

# The Rubber (Amendment) Act, 2009

February 25, 2013

## Preamble

### **The Rubber (Amendment) Act, 2009<sup>1</sup>**

**[No. 4 OF 2010]**

[January 21, 2010]

An Act further to amend the Rubber Act, 1947

Be it enacted by Parliament in the Sixtieth Year of the Republic of India as follows—

Prefatory Note—Statement of Objects and Reasons—

The Rubber Act, 1947 was enforced on 18th April, 1947. Over the years industry has undergone immense changes. In view of the development, suitable amendments in the provisions of the Rubber Act, 1947 are needed.

2. The provisions for registration of estates and licence for planting and replanting of rubber are redundant in the liberalised scenario. The omission of these sections will remove cumbersome restrictions. The existing procedure for assessment and collection of cess is time consuming and complex. Introduction of a self-assessment procedure in place will facilitate smooth collection and avoid delay. Enhancement of penalty for violation of the provisions of the Act and introduction of a new provision for compounding of offences will check illegal transaction and evasion of cess. Ensuring quality standards of natural rubber exported and imported as well as consumed in the domestic market is essential. A single fund in the place of the General fund and the Pool fund will be effective device for quick and smooth flow of money into the fund and it will give fresh impetus to the functioning of the Board.

3. The Rubber (Amendment) Bill, 2009, therefore, seeks to delete obsolete provisions and substituted some of the existing provisions in the Rubber Act, 1947 (XXIV of 1947) so as to further rechristen it to meet the changing scenario.

4. The Bill seeks to achieve the above objects.

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**Received the assent of the President of January 21, 2010 and published in the Gazette of India, Extra., Part II, Section 1, dated 22nd January, 2010, pp. 1-5, No. 5**

Section 1. Short title and commencement

(1) This Act may be called the Rubber (Amendment) Act, 2009.

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

## Section 2. Amendment of Section 3

In Section 3 of the Rubber Act, 1947 (24 of 1947) (hereinafter referred to as the principal Act),

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

“(ga) “processor” means a person who undertakes the processing of rubber;”;

(b) In clause (k), for the words “fifty acres”, the words “ten hectares” shall be substituted. `

### Section 3. Amendment of Section 4

In the principal Act, in Section 4, in sub-section (3), after clause (d), the following clause shall be inserted, namely—

“(da) three members to be nominated by the Central Government of whom two shall be from the Department of Commerce and one from Department of Agriculture and Co-operation;”.

### Section 4. Amendment of Section 8

In the principal Act, in Section 8,—

(i) in sub-section (2),—

(a) After clause (d), the following clause shall be inserted, namely—

“(da) improving the quality of rubber and implementing the standards for quality, marking, labelling and packing for the rubber produced or processed in, imported into or exported from, India;”;

(b) In clause (e), for the words “and manufactures”, the words “manufacturers and processors” shall be substituted;

(ii) In sub-section (3), in clause (c), for the words “half-yearly reports”, the words

“Annual report” shall be substituted.

### Section 5. Substitution of new section for Sections 9, 9-A and 9-B

In the principal Act, for Sections 9, 9-A and 9-B, the following section shall be substituted, namely—

“9. Rubber Development Fund.—(1) There shall be a fund to be called the Rubber Development Fund and there shall be credited,—

(a) All sums forming the funds of the Boards immediately before the commencement of the Rubber (Amendment) Act, 2009;

(b) The proceeds of cess paid to the Board by the Central Government under sub-section (7) of Section 12;

(c) Any sum of money that may be paid to the Board by way of grants or loans by the Central Government;



- (d) Internal and extra budgetary resources of the Board;
  - (e) All moneys received and collected under Section 26-A; and
  - (f) Any other sum that may be levied and collected under this Act and the rules made there under.
- (2) The Rubber Development Fund shall be applied—
- (a) To meet the expenses of the Board;
  - (b) To meet the cost of the measures referred to in Section 8;
  - (c) To meet the expenditure incurred in the performance of its functions under this Act or the rules made there under;
  - (d) To meet the expenditure for rehabilitation of small growers; and
  - (e) 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 6. Omission of Section 10

Section 10 of the principal Act shall be omitted.

