

*Ren. the Act 58 of 1960, S. 2 & Sch. I (W. J. 26-12)*

THE RUBBER (PRODUCTION AND MARKETING)  
AMENDMENT ACT, 1954

No. 54 OF 1954

[25th December, 1954]

An Act further to amend the Rubber (Production and Marketing)  
Act, 1947.

BE it enacted by Parliament in the Fifth Year of the Republic  
of India as follows:—

**1. Short title and commencement.**—(1) This Act may be called  
the Rubber (Production and Marketing) Amendment Act, 1954.

(2) It shall come into force on such date as the Central Govern-  
ment may, by notification in the Official Gazette, appoint.

**2. Amendment of long title and preamble, Act XXIV of 1947.**—  
In the long title of, and the preamble to, the Rubber (Production and  
Marketing) Act, 1947 (hereinafter in this Act referred to as the  
principal Act),—

(a) for the words “under central control”, the words “under  
the control of the Union” shall be substituted;

(b) the words “so far as regards the production and market-  
ing of rubber, and for regulating export and import of rubber”  
shall be omitted.

**3. Amendment of section 1, Act XXIV of 1947.**—In sub-section (1)  
of section 1 of the principal Act, the brackets and words “(Produ-  
tion and Marketing)” shall be omitted.

**4. Substitution of new section for section 2 in Act XXIV of 1947.**—  
For section 2 of the principal Act, the following section shall be  
substituted, namely:—

“2. Declaration as to expediency of Union control.—It is  
hereby declared that it is expedient in the public interest that  
the Union should take under its control the rubber industry.”

**5. Amendment of section 3, Act XXIV of 1947.**—In section 3 of  
the principal Act,—

(a) in clause (a), the word “Indian” shall be omitted;

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

“(k) ‘small grower’ means an owner whose estate does  
not exceed fifty acres in area;”.

**6. Amendment of section 4, Act XXIV of 1947.**—In section 4 of  
the principal Act,—

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*Can. into force on 1-8-1955, vide notifs. no. 520, 166, dt. 1-8-55  
Gaz. of India, Ex. 1955, Pt. II, sec. 3, p. 1613.*

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(a) in sub-sections (1) and (2), the word "Indian" shall be omitted;

(b) for sub-sections (3), (4) and (5), the following sub-sections shall be substituted, namely:—

"(3) The Board shall consist of—

(a) a Chairman to be appointed by the Central Government;

(b) three members to represent the State of Madras, two of whom shall be persons representing rubber producing interests, one of such two being a person representing the small growers;

(c) seven members to represent the State of Travancore-Cochin, five of whom shall be persons representing the rubber producing interests, two of such five being persons representing the small growers;

(d) ten members to be nominated by the Central Government, of whom two shall represent the manufacturers and four labour;

(e) three members of Parliament of whom two shall be elected by the House of the People and one by the Council of States; and

(f) the Rubber Production Commissioner, *ex-officio*.

(4) The persons to represent the States of Madras and Travancore-Cochin shall be elected or nominated as may be prescribed.

(5) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend the meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

(6) The Board shall elect from among its members a Vice-Chairman who shall exercise such of the powers, and perform such of the functions of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(7) The members of the Board shall receive from the Board such allowances as may be prescribed.

(8) 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."

**7. Substitution of new sections for section 6 in Act XXIV of 1947.—**

For section 6 of the principal Act, the following sections shall be substituted, namely:—

"6. *Salary and allowances of Chairman.*—The Chairman shall be entitled to such salary and allowances and be governed by such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

6A. *Executive officers of the Board.*—(1) The Central Government shall appoint a Rubber Production Commissioner to exercise such powers and perform such duties under the direction of the Board as may be prescribed.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the direction of the Board as may be prescribed or as may be delegated to him by the Chairman.

(3) The Rubber Production Commissioner and the Secretary to the Board shall be entitled to such salaries and allowances and be governed by such conditions of service regarding leave, pension, provident fund and other matters as may be fixed by the Central Government.

