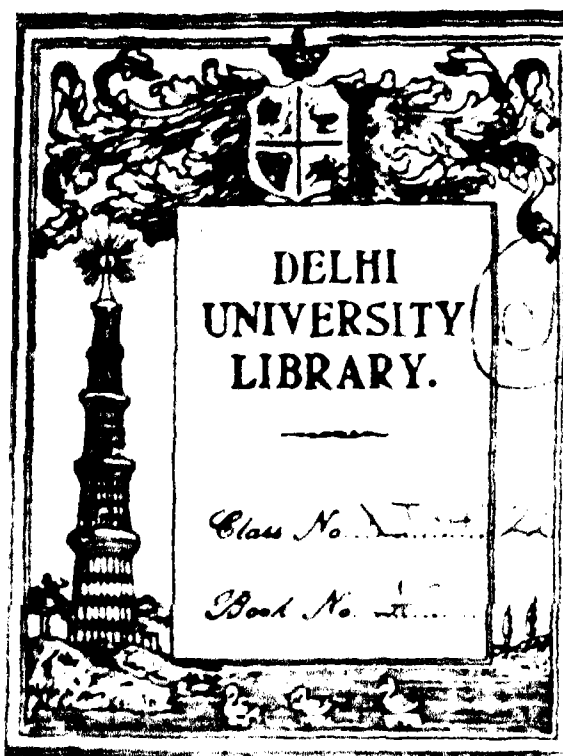




DELHI

Cl. No. X9J341:Z2 G9

Ac. No. 38019 Date of release for loan

This book should be returned on or before the date stamped last below. An overdue charge of one anna will be charged for each day the book is kept overtime.

THE
LAW ON
SUGAR & SUGAR EXCISE
IN INDIA

BY
SURYA PRAKASH, B.A., LL.B.
ADVOCATE

*(Hony. Legal Advisor Sugar Manufacturers Association
Bareilly)*

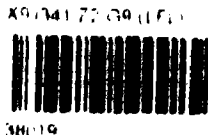
AND
SETH RAM KISHORE AGARWAL.

B. Sc., LL. B.,
VAKIL

With a Foreword

BY
THE Hon'ble Dr. SIR SITARAM
M.A., LL.B., D.Litt., Rm Bahadur
President U. P. Legislative Council

THE I



Y
NG HOUSE
J.P.

First Edition

All rights reserved

Price 2/8/-

BAREILLY 1939.

PRINTED AT THE EASTERN ELECTRIC PRESS, BAREILLY.

TO
MOTHER INDIA
THIS BOOK
IS
HUMBLY DEDICATED

FOREWORD.

The cultivation of Sugarcane and the manufacture, from it, of Sugar, Gur and Rab afford, at present, occupation, livelihood and profit to lakhs of people in India. Though India is the largest sugar cane producing country in the world, it was unfortunate that its imports of foreign sugar were more than 9 lakhs of tons in 1930-31. In these days of economic struggle and in the present machine age this village industry which was carried on primitive lines was deteriorating and it was in January, 1932, that Government decided to give protection to this industry.

Consequent on the fillip given to this industry by the levy of protective duty, the number of factories for manufacturing sugar has considerably increased. Whereas in 1929-30 the number of factories manufacturing sugar was only 29 in India, it rose to 146 in 1937-38. This excludes refineries from Gur and Rab. Proverbially shy as Indian Capital is, about 50 crores of rupees have been invested in these factories. The area under sugarcane has gone up, too, and more attention is being paid to improving the quality and the varieties of sugarcane. The levy of Excise Duty by the Central Government and that of sugar cesses of U. P. and Bihar has had and will have a number of economic repercussions which it would be beyond the scope of my foreword to comment upon. To what extent and for what period Government continues to lend the support of its protective duties are other factors to reckon with.

With the growth of this industry quite an extensive literature has sprung up round the subject. There are Laws, Central and Provincial and there are rules and regulations, besides a number of prescribed forms and returns. However, they are all scattered, it was a happy idea of the authors to bring out in a concise, handy and consolidated form all these in a book form with a commentary of their own. In these days of specialisation, their industry and initiative deserves appreciation at the hands of the public at large and in my judgement their book supplies a great want.

MEERUT }
June 9, 1939.

(Sd) SITA RAM

PREFACE

This book of law on Sugar and Sugar Excise is primarily an attempt at collecting and consolidating the entire statute law and procedure laid down by the Legislature or Government for the control, protection, or taxation of Sugar Industry in all its stages. Where necessary, suitable commentary has also been made, and up-to-date case-law available on the subject has been incorporated in the book. Since the book is sought to be made useful not only to the legal profession but also to those connected with the industry in any way, for instance Factory Owners, Manufacturers, Sugarcane Societies, all the forms connected with this law have also been given at their proper places. All amendments made upto the date of publication are incorporated. Since it is realised that the Acts and Orders contained in the book are liable to be amended off and on, a few blank pages at the end of this book have been attached for noting future amendments and case law.

Apart from the Central Government, some Provincial Governments have also passed some Acts or Orders in this respect. All these have been included in this Volume. The authors, however, regret their inability to include in this volume the Bihar Sugar Factories Control Act 1937. But the rules framed by the Bihar Government under this Act have been given in the Appendix. In view of the fact that the U. P. Sugar Factories Control Act, is based on and runs analogous to the Bihar Act, it is hoped, the omission will not be deemed material. In subsequent editions, however, this omission will be made good.

