

The Sugar Factories Control Rules, 1950

1. Short title, extent and commencement:--(1) These rules may be called the Sugar Factories Control Rules, 1950.

(2) They shall come into force at once.

2. Definitions:--In these rules unless there is anything repugnant in the subject or context:--

- (i) "Act" means the Sugar Factories Control Act, 1950 (XXII) of 1950).
- (l-a) "Sugarcane (Development) Cess means the Sugarcane (Development) Cess levied under section 12 of the Finance Act, 1964.
- (ii) "Inspector" means any person appointed under section 7 of the Act to perform the duties of an Inspector.
- (iii) "Occupier of a factory" means the person who has ultimate control over the affairs of a factory.
- (iv) "Notification" means a Notification published in the official Gazette.
- (v) "Purchasing Agent" includes any person, not being the grower or has authorised representative or Cane-Growers' Co-operative Society or a paid employee of the occupier of the factory not employed on commission basis, who purchases, supplies, delivers, weighs or pays for cane.
- (vi) "Purchasing Centre" means any place at which cane is purchased, supplied, delivered or paid for and includes such portion of the premises of the factory at which any of the co-operations to take place
- (vii) "Weigh bridged" means any mechanism used to weigh cane and includes any weighbridge maintained or used by the occupier, or purchasing agent or by any person acting on his behalf.
- (viii) "Year" means the agricultural year commencing on the 1st day of July and ending on the 30th day of June next following.

3. Sugarcane Control Board: -- (1) The Board shall consist of the following

Members namely:

- (i) The Director of Agriculture;
- (ii) The Director of Industries;
- (iii) The Cane Commissioner;
- (iv) One representative of each Sugar Factory in the Province concerned;
and
- (v) One person nominated by Government from among the growers of sugarcane of each area, where a sugar factory is located.

(2) The Board shall in addition to the powers and duties conferred or imposed upon it by the provisions of the Act, advise the Provincial Government on all matters, connected with the sugar industry of the Province concerned that may be referred to it by the Provincial Government.

(3) The meetings of the Board shall be held at such places and on such dates as the Chairman may fix.

(4) Notice in writing of all meetings shall be circulated by the Chairman to all members not less than one week before the date fixed for meeting, except in urgent cases.

(5) The term of appointment of the Board and its members excepting the first Board which may come into existence any time shall normally be one year, from the 1st July till 30th June next year, unless otherwise the Provincial Government directs.

(6) When the place of a member nominated to the Board becomes vacant by resignation or death of such member or by an order of Provincial Government such member ceases to be a member. The Provincial Government shall nominate a new member to fill the vacancy, subject to the provisions of sub-rule (2), and such new member shall hold office for the unexpired period of term of office of the member in whose place he has been nominated.

(7) The procedure in Appendix I to these rules shall be followed at meetings of the Board.

4. (1) The following Officers shall be *ex-officio* Inspectors within the limits of their respective jurisdiction:-

- (i) The Director Food.
- (ii) The Cane Commissioner.
- (iii) All Additional Cane Commissioners.
- (iv) All Deputy Directors Food.
- (v) All Assistant Cane Commissioners.
- (vi) Section Officer (Sugar), Government of Province concerned, Food Department. .

(2) An Inspector may, with such assistance, as he deems necessary:--

- (i) enter any factory or any other place appurtenant therewith which is or which he has reasons to believe, is used as purchasing centre of sugarcane;
- (ii) examine the weighbridges or scales or weights used, kept or possessed for weighing or purchase of cane at any such place;
- (iii) cause any vehicles carrying cane to be weighed or reweighed in his own presence;
- (iv) examine the registers maintained at any factory or purchasing centre or at any place appurtenant thereto in respect of purchases/carriage of cane; payments made to the growers and Sugarcane (Development) Cess due from the mills or deposited into the Government Treasury;

- (v) examine any person or record statement of any person for the proper checking of collections and payments of the Sugarcane (Development) Cess by a factory;
- (vi) examine and check accounts pertaining to the manufacturer of sugar and recovery percentages of sugar;
- (vii) issue from time to time such instructions as may be necessary to ensure equitable purchase of cane ; provided that such instructions shall only be issued for reasons to be recorded in writing and if they have not been previously approved by the Cane' Commissioner, they shall be submitted to him with for confirmation;
- (viii) issue from time to time instructions to ensure timely payment of the Sugarcane (Development) Cess due to Government, and
- (ix) exercise in good faith such other powers as may be conferred on him under any law for the time being in force or as may be necessary for carrying out the purpose of the Act these rules.

