



## The West Bengal Jute Goods Act, 1950

Act 5 of 1950

**Keyword(s):**

**Contract Relating to Jute Goods, Jute, Jute Goods, Margin**

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# West Bengal Act V of 1950<sup>1</sup>

## THE WEST BENGAL JUTE GOODS ACT, 1950.

Amended

West Ben. Act III of 1953.

[15th March, 1950.]

*An Act to provide for the prevention of certain dealings in jute goods.*

WHEREAS it is expedient to provide for the prevention of certain dealings in jute goods;

It is hereby enacted as follows:—

1. (1) This Act may be called the West Bengal Jute Goods Act, 1950.
- (2) It extends to the whole of West Bengal.
- (3) It shall come into<sup>2</sup>force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Short title,  
extent and  
commence-  
ment.

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

Definitions.

- (1) “contract relating to jute goods” means a contract relating to the sale or purchase of jute goods made on a forward basis—
  - (a) providing for the payment or receipt, as the case may be, of margin in such manner and on such dates as may be specified in the contract, or
  - (b) by or with any person not being a person who—
    - (i) habitually deals in the sale or purchase of jute goods involving the actual delivery of possession thereof, or
    - (ii) possesses, or has control over, a godown and other means and equipments necessary for the storage and supply of jute goods;

<sup>3</sup>*Explanation.*—Actual delivery of possession shall be deemed to include the transfer of any delivery order or railway receipt or dock receipt or mate’s receipt of godown warrant.

- (2) “jute” includes the fibre commonly known as *mesta*;

<sup>1</sup>For Statement of Objects and Reasons, see the *Calcutta Gazette, Extraordinary*, dated the 21st February, 1950, Part IV, page 231; for proceedings of the West Bengal Legislative Assembly, see the Proceedings of the meeting of the West Bengal Legislative Assembly, held on the 28th February, 1950.

<sup>2</sup>This Act came into force on the 9th May, 1950, vide notification No. 1236Com., dated the 8th May, 1950, published in the *Calcutta Gazette, Extraordinary*, of 1950, Part I, page 574.

<sup>3</sup>This *Explanation* was added with retrospective effect by s. 2 of the West Bengal Jute Goods (Amendment) Act, 1953 (West Ben. Act III of 1953).

Nothing in the said West Ben. Act III of 1953 shall apply or deemed ever to have applied to any case in which a decree has once been passed before the commencement of the said Act (vide section 3 of West Ben. Act III of 1953).

## (Section 3.)

- (3) "jute goods" means—
- (a) hessian cloth made of jute or bags made of such hessian cloth; and
  - (b) gunny cloth made of jute or bags made of such gunny cloth;
- and includes such other goods made of jute as the State Government may specify by notification in the *Official Gazette*;
- (4) "margin" means the difference between the rate specified in a contract relating to the sale or purchase of jute goods made on a forward basis and the rate prevailing on such date subsequent to the date of the contract as may be specified in the contract.

Power of State Government to prohibit contracts relating to jute goods.

3. (1) The State Government may, from time to time, if it so thinks fit, by notification in the *Official Gazette*, prohibit the making of contracts relating to jute goods and may, by like notification, withdraw such prohibition:

Provided that the withdrawal of any such prohibition shall not affect the operation of the provisions of sub-section (2) in respect of any contract relating to jute goods made prior to the date on which the prohibition is withdrawn.

(2) When the making of contracts relating to jute goods is prohibited by a notification under sub-section (1),—

- (a) no person shall make any such contract or pay or receive any margin except, in the case of any such contract made prior to the date of the notification, to the extent to which the payment or receipt, as the case may be, of margin is allowable on the basis of the last closing rate in a notified market;
- (b) no owner or occupier of any premises shall knowingly permit such premises to be used for the making of any such contract or for the payment or receipt of margin in contravention of the provisions of clause (a); and
- (c) notwithstanding anything contained in any other law for the time being in force,—
  - (i) every such contract made, and every claim in respect of margin, in contravention of the provisions of clause (a) shall be void and unenforceable, and
  - (ii) every such contract made prior to the date of publication of the notification shall be varied and settled on the basis of the last closing rate in a notified market.

V of 1950.]

(Sections 4, 5.)

*Explanation.*—In this sub-section,—

- (a) "last closing rate" means the rate fixed by the directors of a notified market to be the closing rate of such market immediately preceding the date of publication of the notification under sub-section (1) prohibiting the making of contracts relating to jute goods; and
- (b) "notified market" means a jute goods market recognised by the State Government by <sup>1</sup>notification in the *Official Gazette*.

4. Whoever in contravention of the provisions of section 3,—

Penalty.

- (a) makes a contract relating to jute goods, or pays or receives, as the case may be, margin, or
- (b) being the owner or occupier of any premises, knowingly permits such premises to be used for the making of a contract relating to jute goods or for the payment or receipt of margin,

shall, on conviction, be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

Act V of  
1898.

5. Notwithstanding anything contained in the Code of Criminal Procedure, 1898, an offence punishable under this Act shall be cognisable and non-bailable and shall not be triable by any Magistrate other than a Presidency Magistrate or Magistrate of the First Class.

Special  
procedure.

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<sup>1</sup>For notification relating to the recognition of jute goods markets for the purposes of paragraph (b) of the *Explanation* to sub-section (2) of section 3 of the Act, see notification No. 1238Com. dated 8.5.50, published in the *Calcutta Gazette, Extraordinary* of 1950, Part I, page 574.