(4) The Chairman, the Rubber Production Commissioner and the Secretary shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government."

8. **Amendment of section 7, Act XXIV of 1947.**—In section 7 of the principal Act,—

(a) sub-section (1) shall be omitted;

(b) in sub-section (2), the word "other" shall be omitted.

9. **Amendment of section 8, Act XXIV of 1947.**—In section 8 of the principal Act,—

(a) in sub-section (1), the words "so far as regards the production and marketing of rubber" shall be omitted;

(b) in sub-section (2), after clause (e), the following clauses shall be inserted, namely:—

"(f) securing better working conditions and the provisions and improvement of amenities and incentives for workers;

(g) carrying out any other duties which may be vested in the Board under rules made under this Act."

10. **Insertion of new sections after section 8 in Act XXIV of 1947.**—After section 8 of the principal Act, the following sections shall be inserted, namely:—

"8A. *Power of the Board to import rubber for sale, or to purchase rubber, in the internal market.*—It shall be lawful for the Board with the previous approval of the Central Government to import rubber for sale, or to purchase rubber, in the internal market at such prices as the Central Government may fix.

8B. *Consultation with the Board.*—Before taking any action touching the affairs of the Board under this Act, the Central Government shall ordinarily consult the Board:

Provided that no action taken by the Central Government shall be invalid or called in question merely on the ground that the action was taken without such consultation."

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**11. Amendment of section 9, Act XXIV of 1947.**—In section 9 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The Board shall maintain two funds, a general fund and a pool fund.”

**12. Insertion of new sections after section 9 in Act XXIV of 1947.**—After section 9 of the principal Act, the following sections shall be inserted, namely:—

**9A. General fund.**—(1) To the general fund shall be credited—

(a) all sums forming the funds of the Board immediately before the commencement of the Rubber (Production and Marketing) Amendment Act, 1954;

(b) all amounts paid to the Board by the Central Government under sub-section (7) of section 12.

(2) The general fund shall be applied—

(a) to meet the expenses of the Board;

(b) to meet the costs of the measures referred to in section 8;

(c) to meet the expenditure incurred in the performance of its functions under this Act or under rules made thereunder; and

(d) for making such grants to rubber estates or for meeting the cost of such other assistance to rubber estates as the Board may think necessary for the development of such estates.

**9B. Pool fund.**—(1) To the pool fund shall be credited—

(a) all sums realized by sales of rubber imported or purchased under section 8A;

(b) any other sum which the Board may, with the previous approval of the Central Government, transfer from the general fund to the pool fund.

(2) The pool fund shall be applied only to the rehabilitation of small growers in such manner as may be prescribed.”

**13. Amendment of section 11, Act XXIV of 1947.**—In section 11 of the principal Act, in sub-section (1), the words “after consulting the Board,” shall be omitted.

**14. Amendment of section 12, Act XXIV of 1947.**—In section 12 of the principal Act,—

(a) in sub-section (1), for the words “at such rate as the Central Government may on the recommendation of the Board”, the words “at such rate not exceeding one anna per pound of rubber so produced as the Central Government may” shall be substituted; and

(b) after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) The proceeds of the duty of excise collected by the Board and any of the fees levied under this Act (all of which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act.”

**15. Amendment of section 13, Act XXIV of 1947.**—In sub-section (1) of section 13 of the principal Act, the words, brackets and figures “after consulting the Rubber Price Advisory Committee constituted under sub-section (1) of section 7” shall be omitted.

**16. Amendment of section 20, Act XXIV of 1947.**—In section 20 of the principal Act, for clause (c), the following clause shall be substituted, namely:—

“(c) permit any person authorised in this behalf by the Central Government or by the Board or any member of the Board authorised by the Chairman in writing or any officer of the Board to inspect the accounts and records referred to in clause (b).”

**17. Substitution of new section for section 21 in Act XXIV of 1947.**—For section 21 of the principal Act, the following section shall be substituted, namely:—

“21. *Inspection of land and premises.*—Any person authorised in this behalf by the Central Government or by the Board or any member authorised by the Chairman in writing or any officer of the Board may at any reasonable time inspect any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purposes of this Act.”