5. Intimation regarding starting of crushing: -- The occupier of the factory will send a notice of starting crushing one clear month in advance to Cane Commissioner in Form 2 Appendix II.

6. Estimate of quantity of cane required by factories:-- (1) The occupier of a factory shall submit to the Cane Commissioner on or before 1st May each year, in Form 3, Appendix II, an estimate of the quantity of cane which will be required by the factory during the crushing season next following the ensuing crushing season.

(2). The Cane Commissioner shall, after consulting the Board, publish the same with such modification as may be necessary within a month of receipt of the estimate, in the official Gazette and at the office of the District in which the factory is situated.

(3). The Provincial Government may on its own motion or on any application for revision file within a month of the publication of the estimate, revise it.

7. Declaration of reserved areas:--(1) In declaring reserved areas under section 10 (1) of the Act the Cane Commissioner may take into considerations:-

- (a) the distance of the factory from the area proposed to be reserved;
- (b) facilities for transport to the factory from the area proposed to be reserved;
- (c) whether the area has previously supplied cane to the said factory;
- (d) previously existing zoning arrangements among the factories; and
- (e) the estimated quantity of cane required by the factory.

(2) An order of the Cane Commissioner declaring any area to be reserved for any particular factory or altering the boundaries of an already reserved or canceling any previous order declaring an area to be reserved shall be communicated to the occupier of the factory concerned and shall be published in the official Gazette and at the office of the Collector of the district in which the area is situated and also at the gate. of the factory.

8. Survey of reserved area and grower's registers: -- (1) When an area has been reserved, the Cane Commissioner may cause a survey of the sugarcane in it to be made in Form 4, Appendix II and may deliver a copy of the survey report to the occupier of the factory concerned.

(2) The cost of the survey may be assessed at one rupee for every 20 acres of sugarcane surveyed and shall be payable by the occupier of the factory within a month of the delivery of the form referred to in sub-rule (1).

(3) The occupier of a factory shall, after such local verification as he considers necessary, prepare a register in Form 3, Appendix II, as required under section 12 of the Act to be called the Grower's Register, and it shall be open to inspection by every cane grower of a reserved area.

(4) Any grower having or claiming to have, grown sugarcane in reserved areas, may apply to the occupier of the factory for the correction of entry in or in the addition of a new entry to the Grower's Register. The occupier shall keep a record of these applications.

(5) The occupier of the factory shall, after such enquiry as he considers necessary, pass orders on the application within a fortnight of its receipt and a true copy of such orders shall be supplied to the applicant. An appeal from the order of the occupier shall lie to the Revenue Extra Assistant Commissioner within whose jurisdiction the land in question is situated and his decision shall be final.

(6) The occupier of a factory shall give a copy of the entries in the grower's register on application made before the 15th December in any year to any person.

(7) The Grower's Register shall be preserved by the occupier of a factory for a period of two years following the crushing season to which it refers.

9. Purchase of cane grown in a reserved area:--(1) The occupier of a factory shall estimate or cause to be estimated, by thirtieth September, the quantity of sugarcane with each grower enrolled in the Grower's Register and shall submit the estimate to the Cane Commissioner who may, after such enquiries as he considers necessary, modify the estimates and cause them to be published in such manner as he may direct.

(2) A Cane Grower or a Cane-Growers' Co-operative Society in a reserved area may offer in Form 6, Appendix II, by the first October each year to supply during the crushing season to the occupier for the factory for which the area has been reserved, cane not exceeding in the case of cane growers the quantity estimated in accordance with sub-rule (1).

(3) The occupier of the factory for which the area is reserved shall enter into an agreement with the Cane Grower or the Cane-Growers' Cooperative Society, as the case may be, in Forms 7 and 8, respectively, or in any other form approved by the Cane Commissioner, within a month of the offer mentioned in sub-rule (2).

(4) The occupier of a factory shall spread the purchases made in the reserved area in an equitable manner, and shall in the case of cane growers of the reserved area make purchases of cane only after issuing requisition slips. In order to comply with this rule, the occupier shall cause identification cards to be distributed to all cane growers of the reserved area to whom requisition slips will be issued, and shall maintain a record of the same.

(5) Requisition slips and identification cards to members of a Cane Growers' Co-operative Society shall be issued by the Society.

(6) In case of a dispute whether a particular system adopted for the purchase of one grower in the reserved area is equitable or not the dispute may be referred to the Cane Commissioner whose decision shall be final.