Since the work of collecting this kind of material and particularly the multifarious amendments made, thereto, from time to time is in its nature, a difficult one, it is possible that there might be some other omissions also. We would humbly request our readers to over-look such short-comings, and we would be highly obliged if our readers kindly inform us thereof. Making allowance for such deficiencies as are natural to such works, the authors hope that the book will fulfil its purpose to the utmost.

BAREILLY, }
12th October 1939. }

SURYA PRAKASH
RAM KISHORE

Publisher's Note.

Inspite of the exigencies of market at present the publishers have not raised the advertised price of the book, and have therefore effected necessary economy in its get-up, for which the indulgence of the readers is solicited.

LAW PUBLISHING HOUSE,
BAREILLY.

INTRODUCTION.

Sugar which is one of the most important articles of food has been produced in India since times immemorial. The method of production which was widely in vogue all over the country till late was the open pan system of boiling juice ending in refinement by bag-pressing (khanchi) system. With the growth of power-industry, not only the big vacuum pan factories have come into existence, but the indigenous method too has been materially affected in so far as refining by khanchi process has been mostly substituted by centrifugal refining. The Government have by various Legislations detailed below helped in the growth of power-industry. They have also made laws for the protection of various interests concerned in the working of the industry, and consecutively, through Excise Duty on sugar the Government have claimed but a modest price of all that has been done for the industry. The first important measure the Government of India took was in 1932 when Tariff protection at a fairly high level was granted to the industry, by the Government following the recommendations made in this behalf by the Tariff Board.

Before the mutiny, the general rate of duty levied on the import of sugar was 5%, which was increased to 10% due to financial stringency. In 1846, it was reduced to 7½% when the finances of the Government slightly improved. In 1875, by the passing of the Tariff Act, it was reduced to 5% again, and the Act of 1882 abolished it altogether. In 1884, the duty of 5% was again reimposed. Soon after this due to heavy import of beet-sugar from Germany and Austria, the Tariff Act of 1899 was passed by which an additional countervailing duty was imposed upon it. Even this measure did not stop the import of foreign sugar and the Government of India was forced to increase the duty further in 1902 in accordance with the Resolution adopted by the Brussels Conference. This Act of 1902 was revised in 1904, but was abolished in 1909 and 1912.

In 1916, the import duty was raised to 10% mainly for revenue purposes. It was further raised to 15% in 1921 and 25% in 1922. In 1925, a specific duty of Rs. 4/8/- per cwt. was substituted for the ad-valorem duty and this specific duty was raised to Rs. 6/- per cwt. in 1930 and to Rs. 7/4/- per cwt. in March 1931. A temporary surcharge of 25% was also levied with effect from the 30th September 1931 on all existing duties and taxes (excluding the export duties). This brought up the import duty on sugar to Rs. 9/1/- per cwt. which is equivalent to Rs. 6/10/6 per maund.

In January 1932, the Government of India passed the Sugar Protection Act of 1932 (Act XIII of 1932) by which the duty and surcharges shall remain in force till 1946 unless the Governor General after due enquiry has not increased or decreased it. The Governor General in 1939 has reduced the surcharge from Rs. 7/4/- per cwt. to Rs. 6/12/- per cwt. i. e. by -/8/- per cwt.

In 1934, the Central Government imposed the duty on sugar, mainly for revenue purposes, with differing rates on Factory, Khandsari and Palmyra Sugars, the assessable Khandsari sugar being limited to that produced in a "Factory" as defined in the Act.

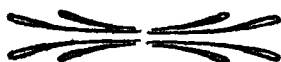
By the amendment of 1939 the duty on Khandsari sugar is reduced from Re. 1/- per cwt. to annas eight. But at the same time the definition of "Factory" is changed so as to delete the minimum limit of 20 workers, and so every Khandsari who manufactures sugar by power is to pay duty on sugar at the rate of -/8/- per cwt.

The Central Government have also made rules for the realisation of duty. Lately some Provincial Governments have made their own rules for this purpose.

Not only this, the Central Government also passed an Act in 1934 on Sugarcane known as Sugar cane Act of 1934. (Act XV of 1934). By this Act the Central Government regularised the supply of cane to Sugarcane Factories and framed laws for the rate at which sugarcane should be supplied by the Cane grower to the Factory owners. Under this Act the Government of United Provinces have framed sugarcane Rules of 1934 and 1936. The U P. and Bihar Governments have also passed Sugar Factories Control Acts, and framed rules under them.

The growth of sugar-industry on scientific lines warrants further and more intense Legislation for the Protection of the industry as a whole as well as of the different interests constituting it.

AUTHORS.