## Section 7. Amendment of Section 12

In the principal Act, in Section 12,—

- (i) in sub-section (2),—
  - (a) For the words “such rubber is used.”, the words “such rubber is used or from the exporter by whom such rubber is exported:” shall be substituted;
  - (b) The following provisos shall be inserted, namely—

“Provided that the Central Government may, if considered necessary in the public interest, by order for reasons to be recorded in writing, exempt or reduce the duty of excise on rubber exported on such terms and conditions as it deems fit:

Provided further that the Central Government may, by notification in the Official Gazette, specify zero paisa per kilogram as the rate of duty of excise on natural rubber produced in India and procured for export by the exporters of natural rubber for the period from the 1st April, 1961 to the 31st August, 2003.”;

- (ii) For sub-section (3), the following sub-section shall be substituted, namely—

“(3) Subject to the provisions of this Act, every owner, exporter or the manufacturer, as the case may be, shall pay the duty of excise to the Board in the manner and for the period referred to in sub-section (4) and, if he fails to do so, the duty may be recovered with the cost of collection and interest at such rates, as may be prescribed, from the owner, exporter or the manufacturer, as the case may be, as an arrear of the land revenue.”;



(iii) In sub-section (4) in clause (b),—

(a) For the words “fifteen days”, the words “thirty days” shall be substituted;

(b) In sub-clause (ii), for the words “rubber used”, the words “rubber acquired” shall be substituted;

(iv) In sub-section (5),—

(a) For the words “owner or manufacturer”, the words “owner, exporter or manufacturer” shall be substituted;

(b) After the words “as may be prescribed”, the following shall be inserted, namely—

“and collect the cess from the owner, exporter or the manufacturer, as the case may be, after issuing a notice and after making such enquiry as it considers necessary, with such rate of interest as fixed under sub-section (3):

Provided that where for any reason, the Board finds that an owner, exporter or manufacturer, as the case may be, has paid cess in excess of what is due from him, it shall be adjusted against the future payment, if any, from him or shall be refunded to him.”.

## Section 8. Amendment of Section 13

In the principal Act, in Section 13, in sub-section (1), after the words “The Central Government may”, the words, “if it deems necessary”, shall be inserted.



## Section 9. Substitution of new section for Section 17

In the principal Act, for Section 17, the following section shall be substituted, namely—

“17. Implementation of standards for quality, marking, etc., for rubber.—(1) The Board shall implement the standards for quality, marking, labelling and packing for various marketable forms of rubber, for the rubber produced or processed in, imported into or exported from, India.

(2) Any officer of the Board authorised by the Chairman may at any reasonable time inspect the rubber sold or purchased by any dealer or processor at any factory or other premises of a dealer, processor or manufacturer or exporter for the purpose of ensuring the compliance of the standards under sub-section (1).”.

## Section 10. Omission of Section 18

Section 18 of the principal Act shall be omitted.

## Section 11. Amendment of Section 19

In the principal Act, in Section 19, for the words and figures “Section 15 or Section 17”, the words and figures “or Section 15” shall be substituted.

## Section 12. Amendment of Section 21

In the principal Act, in Section 21,—

(a) For the words "any officer of the Board may", the words "any officer of the Board authorised by the Chairman may" shall be substituted;

(b) For the words "manufacturer, for", the words "manufacturer or processor, for" shall be substituted.

## Section 13. Insertion of new Section 22-A

In the principal Act, after Section 22, the following section shall be inserted, namely—

"22-A. Power of Central Government to issue directions to Board.— Without prejudice to the foregoing provisions of this Act, the Board shall, in the discharge of its functions and duties under this Act, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Board shall, as far as practicable, be given opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government whether a question is one of the policy or not shall be final."

## Section 14. Insertion of new Section 24-A

In the principal Act, after Section 24, the following section shall be inserted, namely—

"24-A. Power to delegate.—The Central Government may, by notification in the Official Gazette, direct that any power exercisable and functions performed by it under this Act may be exercised and performed in such cases and subject to such conditions, if any, as may be specified in the notification by such officer or authority as may be specified therein."

## Section 15. Amendment of Section 25

In the principal Act, in Section 25, in sub-section (2)-

(a) Clause (xx) shall be omitted;

(b) After clause (xxa), the following clause shall be inserted, namely—

"(xxb) the cost of collection and the rate of interest to be recovered in case of delayed payment of duty under sub-section (3) of Section 12;"

(c) In clause (xxi), the words and figures "or Section 17" shall be omitted.

## Section 16. Insertion of new Section 25-A

In the principal Act, after Section 25, the following section shall be inserted, namely—

"25-A. Power to make regulations.—(1) The Board may, with the previous approval of the Central Government, by notification make regulations, not inconsistent with the provisions of this Act and the rules made there under, to carry out its functions.



(2) Every regulation made under sub-section (1) shall be laid before each House of Parliament.”.

## Section 17. Amendment of Section 26

In the principal Act, in Section 26, in sub-section (1), for the words “one thousand rupees”, the words “five thousand rupees” shall be substituted.

## Section 18. Insertion of new Section 26-A

In the principal Act, after Section 26, the following section shall be inserted, namely—

“26-A. Compounding of offences.—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), any offence punishable under this Act may, either before the institution of prosecution or with the permission of the court after the institution of the prosecution be compounded by the Board on payment to the Board such sum of money as does not exceed the value of the goods in respect of which contravention has been committed.”.