10. Declaration of an assigned area and purchases of cane in an assigned area:- (1) An order of the Cane Commissioner declaring an area to be assigned for a factory or prescribing the quantities of cane to be purchased by its occupier in the assigned area, modifying or canceling any previous orders, shall be communicated to the occupier of the factory and shall be published at the office of the District in which the area is situated, and at such centers in assigned areas as the Cane Commissioner may direct.

(2) An appeal against an order of the Cane Commissioner under section 14 of the Act may be made to the Provincial Government within one month of the publication of such order at the Office of the Deputy Commissioner.

(3) The occupier of a factory for which an area has been assigned shall by the 16th October each year for any crushing season enter into agreement of Forms 7, 8 or 9 of Appendix II, as the case may be, with cane growers or Cane Growers' Co-operative Societies or purchasing agents for the purchase in the assigned area of such quantity of cane as may be fixed by the Cane Commissioner.

(4) If such an agreement is entered into with a purchasing agent, the latter shall enter into similar agreements, in Form 10, Appendix II, with cane growers or Cane-Growers' Cooperative Societies in the assigned area in respect of all the cane which he has undertaken to supply to the occupier of the factory.

(5) Purchase of cane from growers in the assigned area shall be spread in an equitable manner and shall be made only after the issue of requisition slips. The purchaser shall cause identification cards to be distributed to the cane grower's of the assigned area who have entered into the agreements, and he will keep a record of the requisition slips and identification cards issued to the cane growers.

(6) The Cane Commissioner will lay down the system of purchase to be adopted by the occupier of a factory, or his employees or the purchasing agents in the assigned area.

11. General provision regarding purchases of cane:--- (1) No person shall transfer or abet the transfer of a requisition slip for the cane grower to another person, with the object of enabling cane other than that belonging to the grower for whom the requisition slip has been issued to be sold to a factory.

(2) No person shall accept or obtain, or agree to accept or attempt to obtain, from any person for himself as gratification or consideration, bonus, set-off, luck money, or any other such payment whatever, other than legal remuneration, as a motive or reward for weighing or purchasing cane, or making payment therefore, or for issuing requisition slips or for showing or for bearing to show in connection with the weightment or purchase of supply of or payment for cane in favour or disfavour to any person

(3) No person shall falsely represent himself as a grower of cane, or as authorised by such grower to deliver cane on his behalf for as a person duly authorised by the grower to receive payment on his behalf.

(4) The occupier of factory or a purchasing agent shall alter the location of, or establish a purchasing centre at a particular place for the supply of cane to the factory, if so directed by the Cane Commissioner after consultation with the Board.

(5) Except with the precious approval of the. Cane Commissioner no occupier or purchasing agent shall purchase cane consigned to them by a cane grower from the place where a purchasing centre has been or has been ordered to be established under sub-rule (4).

(6) An occupier or a purchasing agent who opens a purchasing centre shall send intimation thereof within 24 hours of the start of operations to the Collector and to the Inspector within whose jurisdiction such purchasing centre is situated.

(7) If a purchasing centre is opened with the intention of purchasing cane for a period of less than 14 days, the occupier or purchasing agent concerned shall (i) affix a notice at the purchasing centre at the time of opening, showing the probable duration of the period during which the purchasing centre is to remain open, and (ii) send intimation of such duration at the same time to the Collector and to the Inspector within whose jurisdiction the purchasing centre is situated.

(8) If a purchasing centre is opened with" the intention of purchasing cane for a period of 14 days or more, or if it remains open for a period of 14 days or more, the occupier, or purchasing agent shall, at least three days before he closes the purchasing centre either permanently, or except, as provided in sub-rule (9) temporarily:--

(i) affix a notice to that effect at the purchasing centre specifying clearly the date on which the centre is to be closed; and

(ii) sending intimation of the' date of the proposed closure to the Collector and to the Inspector within whose jurisdiction the purchasing centre is situated.

(9) If a purchasing centre has to be closed owing to break-down of machinery or other causes necessitating an abrupt but temporary suspension of operation, the occupier or purchasing agent concerned shall:-

(i) cause to be posted immediately at the purchasing centre concerned notices indicating the probable duration of the suspension;

(ii) cause the suspension of purchase to be otherwise advertised as widely as possible;

(iii) send intimation thereof immediately to the-Cane Commissioner and to the Inspector within whose jurisdiction the purchasing centre is situated; and

(iv) purchase all requisitioned cane brought within 12 hours of posting of notices under clause (i). In such cases the Collector may at his discretion, and if he is satisfied that the closure - was unavoidable, grant exemption from the three days' period referred to in sub-rule (8).