GENERAL CONTENTS

PAGES

PART I

From 1—78

ENTITLED "SUGAR"

Sugar Excise Act, 1934 (as amended upto 1939) ...	1-13
Sugar Excise Duty Order 1934 ...	14-25
The Bombay Sugar Excise Duty Supplementary Order 1938...	26-43
The Madras Sugar Excise Duty .. 1938...	44-57
Northern India Sugar Excise Duty Order 1938 ...	58-74
Prohibitions	75
Exemptions	75-77
Officers Empowerd to Search	78

PART II

From 79—108

ENTITLED "SUGAR CANE"

U. P. Sugar Factories Control Act 1938 (Amended upto date)	79-97
U. P. Sugar Cane Rules 1934	98-110
U. P. Sugar Cane Rules 1936 with amendments ...	111-133
U. P. Sugar Factories Control Rules 1938 ...	134-180

PART III

From 181—204

ENTITLED "SUGAR PROTECTION"

The Sugar Industry Protection Act, 1932 ...	181-183
U. P. Sugar Protection Rules (1933) ...	183-185
The Sugar Production Rules 1935	185-202
Sugar Industry Protection Temporary Extention Act of 1938	203
Sugar Industry Protection Act of 1939	204

APPENDIX

Bihar Sugar Factories Control Rules 1937 ...	I-XXXVIII
Sugar Cane Act 1934. ...	XXXIX-XXXX

PART I

CONTENTS

— 0 —

Sections		PAGES.
	The Sugar Excise Act, 1934.	1—13
1.	Short title and extent	1
2.	Definitions	2—5
3.	Imposition of duty on sugar	5—7
4.	Recovery of duty with penalty	7
5.	Issue of sugar from factory	7—8
6.	Power of Central Government to impose customs duty on sugar	8
7.	Penalty for issue of sugar from factory in con- travention of section 5	8
8.	Penalty for evasion of duty or failure to supply information	9
9.	Power of Courts to order forfeiture of sugar	9
10.	Application of the provisions of Act VIII of 1878 to the duty on sugar	10
11.	Power of Central Government to make rules	10—11
	Table of Penalties and Offences under the Act	12
	Table of Offences and Penalties under the Nor- thern India Sugar Excise Order 1938	13

Chapters

	Sugar (Excise Duty) Order, 1934	14—25
I	Short title and definitions	14—15
II	Special appointments and delegations	15
III	Manufacture	15—17
IV	Refunds and Remissions	17—18
V	Miscellaneous	18—20
	Forms	21—25
	 The Bombay Sugar (Excise Duty) Supplementary Order, 1938	 26—43
I	Short title, Commencement and definitions	26—27
II	Issue of sugar other than khandsari and palmyra sugar from factory	27—28
III	Special Provision for the khandsari sugar factories	28
IV	Accounts	29—30

Chapters	PAGES.
V Special Provision for the khandsari sugar ...	30
VI General	30
Forms	31—43

The Madras Sugar (Excise Duty) Supplementary Order, 1938 **44—57**

I Short title, Commencement and definitions ...	44—45
II Factories producing, whether exclusively or not sugar other than khandsari or palmyra ...	45—48
III Control over issue of sugar from factories engaged exclusively for the production of khandsari or palmyra sugar	48
IV Accounts to be maintained at factories producing whether exclusively or not, sugar other than khandsari or palmyra	48—49
V Accounts to be maintained at factories producing exclusively khandsari or palmyra sugar ...	49—50
VI General	50
Forms	51—57

The Northern India Sugar (Excise Duty) Order 1938, **58—78**

I Short title, Commencement and definitions ...	58—59
II Special appointments and delegations ...	59
III Manufacture and accounts	59—62
IV Refunds and Remissions	62—63
V Miscellaneous	63—65
Forms	66—74
Prohibitions	75
Exemptions	75—77
Officers empowered to search	78

THE SUGAR (EXCISE) ACT, 1934.

Whereas it is expedient to impose an excise duty on Sugar produced in factories and to provide for the collection thereof; it is hereby enacted as follows:—

1. Short title and extent:—(i) This Act may be called the Sugar (Excise Duty) Act, 1934.*

(ii) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

*An Act to provide for the imposition and collection of an Excise duty on Sugar.

Received the assent of the Governor-General on the 1st May 1934.

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

(a) "Factory" means any premises **"wherein or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months,"* and in any part of which any manufacturing process with the production of Sugar is being carried on or is ordinarily carried on with the aid of power;

(b) "Owner" includes any person expressly or impliedly authorised by the owner of the factory to be his agent in respect of such factory;

(c) "Sugar" means any form of Sugar containing more than ninety per cent of sucrose;

(d) "Khandsari Sugar" means sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; and

(e) "Palmyra Sugar" means sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

* Omitted by the Indian Finance Act 1939.

OLD SECTION.

"Factory".—According to Section 3 duty is to be assessed only on sugar produced in a factory. The definition of factory as it stands in the original Act is rather complex, and has given rise to varied decisions. As applied to the Central Sugar Mills it presents no difficulty since the number of men employed there is far above the minimum of twenty (20) workers prescribed in the definition. Difficulty has arisen only in its application to the Khandsars i.e. places where Rab is refined by means of power-driven centrifugals. To properly appreciate the difficulty it will be necessary to briefly examine the system of production employed in the production of the Khandsari Sugar.

In the Central Sugar Mills, the entire process from the crushing of the Sugar Cane right upto the crystallisation of sugar is carried on in the same premises by the means of power. But in the case of Khandsari sugar the process is clearly divisible in three distinct stages. The first consists of crushing of Sugar Cane and boiling it into a semi-liquid, yellowish mass called "Rab". This is carried out into the very interior of the village i.e. where cane is grown by open pan system. The second stage commences where this Rab is brought in earthen pots or tins to the place where the power-driven centrifugal is fixed. This is generally in the District or Tehsil, towns, or where either Electricity is used or power is generated by oil motors or steam boilers. Here the earthen pots are broken to bring out the mass which is poured into the centrifugal. The centrifugal generally used are of 18"×12" or 30"×18" size. Horse power ranging from 2 (two) to 10 (ten) is mostly employed. The time taken by the centrifugal to separate molasses from the Rab and refine the sugar ranges from 10 to 30 minutes.

