

An Act to provide for the development under the control of the Union of the rubber industry

WHEREAS it is expedient to provide for the development under the control of the Union of the rubber industry;

It is hereby enacted as follows:

Section 1
Short title and extent

This Act may be called THE RUBBER ACT, 1947.

It extends to the whole of India except the State of Jammu and Kashmir

Section 2
Declaration as to expediency of Union Control

It is hereby declared that it is expedient in the public interest that Union should take under its control the rubber industry.

Section 3
Definitions

In this Act, unless there is anything repugnant in the subject or context

- a) “Board” means the Rubber Board constituted under this Act;
- b) “dealer”, means any person who deals in rubber, whether wholesale or retail or holds stocks of rubber, and includes the representative or agent of a dealer;
- c) “estate” means any area administered as one unit which contains land planted with rubber plants;
- cc) “Executive Director”, means the Executive Director appointed under this Act;
- d) “export” and “import”, mean respectively taking out of, and bringing into, India by sea, land or air;
- dd) “India” means the territory of India excluding the State of Jammu and Kashmir.
- e) “manufacturer” means any person engaged in the manufacture of any article in the making of which rubber is used;

f) “owner”, includes any agent of an owner and a mortgagee in possession and a lessee of an estate:

g) “prescribed” means prescribed by rules made under this Act;

h) “rubber” means

- (i) crude rubber, that is to say, rubber prepared from the leaves, bark or latex of any rubber plant;
- (ii) the latex of any rubber plant; whether fluid or coagulated, in any stage of the treatment to which it is subjected during the process of conversion into rubber;
- (iii) latex (dry rubber content) in any state of concentration,, and includes scrap rubber, sheet rubber, rubber in power and all forms and varieties of crepe rubber but does not include rubber contained in any manufactured article;

i) “rubber plant” includes plants, trees, shrubs or vines of any of the following:-

- (i) Hevea Braziliensis (Para Rubber)
- (ii) Manihot Glaziovii (Ceara Rubber)
- (iii) Castilloa elastica
- (iv) Ficus elastica (Rambong), and

Any other plant which the Board may, by notification in the Gazette of India, declare to be a rubber plant for the purpose of this Act;

j) “Rubber Production Commissioner”, means the Rubber Production Commissioner appointed under this Act.

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

Section 4

Constitution of the Board

1)As soon as may be after the commencement of this Act, the Central Government shall, by notification in the Official Gazette, constitute for the purposes of this Act a Board to be called the Rubber Board.

2) The Board shall be a body corporate by the name of the Rubber Board having perpetual succession and a common seal, with power to acquire and hold property, both movable and immovable, and to contract, and shall by the said name sue and be used

3) The Board shall consist of:-

- a) A Chairman to be appointed by the Central Government.
- b) Two members to represent the State of Tamil Nadu. One of whom shall be persons representing rubber producing interests.
- c) Eight members to represent the State of Kerala, six of whom shall be persons representing the rubber producing interests, three of such being persons representing the small growers.
- d) Ten members to be nominated by the Central Government of whom to shall represent the manufacturers and for the labours.
- e) Three members of Parliament of whom two shall be elected by the House of People and one by the Council of States;
- f) The Executive Director, ex-officio; and
- g) The Rubber Production Commissioner, ex-officio

4) The persons to represent the State of Tamil Nadu and Kerala 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

Section 5

Vacancies in the Board

1) If any authority or body fails to make within reasonable time any nomination which it is entitled to make under section 4 the Central Government may itself nominate a member to fill the vacancy.

2) Where a member of the Board dies, resigns or is removed or ceases to reside in India or becomes incapable of acting the Central Government shall on the recommendation of the authority or body entitled to nominate the member under section 4 or where such

recommendation is not made within a reasonable time, then on its own initiative appoint a person to fill the vacancy.

3) No act done by the Board shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution, of the Board.

Section 6

Salary and allowances of Chairman

A person appointed as the whole time 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 and a person appointed as the part-time Chairman shall be entitled to such honorarium and allowances, if any, and such other conditions of service as may from time to time be fixed by the Central Government.