(10) An occupier and a purchasing agent shall:--

(i) cause a list to be put up at each purchasing centre showing the names of the persons employed by him for making weighments, purchases and payments; and for arranging the cane purchases at that centre;

(ii) cause such lists to be maintained up-to-date;

(iii) send a copy of the names, and of full particulars about the persons whose names are entered in these lists within 24 hours of their employment, to the Collector and to the Inspector within whose jurisdiction such purchasing centre is situated;

(iv) give each person employed for making weighments, purchases and payments a written authority to that effect; and

(v) not knowingly employ any person who has been previously convicted for breach of any of the provisions of the Act or these Rules, or has been sentenced to imprisonment for a period exceeding six months, without the permission of the Cane Commissioner, for making weighment, purchases or payments.

(11) No person who is not authorised in accordance with sub-rule (10) shall make or supervise weighments, purchases or payments at any purchasing centre on behalf of an occupier or purchasing agent.

(12) A purchasing agent shall actively participate in, and if possible personally supervise the work of purchase of cane at least at one of the purchasing centres where purchases are made by him or on his behalf.

(13) A purchasing agent shall produce his licence, and a person employed by an occupier or a purchasing agent for making weighments, purchases or payments shall produce the written authority given to him under sub-rule 10 (iv) of this rule of demand by the Inspector.

12. Licensing of purchasing agents:---(1) An application for a licence to act as a purchasing agent under the Act shall be made in Form II, Appendix II, to the Cane Commissioner stating the district in which he wishes to purchase cane.

(2) Such application shall be duly stamped and accompanied by (a) a treasury receipt showing that licence fee of Rs. 50 has been deposited in the local Government Treasury (b) a nomination from the occupier of the factory concerned in Form 12, Appendix II, and (c) a declaration that the applicant does not hold a licence for any other district.

(3) The applicant shall deposit with the factory for which he desires to act as purchasing agent, as security, a sum of rupees one thousand in cash or Government securities of the face value of rupees one thousand or Post Office Cash Certificates of the present encashment value of rupees one thousand, or a bond of hypothecation of landed property worth rupees two thousand, and such security shall be maintained through the period such works as a purchasing agent and for six months thereafter.

Government will have the first charge on such or property for the recovery of any fine or compensation due from the purchasing agent or his employees under the Act or under these Rules, provided that, for reasons to be recorded in writing, and with the consent of the occupiers concerned, the Cane Commissioner may dispense with the deposit of security or permit the deposit of such smaller security as he thinks proper. In such cases, the occupier shall execute a bond holding himself liable for any sums recoverable from the Purchasing agent by way of fine under the Act, or under these rules, or otherwise, up to a limit of Rs. 1, 000.

(4) On receipt of application the Cane Commissioner may issue a licence in Form 13, Appendix 11, if he is satisfied that the applicant:--

(i) is not a minor, or a *purdahnashin* lady, or an undischarged insolvent, or a person of unsound mind, (ii) has not been convicted within the previous two years of an offence under the Act or these Rules, other than one which is in the opinion of the Cane Commissioner of a technical nature and not such as to justify refusal of the licence, (iii) has not been sentenced to imprisonment for a term exceeding six months for an offence involving moral turpitude, and (iv) is not a company, firm or other association of persons:

Provided that the Cane Commissioner may call upon the applicant and the occupier of the factory concerned to show cause why a licence should not be refused and may, thereafter, for reasons to be recorded in writing, refuse to grant a licence to such applicant.

(5) A licence shall remain in force only till the 30th June next following. It shall be renewed for the year following the said 30th June and for each subsequent year; on application being made to that effect by the purchasing agent in writing to the Cane Commissioner granting the licence, in the same manner and on the same condition as if it were an application for a new licence. On the expiry of a licence it shall if not renewed, be returned to the Cane Commissioner who issued it.

(6) A licence will ordinarily permit purchases at only one purchasing centre, but the Cane Commissioner may at his discretion permit purchases to be made at not more than three purchasing centres. Separate security will not be necessary, for the additional centres.

(7) A licence shall be valid only within the local limits of the district in which it has been granted. If a purchasing agent desires to purchase cane in a district other than that covered by the licence, an application to that effect shall be made to the Cane Commissioner for an endorsement on the licence making it available for such district. Unless there are valid reasons to the contrary such endorsement shall be made and no extra payment shall be made therefor.

(8) A licence shall be valid for making purchases on behalf of only one factory. If a purchasing agent desires to purchase cane for more than one factory, he shall be required to obtain a separate licence for each factory. Such licence shall be granted if (i) the Cane Commissioner is satisfied that the issue of another licence will not contravene the provision of sub-rule (7), and (ii) the consent in writing of the occupiers of all factories on whose behalf he already holds licences is produced before the Cane Commissioner.