The sugar thus taken out is called 'Pachni' as it is uneven and wet. This is the end of the second stage. The third stage consists of drying up the sugar on Pattas spread up in the sun and rubbed by feet. The clods (rori) are also removed here. The sugar thus dried is called Khandsari Sugar.

Now in most cases the second and the third process is carried on in the same premises. In others, the drying up is done in a different place or in an adjacent building. The Sugar Excise authorities have insisted on counting up all the workers employed in both the later stages

irrespective of whether they are carried on in the same building or in adjacent or different buildings. Doubts were, however, set at rest by a ruling of the Central Board of Revenue in the Central Excise appeal No. 2 of 1938 of L. Munna Lal of Bareilly; whereby it has been laid down that if the two processes are carried out in two different buildings even though they happen to be adjacent it is only the number of workers in the premises in which the power is used that will be counted for the purposes of this Act. Doubts, however, still exist as to whether the existence of a connecting passage between the two adjacent buildings will not take the case out of the scope of this ruling.

It is to be noted that the following ingredients are necessary to constitute a factory:—

(1) It is a premises wherein or within the precincts of which,

(2) (a) twenty or more workers are working, or,

(b) were working on any of the preceding twelve months
and

(3) in any part of which any manufacturing process connected with the production of sugar is being carried on with the aid of power.

Premises.—A premises literally means a house and out-houses etc. belonging to it. It also means lands, houses, tenements. Thus, when speaking of a concern like a Factory, "premises" will include all the buildings of a Factory together with the compound in which they stand. But if different branches or departments of work are carried on in the same premises or building then, the portion in which each department is being worked shall be considered separately, and if in it or within its precincts twenty or more workers are working etc. and if in any part of it any manufacturing process connected with production of sugar is carried on with the aid of power it will be called a Factory for the purposes of this Act. Now the spirit underlying the section is that emphasis is laid on the presence of 20 or more workers in the premises in any part of which manufacture of sugar is carried on by power. Therefore, if there are twenty or more workers present in two adjacent buildings wherein the process of manufacture of sugar is carried on then for the purposes of this Act only workers present in that premises in any part of which the refining of sugar is carried on as stated here-before will be counted for the purposes of this Act. If the nature of the process of manufacturing

Khandsari Sugar permits of being split up into different premises, then under the law, as it is, the worker in all the premises cannot be counted. It is that premises alone wherein or in any part of which power is used in which the number of men working are to be counted. The presence of a connecting passage between two adjacent buildings should not really affect the aforesaid conclusions; also, the place where the product of a factory is delivered even if directly connected with the place of production is not necessarily part of the factory. (Vide Case Spacey Versus Dollars, 1905 2 K. B. 879 C. A.)

The Board of Revenue in the case of *L. Munna Lal of Bareilly Central Excise appeal No. 2 of 1938* held that where, "the question arises whether the term premises used in the definition of factory contained in Sec. 2 (a) of the Act can be used to cover a group of physically separated buildings which are used to accommodate different parts of the same set of processes, the Board is satisfied that it cannot be so used". This judgement was followed in several subsequent cases.

It is, however, to be noted that separate buildings even though a considerable distance apart, may, if used for continuous manufacturing process, constitute a single factory or workshop. (See Eng. Act. S. 149 Selb Sec. 4) Hence a Gurhal Ghar was held to be a factory even though the engine shed was a separate building and less than 20 persons were employed therein, but over 20 persons were employed in the Gurghar inclusive of those employed on the workshop. (1930 A. I. R. Bom. 162 = 126 I. C. 86 = 31 Cr. L. J. 1094.)

Workers. Unlike the Factories the workers in this Act are not specified to be those connected with the manufacturing by the aid of power. Therefore workers of any description whatever, if found working in a premises as aforesaid will be counted. But those who carry the finished product (i. e. Palladars) to the purchasers or Commission Agents, or Cartmen who bring "Rab" from the villages, and proprietors, are evidently not persons working in the premises.

Were working on any day of the preceding twelve months.

For the purpose of determining a factory, if it is proved that 20 or more workers had worked on any day of the 12 months previous to the date of enquiry, the premises will be held to be a factory. But this does not seem to mean also that all the sugar issued from such factory within the preceding 12 months will be assessable.

SUGAR

UNDER THE AMENDMENT.

The portion in Clause (a) of Section 2 italicised is hereby omitted by the Indian Finance Act of 1939.

The amendment effected by clause 3 of the Finance Act of 1939 abolishes the limit of 20 workers imposed in the original Act. Thus any Sugar produced with the aid of power is liable to duty. The amendment, however, does not effect the other conditions which make Sugar liable to duty i.e. the condition contained in Clause (c) of this Section.