Section 6A

Executive Officers of the Board

1. The Central Government may appoint an Executive Director 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.

1A. 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 Executive Director, the Production Commissioner and the Secretary to the Board Rubber 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, if whole time, the Executive Director, 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.

Section 7
Committees of the Board

Omitted by Act 54 of 1954

- 2) The Board may appoint such Committees as may be necessary for the efficient performance of its duties and functions under this Act.
- 3) The Board shall have the power to co-opt as members of any Committee appointed under sub-section (2) such number of persons who are not members of the Board, as it may think fit.
- 4) The Board may appoint and authorize agents to discharge on its behalf any of its functions in relation to the marketing or storing of rubber.

Section 8
Functions of Board

- 1) It shall be the duty of the Board to promote by such measures as it thinks fit the development of the rubber industry.
- 2) Without prejudice to the generality of the forgoing provision, the measures referred to therein may provide for
 - a) Undertaking assisting or encouraging scientific technological and economic research.
 - b) training students in improved methods of planting, cultivation, manuring and spraying.
 - c) the supply of technical advice to rubber growers.
 - d) Improving the marketing of rubber.
 - e) The collection of statistics from owners of estates, dealers and manufacturers.
 - 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.
- 3) It shall also be the duty of the Board-
 - a) to advise the Central Government on all matters relating to the development of the rubber industry, including the import and export of rubber;

to advise the Central Government with regard to participation in any International Conference or scheme relating to rubber;

c) to submit to the Central Government and such other authorities as may be prescribed half yearly report on its activities and the working of this Act;

d) to prepare and furnish such other reports relating to the rubber industry as may be required by the Central Government from time to time.

Section 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.

Section 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.

without Section 9

Funds of the Board

1) Indian Rubber Production Board constituted under the Rubber Control and Production Order, 1946, is hereby dissolved, and all funds and other property vested in, and liabilities of that Board shall respectively vest in, and be liabilities of the Board constituted under this Act,

2) Board shall maintain two funds, a general fund and a pool fund.

Section 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 there under; 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.

Section 9B

Pool Fund

1) To the Pool Fund shall be credited.

a) all sums realised by sales of rubber imported or purchased under Section BA.

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

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

Section 10

Registration

1) Every person owning land planted with the rubber plants whether such land is comprised in one estate or in more than one estate and whether it is situated wholly or partly in India shall before the expiry of one month from the date of commencement of this act, apply to the Board to be registered as an owner in respect of each estate owned by him.

2) A registration once made shall continue in force until it is cancelled by the Board.

Section 11

Power to prohibit or control imports and exports Rubber

- 1) The Central Government may, by order published in the Official Gazette, make provision for prohibiting, restricting or otherwise controlling the import or export of rubber, either generally or in specified classes of cases.
- 2) All goods to which any order under sub-section (1) applies shall be deemed to be goods of which the import or export has been prohibited or restricted under section 19 of the Sea Customs Act, 1878, (VIII of 1878) and all the provisions of that Act shall have effect accordingly, except that section 183 thereof shall have effect as if for the word “shall” therein the word “may” were substituted.
- 3) If any person contravenes any order made under sub-section (1), he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Sea Customs Act, 1878, (VIII of 1978) as applied by sub-section (2), be punishable with imprisonment for a term which may extend to one year or with fine or with both.

Section 12

Imposition of new rubber cess

- 1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied as a cess for the purposes of this Act, a duty of excise on all rubber produced in India at such rate, not exceeding two rupees per kilogram of rubber so produced, as the Central Government may fix.
- 2) The duty of excise levied under Sub-section (1) shall be collected by the Board in accordance with rules made in this behalf either from the owner of the estate on which the rubber is produced or from the manufacturer by whom such rubber is used.
- 3) The owner or as the case may be the manufacturer shall pay to the Board the amount of the duty within one month from the date on which he receives a notice of demand therefor from the Board and if he fails to do so the duty may be recovered from the owner or the manufacturer as the case may be as an arrear of land revenue.
- 4) For the purpose of enabling the Board to assess the amount of the duty of excise levied under this section –
 - a) the Board shall, by notification in the Official Gazette, fix a period in respect of which assessments shall be made; and
 - b) prejudice to the provisions of section 20, every owner and every manufacturer shall furnish to the Board a return not later than fifteen days after the expiry of the period to which the return relates, stating.