(9) A licence of a purchasing agent shall be cancelled by the Cane Commissioner who issued the licence if (i) he receives an application to that effect from the occupier of the factory concerned, or (ii) the purchasing agent is adjudged insolvent or becomes of unsound mind.

(10) A licence of a purchasing agent may be cancelled, or an entry of warning made thereon by the Cane Commissioner who issued the licence. An endorsement on a licence of a purchasing agent may be cancelled or an entry of warning made on the licence by a Cane Commissioner who endorses the licence, in such cases, such Cane Commissioner shall send intimation of the orders passed by him to the Cane Commissioner who granted the licence for such action as he may deem fit. No order for the cancellation of a licence, or of an endorsement thereon, or for the making of an entry of warning of the licence shall be issued, except for reasons to be recorded in writing after giving an opportunity of explanation to the purchasing agent, and reasonable notice to the occupier of the factory concerned. Pending inquiry under this rule, the Cane Commissioner may suspend a licence, or endorsement thereon, but such suspension shall not take effect until after the expiry of 72 hours from the giving of notice thereof to the occupier of the factory concerned.

(11) An appeal shall lie to the Provincial Government from order of the Cane Commissioner refusing grant of a licence or canceling or suspending a licence. Such appeal shall be filed within one month of the date of the Cane Commissioner's order. The order of the Cane Commissioner, if no appeal is filed within the prescribed period, shall be final.

13. Minimum price and weighments:- (1) An occupier or a purchasing agent for any person employed by them shall not purchase cane for a factory or pay for it at a price below the minimum price fixed under these rule in accordance with section 16 of the Act.

(2) The occupier of a factory or a purchasing agent shall not make any deduction from the amount due for cane sold to him by a Cane Grower or a Cane Growers' Co-operative Society except such deduction as may be prescribed or as the Provincial Government may, by notification, from time to time allow.

(3) The minimum price payable for cane shall be fixed per standard maund of 822/7 lb. or as may be notified by Government from time to time.

(4) All transactions in connection with the purchase and supply of cane shall be made according to the maund of 82, 2/7 lb. or as may be notified by Government from time to time, and it shall be lawful to use any other weight in relation to any such transaction.

(5) No cane shall be purchased without actual weighment.

(6) The net weight of cane of cane shall be correctly recorded to the nearest weighth of a maund

(7) The occupier of a factory or purchasing agent shall permit a representative of a Cane-Growers' Co-operative Society; or any other person duly authorised by the Cane Commissioner for the purpose, to watch or check weighments and to examine the **parch** is in which weights are recorded.

(8) No scales or weighs shall be used, kept or possessed for the weighment of cane by or on behalf of, an occupier or a purchasing agent:-

- (i) which are incorrect, provided that a weighbridge shall not be deemed to be incorrect which weights correct to within two per cent of the correct weight of the consignment actually being weighed, and cannot be adjusted more accurately, or

- (ii) the scale arms of which are not clearly marked on both sides whenever possible, and are either not accessible to the vendors of cane and their authorised agent, or are not legible to persons standing near the carts which are being weighed; or
- (iii) which have been disapproved by an Inspector, provided that the Inspector shall not disapprove scales or weights which comply with the rules unless after a weighbridge is not adjusted and unless it is persistently found to be.

(9) All weights used, kept or possessed for the purchase of cane shall be made of iron, brass or other suitable metal, and be clearly stamped or marked to indicate the denomination.

(10) The part of the mechanism of a weighbridge by which its adjustment is controlled shall, wherever possible, be kept suitably sealed or locked.

(11) All scales and weights used, kept or possessed for the purchase of cane shall be open to inspection, examination and test by an Inspector at all times without notice, and shall be made available for inspection, examination and test when required by the Inspector.

(12) An occupier or purchasing agent shall cause all weighbridges or scales used, kept, or possessed by him for the purchase of cane to be tested at least twice a week, and maintain a record of such tests which shall on demand be shown to the Inspector.

(13) At every purchasing centre adequate facilities for weighing, and at heavier purchasing centres and at the main gates of each factory weighbridges with ticket printing device shall be provided to the satisfaction of the Cane Commissioner by the occupier. Carts and Lorries shall not be kept waiting unduly for weighment

Explanation:-- A cart or lorry shall not be deemed to have kept waiting unduly if the supplier of cane, having received instructions in writing to deliver cane on a certain day, ignores those instructions, or where the practices or issuing written instructions is in force, brings cane, without receiving such instructions.

