
 - (d) Gate sale quota.
 - (e) Molasses for which no order has yet been issued.
9. Where has the above stock been stored in—
- (a) Steel tanks.
 - (b) Covered pucca tanks.
 - (c) Uncovered pits or tanks.
10. Why has the above stock not been cleared as yet?
11. What arrangements are you going to make for storage of New Crop if your tanks are full with old molasses?

12. Will you feel any storage difficulty, if lifting of the new crop of molasses is differed till the end of the crushing season?
13. Have you repaired, cleansed and covered¹ your storage tanks which are empty?
14. What is the name and address of your—
(Name of individual who are responsible should be written.)
(a) Owner.
(b) Occupier.
(c) Manager.
15. Have you got a mechanical pump of loading of molasses?
16. Signature of the Owner, Occupier and Manager of the Sugar factory.
17. Countersignature of the Excise Sub-Inspector posted at the Sugar factory.

FORM M.F.3.

[Under Rule 3 (b)]

1. Date of closing the crushing operation.
2. Final quantity of molasses produced during the current season.
- ¹[2A] Final Quantity of Sugar produceed during the current seasion."
3. The quantity lifted till the closure of crushing (date to be noted).
4. Balance quantity still available and stored as detailed below:

- (a) Steel tanks nos. 1, 2, 3, etc.
- (b) Covered pucca tank or pit nos. 1, 2, 3 etc.
- (c) Uncovered pucca tank or put nos. 1, 2, 3 etc.
- (d) Covered katcha pit nos. 1, 2, 3, etc.
- (e) Uncovered katcha pit nos. 1, 2, 3, etc.

5. Have you got arrangement for loading of molasses stored in uncovered tanks and pits into tank wagons? If so, how many tank wagons may be loaded per day?

8. What arrangements are being made to prevent molasses stored in open pits from mixing with rainwater and deterioration due to natural causes.

Quantity

B.Frix.

Signature of the Occupier and Manager.
of the Sugar Factory etc.....
Countersignature of the S.I. posted at the Sugar
Factory at.....

1. "2A" ins. by S.O. 240 dated 21.11.2000

FORM M.F. 4.

[Vide Rule 3(f)]

1. Molasses required for the manufacture of –
 - (a) Country spirit.
 - (b) D.S.
 - (c) R.S.
 - (d) Power Alcohol.
(from January to December for twelve months).
2. Minus quantity of molasses held in stock on 1st January.
3. Net requirement of molasses.
(Column 1 – column 2)
4. Quantity of molasses received since 1st January to 20th April (with details).
5. Quantity of molasses received and utilised for the purpose of –
 - (a) Country Spirit.
 - (b) D.S.
 - (c) R.S.
 - (d) Power alcohol.
during the previous three years.
6. Reasons, if any, for the increase in the requirement during this year.

This should be sent through the Distillery officer so as to reach this office positively by 15th May each year.

Signature of Proprietor/Manager
Distillery.

Countersignature of the Distillery officer.

FORM M.F. 5.

(Vide Rule 9).

Account Register for molasses of

(Separate account to be maintained for each season).

- | | |
|--|--|
| 1. Date | |
| Month | |
| 2. Daily receipt of molasses from plant. | |
| 3. Progressive total | |
| 4. Steel Tank – | |
| No. 1 | |
| No. 2 | |
| 5. Pucca covered tank – | |
| No. 1 | |
| No. 2 | |

Where stored (quantity
shown in column 2 to be
shown here).

- | | | |
|----------------------------|--|------------------------|
| 6. Pucca uncovered tank — | | |
| No. 1 | | |
| No. 2 | | |
| 7. I.M. Co. | | |
| 8. Distilleries. | | |
| 9. Other allottees. | | Disposal to be shown |
| 10. Gate Sale. | | |
| 11. Total. | | |
| 12. Steel Tank — | | |
| No. 1 | | |
| No. 2 | | |
| 13. Pucca covered tank — | | Balance quantity where |
| No. 1 | | stored to be shown. |
| No. 2 | | |
| 14. Pucca uncovered tank — | | |
| No. 1 | | |
| No. 2 | | |
| 15. Total | | |
| 16. Remarks. | | |
- N.B. — Total of each page.
Total on the close of the crushing season.
Total on 31st December, of each year.

FORM M.F. 6.

Counterfoil.

[Vide Rule 10(a)]

Pass for transport of molasses.

1. No. and date of pass.
2. Name of sugar factory.
3. Destination where the molasses is to be taken with name of person to whom it is to be sent.
4. Date of despatch of molasses.
5. Time allowed for transport.
6. (a) Quantity of molasses despatched (with total number of the drums or other vessels).
- (b) Depth of molasses.
7. (a) Year of production.
- (b) Brix.
- (c) Sugar content.
8. By what route (road, rail or river) and by what means of conveyance.
9. Name of carrier or wagon number (in case of despatch by rail).
10. Total quantity despatched including despatch of this consignment.
11. Remarks.