- a) in the case of an owner, the total quantity of rubber produced on the estate in each such period:

Provided that in respect of an estate situated only partly in India, the owner shall in the said return show separately the quantity of rubber produced within and outside India.

- (ii) in the case of manufacturer, the total quantity of rubber used by him in such period out of the rubber produced in India.

5) If any owner or manufacturer fails to furnish, within the time prescribed, the return referred to in sub-section 4 or furnishes a return which the Board has reason to believe is incorrect or defective, the Board may assess amount of the duty of excise in such manner as may be prescribed.

6) Any person aggrieved by an assessment made under this section may, within three months of the service of the notice under sub-section (3), apply to the District Judge for the cancellation or modification of the assessment, and the District Judge shall, after giving the Board and opportunity of being heard, pass such order (which shall be final) as he thinks proper

7) The proceeds of the duty of excise collected under this section reduced by the cost of collection as determined by the Central Government shall first be credited to the Consolidated Fund of India, and then be paid by the Central Government to the Board for being utilized for the purposes of this Act, if Parliament by appropriation made by law in this behalf so provides.

Section 13

Power to fix maximum and minimum prices for sale of rubber.

1) The Central Government may by order published in the Official Gazette fix the maximum price or the minimum price or the maximum and minimum price to be charged, in the course of a business of any class specified in the order for rubber of any description so specified.

2) Any such order may fix different maximum or minimum prices to be charged in the course of business of different classes for the same description of rubber.

3) If any person buys or sells or agrees to buy or sell rubber at a price which is more than the maximum price or less than the minimum price fixed under sub-section (1) in that behalf, he shall be punishable with imprisonment for a term which may extend to one year or without fine or with both.

Section 14

Licensing of transactions in rubber

No person shall sell or otherwise dispose of, and no person shall buy or otherwise acquire, rubber except under and in accordance with the terms of a general or special licence issued by the Board.

Section 15

Provisions regarding licences under section 14

1) Every general licence issued under section 14 shall be published by the Board in the Gazette of India and in such newspapers as the Board may direct.

2) A special licence issued under section 14 shall be valid only for such period as may be specified therein

Provided that the Board may from time to time extend the period of validity of any such licence.

3) The Board may at any time for reasons to be recorded by it in writing revoke a special licence granted under section 14 and on such revocation it shall be returned to the Board by the person to whom it was issued.

4) No application for special licence made by a person who was carrying on business as a dealer or manufacturer immediately before the commencement of this Act shall be rejected by the Board except for special reasons to be recorded in writing.

Section 16

Restriction on possession of rubber

1) No person not being the owner or occupant of an estate or a person who has acquired rubber under a general or special licence issued by the Board under section 14 shall have any rubber in his possession

2) Any court trying a contravention of sub-section (1) may, without prejudice to the provisions of section 26, direct that any rubber in respect of which the Court is satisfied that such contravention has been committed shall be forfeited to Government.

Section 17

Licences for planting or replanting

- 1) No person shall plant or replant rubber except under and in accordance with the conditions of a special licence issued by the Board.
- 2) A licence issued under this Section shall specify the area in which rubber may be planted or replanted and the period for which the licence shall be valid.
- 3) No licence issued under this section shall be transferable except with the land to which it relates.