(14) An occupier shall:--

- (i) provide metalled approaches to and exists from all weighbridges at the factory premises to such distance as may be in each case reasonable and feasible and up to a distance of one furlong, when required to do so by the Cane Commissioner;
- (ii) kept the same in a proper state of repair;
- (iii) provide reasonable space' for parking of carts 'and lorries' waiting their turn for approach to the weighbridges; and
- (iv) provide sheds and cattle troughs at the factory gates to the satisfaction of the Cane Commissioner.

(15) Weighments of the cane shall not be made more than half an hour after sunset, unless lighting arrangements approved by the Cane Commissioner as sufficient for the easy reading of the scales arms by both the purchaser and the vendor; or his authorised agent, are made and maintained.

(16) No deduction shall be made from the weight of cane on the ground that the cane is improperly stripped or on any other ground whatever, unless approved by cane Commissioner:

Provided that where cane is brought in bundles and weighed in bundles a deduction not exceeding 1 seer for every 4 maunds of cane may be made on account of the weight of the binding material

14. Payment: -- (1) The occupier or purchasing agent shall provide adequate facilities to the satisfaction of the Cane Commissioner for the payment of price of cane.

(2) The occupier or purchasing agent shall make all payments for cane at the purchasing centre within one week of demand:

Provided further that when a purchasing centre is closed all payments must be made at the centres within a week of the closing of the centre and, if any growers do not appear to receive payments within a week of the closing of the centre, payments to them should thereafter be made at the factory within 24 hours of demand.

(3) Payments shall be made on the basis of the recorded weight of cane at the purchasing centre.

(4) Payments for cane purchased for a factory shall not be made to a representative of the grower (or to a representative of the person representing him self to be such grower) unless he is duly authorised by him in writing to receive such payment:

Provided that no person who purchased the cane from the grower, or who is employed by an occupier or a purchasing agent and no person who has lent money to the grower, and no agent such person, shall take such payment.

(5) An occupier and purchasing agent shall be liable for all payments due for cane supplied to him or on his behalf. If a purchasing agent fails to make payment for cane purchased by him for a factory, the occupier of such factory shall be responsible for making such payments:

Provided that notice or complaint of non-payment is given, or made in writing, to the occupier of the factory concerned, within three months of the date on the purchasing centre at which the cane was supplied is closed.

(6) Except as provided in sub-rules (7), (8), (9) and (10) no deduction shall be made by way of fine or otherwise from the price of the cane purchased which would reduce such price to a figure below that calculated at the prescribed minimum rate.

Recoveries of dues of Cane-Growers' Co-operative Society may be made by deduction from the price payable for cane.

(7) When transport is provided by the occupier of the factory he may deduct the cost of transport according to the rate fixed by the Cane Commissioner:--

- (i) Deduction may be made, if cane is definitely below the average of standard cane for the area on account of delay in transport or natural causes, e.g., serious waterlogging, intensive insect attack, disease, or severe frost the Cane Commissioner will issue general instructions for the guidance of the occupier in regard to the extent to which such deductions are to be made and in cases of dispute the decision of the Cane Commissioner will be final.

(8) The Provincial Government, if satisfied that in any local area a substantial quantity of cane will remain standing and unsold on the 1st June, and is not likely to be purchased at the prescribed minimum price may by notification in the Official Gazette direct in such area deduction as may be specified in the notification may be made from the price of the cane purchased after that date.

(9) If any loan has been advanced by an occupier or a purchasing agent for meeting the expenses of cultivation to the persons from whom cane has been purchased, the amount of such loan, together with simple interest thereon at a rate not exceeding one rupee per month for the period the loan has been outstanding may, subject to the terms of the agreements between the lender and the borrower, be deducted from the amount paid for the cane:

Provided that the amount of the loan is not disproportionate to the area to be sown, or the assistance necessary to sow it, or the value of the cane to be delivered, and that no deduction is made in respect of a loan given more than three years previous to the date of purchase of cane.

Explanation:-- A loan for the purpose of this rule shall mean only an advance made in pursuance of an agreement to sow a definite area of sugarcane, and for enabling or assisting such area to be sown, or in pursuance of an agreement to deliver a certain amount of cane. The Cane Commissioner will decide on application from the occupier or purchasing agent concerned, whether a loan is proportionate to the area to be sown, or the assistance necessary to sow it, or the value of the cane to be delivered.

