

## APPENDIX IX

### WEST BENGAL ORDINANCE No. X OF 1948

THE WEST BENGAL RAW JUTE FUTURES ORDINANCE, 1948  
(Published in the "Calcutta Gazette, Extraordinary", of the 24th  
August, 1948.)

And whereas it is expedient and necessary to provide for the prevention of dealing in raw jute futures,

And whereas the West Bengal Legislature is not in session and the Governor is satisfied that circumstances exist which render it necessary for him to take immediate action;

The Governor is pleased, in exercise of the power conferred by sub-section (1) of section 88 of the Government of India Act, 1935, to make and promulgate the following Ordinance, namely:—

1. *Short title, extent and commencement.*—(1) This Ordinance may be called the West Bengal Raw Jute Futures Ordinance.

(2) It extends to the whole of West Bengal.

(3) It shall come into force on the date of its publication in the Official Gazette.

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

(1) "contract relating to raw jute futures" means a contract relating to the sale or purchase of a screwed bale of raw jute 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 raw jute 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 raw jute;

(2) "margin" means the difference between the rate specified in a contract relating to the sale or purchase of a screwed bale of raw jute 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.

3. *Power of Provincial Government to prohibit contracts relating to raw futures.*—(1) The Provincial Government may, from time

to time, if it so thinks fit, by notification in the Official Gazette, prohibit the making of contracts relating to raw jute futures 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(2) in respect of any contract relating to raw jute futures made prior to the date on which the prohibition is withdrawn.

(2) When the making of contracts relating to raw jute futures 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.

*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 raw jute futures; and
- (b) “notified market” means a raw jute futures market recognised by the Provincial Government by notification in the Official Gazette.

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

- (a) Makes a contract relating to raw jute futures, or pays or receives, as the case may be, margin, or
- (b) Being the owner or occupier of any premises, knowing permits such premises to be used for the making of a contract relating to raw jute futures, 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.

5. *Special procedure.*—Notwithstanding anything contained in the Code of Criminal procedure, 1898, an offence punishable under this Ordinance 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. Act V of 1898.