Clause (c) "Sugar"—The Sugar which is liable to duty under this Act is that which contains 90% Sucrose. The burden of proving that the particular Sugar contains the requisite percentage of sucrose lies on the assessing authority. (Central Excise Appeal No. 3 of 1938 in the case of Munna Singh Than Singh) According to rule 17 of the Sugar Excise Duty Order 1938, any dispute as to the sucrose content of Sugar shall be determined by the Chemical Advisor to the Commissioner or by such other Officer as the latter may empower in this behalf. Even where objection is raised in generality to the liability of Sugar to assessment, the Inspecting Officer ought to take a sample and refer the case to the Chemical Advisor. Failure to do so is fatal to assessment.

Palmyra Sugar—Means Sugar made out of palm juice commonly known as "Tarh".

3. Imposition of duty on Sugar.

(1) A duty of Excise shall be levied on all Sugar produced in any Factory in British India and either issued out of such Factory on or after the 1st day of April, 1934, or used within such factory on or after the said date in the manufacture of any commodity other than Sugar, and shall be payable by the owner of the factory.

(2) The duty payable under sub-section (1) shall be at the following rates, namely:—

(i) On Khandsari Sugar at the rate of one rupee and five annas*† per cwt;

* See Amendments infra.

(ii) On all other Sugar except palmyra Sugar at the rate of two rupees* per cwt;

(iii) On palmyra Sugar at such rate, if, any, as may be fixed in this behalf by the Central Government after such enquiry as he may think fit.

AMENDMENTS.

*Indian Finance Act 1937.

(Duty reduced to one rupee per cwt. vide notification No. 7-C Exc., dated the 3rd April 1937.

In clause (1) of sub clause (2) of the above section for the words "one rupee and five annas" the words "eight annas" shall be substituted. (Vide Indian Finance Act 1939)

NOTES

The rate of duty has been subject to many changes detailed above after the passing of the original Act.

According to the amendment of 1939, the rate of duty on Khandsari Sugar and palmyra Sugar is -/8/- per cwt. while on other Sugar it is 2/- per cwt.

Sugar liable to duty:—The Sugar which is liable to duty is that which is produced in a factory as defined in Section 2 of this Act. The amount of sugar which is to be taxed is that which is (a) issued out of such factory or (b) used within such factory in the manufacture of any commodity other than Sugar. Since a factory includes premises where anything is done towards the making or finishing of an article upto the stage when it is ready to be sold, or is in a suitable condition to be put on the market (vide 1928 Lahore 751 and 1933 Nagpur 283) and also includes, machines, rooms, sheds, godowns, yards etc. (1927 Madras 345), it is only Sugar issued out of the godowns that shall be liable to duty. Sugar only stocked and stored are not liable to duty unless issued.

The amendment effected by clause 3 of the Finance Act 1939 drastically effects the duty on Khandsari Sugar in so far as it makes all power produced Khandsari Sugar issued from the Khandsar on or after the 1st April 1939 liable to duty. It is doubtful, whether in cases where the Sugar so produced, in the workshop, was removed to distant stores before the midnight of March 31, 1939 will or will not

be liable to duty when issued out of such distant stocks after the above date.

In the light of the recent decisions of the Board of Revenue quoted before the place for laying pata if in a separate house, will not be included in the building in which centrifugal is fixed. Thus if from the centrifugal-house which will be "factory" under the recent act, only pachni is taken out to the patta-house then that pachni will be deemed to have been issued from the 'factory' and since it does not ordinarily contain 90% sucrose, it may not be liable to duty.

4. Recovery of duty with penalty—

(1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding double the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Act

5. Issue of Sugar from Factory—

No person shall issue any sugar out of a factory, except in accordance with the provisions of rules made in that behalf under this Act, or, until such rules are made, in accordance with the general or special orders of the Central Government.

NOTES.

For penalty for non-compliance with this rule see Section 7. Northern India Sugar Excise Order 1933 article 8 contains the provisions made in this behalf.

Where issue of Sugar is prohibited by the Assistant Commissioner under article 18 of Sugar Excise Order 1938 (Northern India.

A disobedience of that order will constitute an offence under section 7 read with section 5 of this Act. Article 4, 5, 6, and 8 of the Bombay Presidency Sugar Excise Duty Supplementary Order 1938 and articles 7, 8, 10, 11, 22, 23, of the Madras Sugar Excise Duty Supplementary Order 1938 relate to issue of Sugar

6. Power of Central Government to impose customs duty on Sugar—

(1) The Central Government may, by notification in the Official Gazette impose on sugar brought into British India from the territory of any State in India, not being territory which has been declared under section 5 of the Indian Tarriiff Act, 1894,* to be foreign territory for the purposes of that section, a duty of customs equivalent to the excise duty imposed by this Act on sugar produced in British India.

(2) *"The Governor General in Council may, by notification in the Gazette of India, declare that the provisions of the Land Customs Act, 1924, shall apply to the levy of the duty of Customs imposed under this section, and on such declaration that Act shall apply as if the expression "foreign territory" in that Act included territory forming part of State in India"*

* V 11 of 1894.

Sub Section (2) above italicised is hereby repealed by Section 6 and schedule of Act III of 1957.

7. Penalty for Issue of Sugar from Factory in contravention of Section 5—

Whoever contravenes the provisions of Section 5 shall be punishable with fine which may extend to two thousand rupees.

SUGAR

NOTES.

SEE NOTES UNDER SECTION 5 ANTE

8. Penalty for evasion of duty or failure to supply information—

Whoever evades or attempts to evade the payment of any duty payable by him under this Act, or fails to supply any information which he is required by any rule made under this Act to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

NOTES.