15. Notices:--(1) An occupier or a purchasing agent shall cause to be put up at each purchasing centre from the date it is started till the date it is closed:--

- (i) a copy of an abstract of the rules when received from Government;
- (ii) notice of suitable size in clear bold letters showing the minimum price fixed by Government and.
- (iii) the rates at which cane is being purchased at the Centre.

(2) such notices shall be put up:--

- (a) at each entrance to the factory;
- (b) at the place at which weighments of cane are made for the factory;
and
- (c) at such other conspicuous places near the place mentioned in (a) and (b) as the Collector of the District or the Inspector may direct.

(3) Entries of such notices shall be made legibly in Urdu, Pushto and English scripts, and shall be on one side of the paper only,

16. Registers and records:-- (1) The occupier or a purchasing agent shall prepare or cause to be prepared, at each purchasing centre a *parcha* in triplicate showing correctly:--

- (a) the serial number of the *parcha*;
- (b) the date of purchase;
- (c) the name of the person from whom the cane is purchased with his parentage and full address, together with similar particulars about the person authorised by the vendor to deliver cane on his behalf;
- (d) the number of the requisition or purzi assigned to the vendor, if any;
- (e) the weight of the cane, including the weight of the cart, lorry, or wagon, as the case may be;
- (f) the weight tax of the cart, lorry or wagon, as the case may be;
- (g) the weight of the binding material to be deducted;
- (h) the net weight of the cane purchased;
- (i) the rate at which the cane is purchased; and
- (j) the price that has to be paid for the cane at that rate after making Deduction on account of the Development Fund.

The entries of items (e) and (f) shall be made and announced in the presence of the person who actually deliver the cane while the cart, lorry or wagon still standing on a weighbridge, and in the case of the weighment on beam scales, Immediately on completion of the weighment.

Entries as regards items (a) and (e) shall be made as soon as weighment takes place; and entries as regards items (f) to (j) as soon as the empty cart is weighed.

(2) The *parcha* referred to in sub-rule (1) shall be handed over in duplicate to the person from whom cane is purchased, or to his authorised agent; before he leaves the purchasing centre. The triplicate copy of counterfoil shall be kept at the purchasing centre concerned.

(3) When payment is made for cane purchased, the receipt of the payee shall be taken on one of the counterfoils of the *parcha* handed over to him in accordance with the provision of sub-rule (2).

(4) An occupier and a purchasing agent shall maintain or record showing correctly:--

- (a) the serial number of the *parcha*;
- (b) the date of the purchase;
- (c) the name of the person from whom the cane is purchased, with his parentage, caste and full address, together with similar particulars about the person, if any, authorised by the vendor to deliver the cane on his behalf,
- (d) the number of the requisition slip or purzi assigned to the vendor, If any;
- (e) the weight of the cane including the weight of the lorry or cart or wagon; as the case may be;
- (f) the weight of the binding material to be deducted; .
- (g) deduction on account of bad cane;
- (h) the net weight of the cane purchased;
- (i) the rate of which the cane is purchased;
- (j) the price that has to be paid for the cane at that rate;
- (k) the amount of loan, if any, advanced to the person from whom the cane is purchased;
- (l) the amount of interest up to the date of recovery of the same;
- (m) the amount deducted on account of the Development Fund;
- (n) the amount actually paid on account of the cane purchased; and
- (o) the date of payment:

Provided that where no loans are advanced the columns giving the particulars by (k) and (l) above may be omitted from the register or record.

(5) A separate register or record shall be maintained for each factory on behalf of which purchases are made.

(6) An occupier and purchasing agent shall maintain or cause to be maintained, at each purchasing centre an inspection book in which Inspectors may record their remark and instructions.

(7) The registers and records maintained, and copies of counterfoils or *parcha* issued, including the copies or counterfoils of the *parchas* containing the receipts of the payees shall be kept at the purchasing centre until it is finally closed for the year. They shall be opened to inspection and checked by an Inspector; Or such other public servant as may be appointed by him for the purpose in this behalf:

Provided that the registers and records may be taken for check to the factory once in a calendar month and retained there for a period not exceeding 24 hours, at time when no purchases of cane are being made at the purchasing centre.

(8) The registers, records, *parchas*, etc., referred to in sub-rule (7), shall be preserved by the occupier concerned for two years from the date of last transaction entered thereon.

(9) The Cane Commissioner may sanction the use of such other registers, records and forms in place of those specified in sub-rules (1), (3) and (4) as in his opinion substantially fulfill the object of those sub-rules.