Section 18

Reports to be submitted by licensees

- 1) Every holder of a licence issued under Section 17 shall at such time as the Board may require, furnish to it a report specifying the areas newly planted or replanted during the period to which the report relates and containing such other particulars as may be required by the Board.
- 2) The Board may revoke any licence issued under Section 17 if it is satisfied that the licence was obtained by misrepresentation or fraud if the licensee contravenes any of the terms or the licence or if the licensee fails to submit the report referred to in sub section (1)

Section 19

Fees for special licences

The Board may levy such fees as may be prescribed for the issue and renewal of special licences under Section 14, Section 15 or Section 17.

Section 20

Submission of returns and maintenance of account

Subject to such exceptions as may be prescribed, every owner, every manufacturer, and every holder of a special licence issued under section 14 not being an owner or a manufacturer, shall –

- a) Submit to the Board, such returns at such times, in such form, and containing such particulars, as may be prescribed;
- b) Maintain true and correct accounts and other records pertaining to his estate or business, as the case may be, in such form as may be prescribed;

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).

Section 21

Inspection of land and premises

Any person authorized in this behalf by the Central Govt. or by the Board or any Member authorized 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.

Section 22

Control by the Central Government

- 1) All acts of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board.
- 2) The records of the Board shall be open to inspection at all reasonable times by any officer authorised in this behalf by the Central Government.

Section 23

Appeal

Any person aggrieved by an order of the Board refusing to issue or renew, or revoking, a special licence under the provision(s) of section 14, (section 15 or section 17) may, within sixty days of the making of the order and on payment of the prescribed fee, appeal to the Central Government, and the decision of the Central Government thereon, and subject only to such decision the order of the Board, shall be final and shall not be called in question in any Court.

Section 24

Accounts of the Board

- 1) The Board shall keep such accounts, in such manner and in such form as may be prescribed, of all moneys received and expended by it.
- 2) The Board shall cause the accounts to be audited annually by auditors appointed by the Central Government, and the auditors shall have the power to disallow any item of expenditure which in their opinion has not been properly incurred under this Act.
- 3) The Central Government may, on the application of the Board allow any item of expenditure disallowed by the auditors under subsection (2).

Section 25

Power of Central Government to make rules

1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

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 subsection (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 recognized 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 meeting 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 Executive Director, 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 traveling 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 canceling registration and the registers to be kept by the Board;

(xx-a) the cases and circumstances in which the duty of excise under Section 12 shall be payable by the owner and manufacturer respectively, the manner in which the duty may be assessed, paid or collected, the regulation of the production, manufacture, transport or sale of rubber in so far as such regulation is necessary for the proper levy, payment or collection of the duty;

(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) Every rule 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 rule or both Houses agree that the rule should not be made, the rule 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 rule.

Section 26

Penalties

1) If any person –

- a) Contravenes any provision of this Act other than Section 11 of Section 13 or any rule made under this Act.
- b) If any report or return to be furnished under this Act makes any statement which is false and which he knows to be false or does not believe to be true or
- c) Obstructs any officer of the Board in the discharge of any duty imposed or entrusted to him by or under this Act or
- d) having the control or custody of any account books or the record fails to produce such books or records when required by any authorized office to do so,
he shall be punishable with imprisonment for the term which may extent to one year or with fine which may extend to one thousand rupees or with both

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 n this sub-section shall render any such person liable to any punishment provided in this Act if he proves that 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.

Explanataion- for the purposes of this section:-

- a)“company” means anybody corporate, and includes a firm or other association of individuals ; and
- b) “director” in relation to a firm means a partner in the firm.

Section 27

Procedure for prosecutions

No prosecution for any offence punishable under this Act shall be instituted except by or with the consent of the Central Government or the Board.

Section 27A

Jurisdiction of courts

No court inferior to that of a Presidency Magistrate or of Magistrate of the first class shall try any offence punishable under this Act.

Section 28

Bar of legal proceedings

No suit, prosecution or other legal proceeding shall lie against the Board or any officer of the Board for anything in good faith done or intended to be done under this Act.

Section 29

Temporary powers of the Central Government

[Repealed by the Rubber (Production and Marketing) Amendment Act, 1954 (Act 54 of 1954 S21 (1-8-1955)]