Evades or attempts to evade payment of any duty.

A late payment of duty is not evading payment of duty. Nor failure to keep correct daily account is failure to supply any information as is contemplated by this section. (vide case 1938 A. I. R. Patna Page 440 (pages 442, 443)).

Fails to Supply any information.

But failure to submit the monthly return according to article 5 of the N. I. Sugar Order (Excise Duty) 1934 and '38 amounts to failure to supply any information and is punishable under section 8. (1938 A. I. R. Patna Page 440 (443)).

This is, however, to be noted that failure to keep a correct daily account in form A is contravention of Art. 4 of the Sugar Excise Duty Order 1934 (1938) and is punishable under Art. 8 of the Sugar Excise Duty Order of 1934 corresponding to article 12 of the N. I. Sugar Excise Duty Order 1938.

9. Power of Courts to order forfeiture of sugar—

Any Court trying an offence under this Act may order that any sugar, together with the packages or coverings, thereof, in respect of which the court is satisfied that an offence under this Act has been committed, shall be forfeited to His Majesty.

10. Application of the provisions of Act VIII of 1878 to the duty on Sugar—

The Central Government may, by notification in the Official Gazette, declare that any of the provisions of the Sea Customs Act, 1878 (VIII of 1878), relating to the levy of and exemption from customs duties, drawback of duty, ware-housing, offences and penalties, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty on sugar imposed by section 3.

11. Power of Central Government to make rules—

(1) The Central Government may, by notification in the Official Gazette, make rules to carry into effect the purposes and object of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may:—

- (a) provide for the assessment and collection of the duty and the authorities by whom functions under this Act are to be discharged, the issue of notices requiring payments, the manner in which the duty shall be payable, and the recovery of arrears;
- (b) regulate the issue of sugar out of or the use of Sugar in the manufacture of commodities within any factory and provide for the appointment of Officers of the Crown to supervise within any factory such issue or use;
- (c) impose on the owners of factories, and on persons engaged in the sale of sugar, the duty of furnishing information, keeping records and

SUGAR

making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained therein, and the manner in which they shall be verified;

- (d) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under section 9 of sugar in respect of which breaches of the Act or rules have been committed, and the disposal of sugar so detained or confiscated ;
- (e) authorize and regulate the inspection or search of any place or conveyance used for the manufacture, storage or carriage of sugar ; and
- (f) authorize and regulate the composition of offences against or liabilities incurred under the Act and rules.

(3) In making any rule under this section the Central Government may provide that a breach of the rule shall, where no other penalty is provided by this Act, be punishable with fine not exceeding two thousand rupees.

TABLE OF PENALTIES AND OFFENCES UNDER THE ACT,

Penalty for non-payment of duty under Sec. 3.	Penalty for issue of sugar in contravention to sec. 5.	Penalty for evasion of duty or failure to supply information	Penalty for any offence under the Act
Any sum not exceeding double the duty unpaid, to be realised in addition to any other penalty incurred under the Act (Section 4)	Fine which may be extended to two thousand rupees (Section 7.)	Imprisonment which may extend to six months, or with fine which may extend to two thousand rupees or with both (Section 8)	Forfeiture of Sugar in respect of which offence has been committed (Section 9.)

OFFENCES AND PENALTIES UNDER THE NORTHERN INDIA SUGAR EXCISE ORDER 1938.

SUGAR

Penalty for not complying with the order of the inspecting Officer to arrange stocks for checking.	Penalty for (a) not keeping correct accounts according to Clause 4 or Cl. 7.	Where reasonable suspicion exists against any person that he has been guilty of an offence under the Act or the order.	Penalty for committing breaches under the Act or order.	Where a person reasonably suspected of having committed an offence.	Where the Commissioner has reason to believe that correct A/cs. are not kept in the prescribed form.	Where duty falls into arrears.
Fine which may be extended to Rs. 2,000 for inspection. (Clause 11-A). Imprisonment extending to six months or fine extending to two thousand rupees or both (Clause 12).	Where reasonable suspicion exists against any person that he has been guilty of an offence under the Act or the order. He may be arrested (Clause 21A). Proviso: The Asstt. Commissioner shall give the owner an option to pay in lieu of confiscation upto Rs. 2,000/- as fine, as he thinks fit (Clause 22).	Confiscation of the sugar in respect of which offence has been committed. The Asstt. Commissioner may accept a sum of money not exceeding Rs 1,000/- in lieu of punishment (Clause 13).	The Commissioner may direct that no sugar be issued from the factory or be used within factory without permit (Clause 13).	The Commissioner may order that no sugar shall be issued until duty has been paid (Clause 18).	The Commissioner may order that no sugar shall be issued until duty has been paid (Clause 18).	The Commissioner may order that no sugar shall be issued until duty has been paid (Clause 18).

SUGAR (EXCISE DUTY) ORDER, 1934.

In exercise of the powers conferred by sections 10 and 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), the Governor General in Council is pleased to apply in the adapted form set out below certain provisions of the Sea Customs Act, 1878 (VIII of 1878) and to make certain rules for the purpose of providing for the assessment and collection of the duty imposed by the first-mentioned Act.

CHAPTER I

Short title and definitions.