(10) The occupier of a factory shall submit correct returns relating to the production and sale of sugar and purchase of cane in such form, by such date and to such authority as may be directed by the Cane Commissioner.

17. Arbitration:--(I) Any dispute touching an agreement, referred to in these rules, shall, be referred to the Cane Commissioner for decision, or if he so directs, to arbitration. No suit shall lie in a Civil or Revenue Court in respect of any such dispute.

(2) If the Cane Commissioner directs the reference of suit to arbitration, it shall be referred to sole arbitrator acceptable to the parties concerned. In case no sole arbitrator is acceptable to both parties, the dispute in question shall be referred to a Board of Arbitration, consisting of one representative of each party and an umpire acceptable to both representatives. If the representatives of the parties are unable to elect such an umpire within a fortnight, the Cane Commissioner shall either himself act as umpire or nominate one. The umpire shall be the President of the Board of Arbitration, and shall have a vote in case of disagreement, between the representatives.

(3) The sole arbitrator the President of the Board of Arbitration shall have the full power of a Court in respect of summoning the parties, witnesses and records.

(4) The decision of the sole arbitrator or Board of Arbitration shall be final and binding on both parties, and shall not be called in question in any Civil or Revenue Court.

(5) The sole arbitrator or the Board of Arbitration shall give an award within the time fixed by the Cane Commissioner failing which the Cane Commissioner may decide the dispute himself, or appoint another arbitrator or arbitrators for the purpose.

(6) Any party considering himself aggrieved by an award may appeal to the Provincial Government within one month of the date of the communication of the award and the Government shall pass such orders as they deem fit.

(7) The Provincial Government's order in appeal shall be final.

(8) On application to the Civil Court having jurisdiction over the subject matter of the decision or award, the decision of the Cane Commissioner or the award of the arbitrator or arbitrators, or the Provincial Government's orders in appeal against award, shall be enforced by the Court as if such decision, award, orders in appeal were a decree of that Court.

18. Penalties:-- (1) Any person contravening any of the provisions of these rules for which no penalty has been provided in the Act, or not obeying a lawful order or direction conveyed to him in writing by the Cane Commissioner, if he is authorised by the Provincial Government to pass or issue such order, shall be punishable with fine which may extend to Rs. 1,000.00.

Provided that for a breach of the provisions of these rules committed by a purchasing agent or an employee of the occupier of a factory, under the orders in writing of the occupier or with his connivance and for his benefit, such occupier shall also be liable to punishment under this rule.

(2) Where an occupier of a purchasing agent is charged with an offence against these rules, he shall be entitled, subject to the direction of the Court, upon complaint duly made by him, to have any other person whom he charges as the actual offender brought before the Court at the time appointed for hearing the charge, the trial of the case shall thereupon proceed as if such other person were also an accused person and is, after the commission of the offence has been proved, the occupier or the purchasing agent as the case may be, proves to the satisfaction of the Court:-

- (a) that has used due diligence to enforce the execution of these rules; and
- (b) that the said person committed the offence in question without his knowledge, consent or connivance, that other persons shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or the purchasing agent, as the case may be, and the occupier shall be discharged from all liability in respect thereof under these rules.

(3) When it is made to appear to the satisfaction of the Inspector at any time prior to the initiation of prosecution:--

- (a) that an occupier or a purchasing agent has used all due diligence to enforce the execution of these rules; and
- (b) that the offence has been committed without the knowledge, consent or connivance of the occupier or the purchasing agent, or in contravention of his orders as the case may be, the Inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or the purchasing agent and such person shall, if found guilty, be liable to get the punishment to which the occupier or the purchasing agent would otherwise have been liable.

(4) No prosecution shall ordinarily be instituted under these rules unless the party complained against has been given an opportunity to show cause why he should not be prosecuted.

(5) No Court shall take cognizance of any offence under these rules except upon complaint made within one year of the date on which the offence is alleged to have committed.

(6) In case of a first offence the Court may, instead of passing a sentence e of fine, discharge the offender after administering a warning. Such warning in the case of a purchasing agent shall be endorsed on his licence.

(7) On pronouncement of judgment in a case instituted under these rules the Court shall send copies thereof to the Cane Commissioner, the occupier of the factory concerned, the Collector of the District in which the factory is situated.

19. Protection to persons acting under these rules:--- No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under these rules.

20. Powers to exempt from rules:--- The Provincial Government may for special reasons, by notification, exempt any factory or class of factories from all or any of the previous rules framed under the Act.

21. Interpretation of rules:--- All matters connected with the interpretation of these rules shall be referred to the Cane Commissioner, whose decision shall be final.

*** **