**18. Amendment of section 25, Act XXIV of 1947.**—For sub-section (2) of section 25 of the principal Act, the following sub-sections shall be substituted, namely:—

“(2) In particular and without prejudice to the generality of the foregoing power, rules made under this section may provide for all or any of the following matters, namely:—

(i) principles regulating the nomination of members of the Board by the Central Government under clause (d) of sub-section (3) of section 4, and the election or nomination of the members referred to in clauses (b) and (c) thereof;

Provided that before making any nomination in the exercise of its powers the Central Government shall call for panels of names from the respective associations recognised by it of the interests referred to in clause (d);

(ii) the term of office of members of the Board, the circumstances in which and the authority by which members may be removed and the filling of casual vacancies in the Board;

(iii) the procedure to be followed at meetings of the Board and at committees thereof for the conduct of business,

and the number of members which shall form a quorum at any meeting;

(iv) the maintenance by the Board of records of business transacted by the Board, and the submission of copies thereof to the Central Government;

(v) the holding of a minimum number of meetings of the Board every year;

(vi) the powers of the Board, its Chairman and committees thereof with respect to the incurring of expenditure and the powers and duties of the Rubber Production Commissioner and the Secretary of the Board;

(vii) the conditions subject to which the Board may incur expenditure outside India;

(viii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(ix) the maintenance of the accounts of income and expenditure of the Board and the audit of such accounts;

(x) the deposit of the funds of the Board in banks and the investment of such funds;

(xi) the re-appropriation of the estimated savings from any budget head to any other budget head;

(xii) the conditions subject to which the Board may borrow funds;

(xiii) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(xiv) the delegation to committees or the Chairman or Vice-Chairman or members or officers of the Board of any of the powers and duties of the Board under this Act;

(xv) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers and other employees of the Board;

(xvi) the travelling and other allowances of members of the Board and of committees thereof;

(xvii) the purposes for which the funds of the Board may be expended;

(xviii) the maintenance of the registers and other records of the Board and of its various committees;

(xix) the collection of any information or statistics in respect of rubber or any product of rubber;

(xx) the form of application for registration under section 10 or the cancellation of such registration, the fee payable on such applications, the procedure to be followed in granting or cancelling registration and the registers to be kept by the Board;

(xxi) the form of application for special licences under section 14 or section 17, the fees for the grant or renewal of such licences, and the forms of such licences;

(xxii) the manner in which rubber shall be graded and marketed;

(xxiii) the fee payable on appeals under section 23;

(xxiv) any other matter which is to be or may be prescribed.

(3) All rules made under this Act shall, as soon as may be after they are made, be laid before both Houses of Parliament."

**19. Amendment of section 26, Act XXIV of 1947.**—Section 26 of the principal Act shall be numbered as sub-section (1) thereof, and after that sub-section as so numbered, the following sub-sections shall be inserted, namely:—

"(2) If the person committing any offence under sub-section (1) is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (2), where an offence under sub-section (1) has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director or manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

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

(a) "company" means any body corporate, and includes a firm or other association of individuals; and

(b) "director" in relation to a firm means a partner in the firm."

**20. Insertion of new section 27A in Act XXIV of 1947.**—After section 27 of the principal Act, the following section shall be inserted, namely:—

"27A. *Jurisdiction of courts.*—No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act."

**21. Omission of section 29, Act XXIV of 1947.**—Section 29 of the principal Act shall be omitted.

**22. Validation of certain acts and indemnity in respect thereof.**—All acts of executive authority, proceedings and sentences which

Rep. by Act 58 of 1950

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have been done, taken or passed with respect to, or on account of, rubber, during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act, by the Government or by any officer of the Government or by any other authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the principal Act shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any authority whatsoever on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

Rep. by Act 58 of 1950, S. 2 of Sch. I (W. P. 26-12-60)