1. This Order may be called "The Sugar (Excise Duty) Order, 1934".

2. In this Order unless there is anything repugnant in the subject or context:—

(i) "the Act" means the Sugar (Excise Duty) Act, 1934;

(ii) "Collector" means—

(a) in the Provinces of Sind, Orissa and Coorg, the chief officer-in-charge of the revenue administration of a district,

(b) in the Provinces of Bombay, the Assistant Collector of Salt Revenue in whose jurisdiction the factory is situated,

(c) in the Province of Madras, the Assistant Commissioner of Salt Revenue in whose jurisdiction the factory is situated and includes any officer specially authorized to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under this Order;

(iii) "Inspecting Officer" means—

(a) in the Provinces of Sind, Orissa and Coorg any officer of the Land-Revenue, Excise, Customs, Salt and Income-tax Department, and

(b) in the Province of Bombay and Madras any officer of the Customs, Salt or Income-tax Department,

*In exercise of the powers conferred by sections 10 and 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934) the Central Government is pleased to direct that with effect from the 1st April 1939—

(A) the Sugar (Excise Duty) Order, 1934, shall be cancelled in its application to Northern India, namely, the Provinces of Bengal, Assam, Bihar, United Provinces, Punjab, North-West Frontier, Central Provinces, Delhi, Ajmer Merwar and Baluchistan.

[F. D. (C. R.) Notification No. 23-C. Etc., dated the 26th March 1938.]

SUGAR

authorized by the Collector to inspect the premises in which sugar liable to duty is possessed or manufactured and shall include an officer permanently stationed at the factory to supervise its operations :

Provided that (a) in the Province of Sind no officer of the Customs or Income-tax Department and (b) in the Provinces of Bombay, Madras and Crissa no officer of the Income-tax Department shall be appointed by the Collector to be an Inspecting Officer without the previous approval of the Central Board of Revenue ;

(iv) "Duty" means the duty payable under section 3 of the Act

(v) "India" means the territories included in India as defined in the General Clauses Act, 1897, together with all foreign possessions on the Continent of India not protected by customs cordon

CHAPTER. II.

Special appointments and delegations.

3. Unless the Central Government shall in any case otherwise direct the power of specially authorising any officer to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under this Order shall be exercisable by the Provincial Government in the Provinces of Sind, Orissa and Coorg, and by the Collector of Salt Revenue in the Provinces of Bombay and Madras.

CHAPTER III

Manufacture

4. Every owner of a factory shall keep correct daily account in Form A appended to this Order. Separate accounts shall be kept for (a) sugar other than *khandsari* sugar or palmyra sugar, (b) *khandsari* sugar and (c) palmyra sugar.

5. Within five days after the close of each month, every owner of factory shall submit to the Collector a monthly return in Form B appended to this order showing the quantity of sugar issued from the premises of the factory or used within the said premises for the manufacture of any commodity other than sugar during that month. Separate returns shall be filled for (a) sugar other than *khandsari* sugar or palmyra sugar, (b) *khandsari* sugar, and (c) palmyra sugar.

6. On receipt of the return referred to in Clause 5 the Collector shall, after verification of the return of exports, if any, to places out-

SUGAR

side India and such other enquiry as he may deem fit, assess the duty payable on sugar removed from the factory or used within its premises for the manufacture of any commodity other than sugar. If the owner of a factory fails to submit a return the Collector may make a summary assessment on such information as may be available. The amount assessed shall be communicated to the owner of a factory who shall pay it into the Treasury by the end of the month following that for which the return was required to be made less any amount or amounts that may have been paid, before the return is submitted, into an approved treasury or approved treasuries elsewhere, provided that evidence of such payment or payments shall be presented to the Collector within 14 days of the close of the month to which the return relates.

- 6-A. (1) During the season in which sugar is being manufactured in a factory, no outside sugar shall be received therein for the purpose of crushing only and no sugar not produced in the factory shall be crushed therein during such period
- (2) Any sugar received in factory for crushing only and liable to the payment of full duty on issue, shall, both prior and subsequent to crushing be stored separately from sugar which is produced in the factory.
- (3) The owner of a factory where sugar is received for crushing only shall maintain correct and separate daily accounts in Form D, appended to this Order, in respect of all sugar to which sub-clause (2) applies. He shall submit a monthly abstract of the account in the said Form D to the Collector within five days of the close of each month.
- (4) If sugar to which sub-clause (2) applies is mixed either before or after crushing with sugar produced in the factory, the entire quantity shall be assessable to duty on issue as if it had been produced in the factory.

7. The Collector or Inspecting Officer may enter the premises of any owner of a factory and inspect the building, the machinery, the stocks and the accounts and may at any time check the correctness of the records made of removal of sugar from the factory or their transfer within the factory to that part of the premises (if any) in

SUGAR

which it is to be used for the manufacture of any commodity other than sugar.

7-A. An Inspecting Officer shall check the stock balance of sugar in every factory by actual counting once a year between 1st October and 30th November and when there is reason to verify the accuracy of a factory's account he may check the stock at any other time of the year. If the stock is not arranged in an orderly manner so as to permit of actual counting the Inspecting Officer may require the factory owner to arrange, without avoidable delay, the stock in separate rows, each row containing the same number of bags of sugar of uniform size and weight. He may also require the factory owner to leave at the time of actual counting an accessible passage, two feet wide, free of bags in the middle of the godown at right angles to the aforesaid passage, so as to facilitate counting. If any factory owner fails to comply with any such requirement, he shall be punishable with fine which may extend to two thousand rupees.

8. Any owner of a factory who fails to keep correct daily account or refuse to permit any authorised officer to enter his premises and inspect the building, machinery, stocks and accounts shall be punishable with imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both.

CHAPTER IV.

Refunds and Remissions.

9. Any person who exports from British India to any place outside India sugar on which duty has become payable under the Act, shall (a) in the case of exports by land, on production of satisfactory evidence before the Collector that the sugar has been so exported and that the duty has been paid or has become payable in respect of such sugar, and (b) in the case of exports by sea, on production on an application in Form C appended to his Order, duly completed, either before the Collector or before the Customs-collector at the port of export, receive a refund of that duty. If the exporter is the owner of the factory in which the sugar was produced and has presented his application for refund to the Collector the amount may, at the officer's discretion, be paid in cash or be set off against duty due from the owner of the factory.

In clause 9, 'Collector' means 'Collector' as defined in clause 2 of this Order.

9-A. Any owner of a factory who receives into the factory for the purpose of further refinement or manufacture, sugar on which duty has been paid under the Act, shall, on production of satisfactory evidence before the Collector that the duty has been paid in respect of such sugar, receive a refund of that duty. Such refund may, at the discretion of the Collector, be paid in cash or be set off against duty due from the owner of the factory.

10. The Central Government may, by notification in the *Gazette of India*, exempt any sugar from the whole or any part of the duty leviable thereon.

CHAPTER V.

Miscellaneous.

11. Any dispute as to the sucrose content of sugar shall be determined by reference to such officer as the Provincial Government in the Provinces of Sind, Orissa and Coorg and Collector of Salt Revenue in the Provinces of Bombay and Madras may empower in this behalf.

11-A. If in the case of any factory the duty falls into arrears the Collector may order that no sugar shall be issued from that factory until duty has been paid on the sugar under issue and on any sugar previously issued from the factory in respect of which duty is in arrears.

12. In the Provinces of Sind, Orissa and Coorg an appeal shall lie from any order of the Collector to the Central Board of Revenue. In the Provinces of Bombay and Madras an appeal shall lie from any order of the Collector to the Collector of Salt Revenue. No appeal shall lie from any appellate order of the Collector of Salt Revenue, but an appeal shall lie from any original order passed by him to the Central Board of Revenue. The Central Government may revise any order passed under the Act from which no appeal lies :

Provided that no order in revision shall be passed having an effect more prejudicial to the person concerned than the order under revision without such person being given an opportunity of stating his case.

13. No appeal under Clause 12 shall be admitted unless received by the appellate authority within three months of the date of the order against which the appeal is made.

SUGAR

14 In the Provinces of Bombay and Madras, the Central Government and in the Provinces of Sind, Orissa and Coorg, the Provincial Government may empower any officers of any department under its control to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar in respect of which it appears to them that duty should have been but has not been levied or that any contravention of the provisions of the Act or of this Order has occurred.

14-A. (1) Sugar in respect of which breaches of the Act or of this Order have been committed shall, together with the packages or coverings thereof, be liable to confiscation, which may, without prejudice to the provisions of section 9 of the Act, be adjudged subject to the provisions of clause 12 by the Collector :

Provided that when adjudging confiscation the Collector shall give the owner an option to pay in lieu of confiscation such fine, not exceeding one thousand rupees, as he thinks fit

(2) Articles of which confiscation has been adjudged under sub-clause (1) and in respect of which the option of paying a fine in lieu of confiscation has not been exercised shall be sold, destroyed or otherwise disposed of in such manner as the Collector may direct

15. The Collector may accept from any person who is reasonably suspected of having committed an offence under the Act or under this Order a sum of money not exceeding one thousand rupees in lieu of punishment for breach of any of the provisions of the Act or of this Order.

16. When duty has been short-levied through inadvertence, error, or misconstruction on the part of the Collector, or through misstatement as to quantity on the part of the owner of a factory,

or, when any such duty after having been levied has been, owing to any such cause, erroneously refunded,

the person chargeable with the duty so short-levied, or to whom such refund has erroneously been made, shall pay the deficiency or repay the amount paid to him in excess, on demand being made within three months from the close of the month in respect of which the duty shall have been levied or from the date of making the refund.

SUGAR

17. No duty which has been paid and of which repayment wholly or in part is claimed in consequence of the same having been paid through inadvertence, error or misconstruction shall be returned unless such claim is made within three months from the date of such payment.

18. Every owner of a factory who issues any syrup (except final molasses) from his factory shall furnish the following information to the Inspecting Officer within twenty-four hours of issue, namely, the quantity issued, the sugar value of the syrup according to the Formula given below, and the destination and purpose for which issued.

Formula.

Sugar value of syrup=

$$\frac{\text{Total weight of syrup} \times \text{Brix \%} \times 0.9}{100}$$

SUGAR

FORM C.

PART I.

I/We propose to export the undermentioned quantities of sugar to
(country of destination)—

Description of sugar.	Number of bags.	Average weight of the contents of each bag.	Total quantity.	Remarks.
1	2	3	4	5
		Mds Srs	Mds. Srs	Cwts. lbs.

Exporter (s).....

Dated the

To

The Collector of Customs,

Port.....

No.....

I certify that the consignment of sugar specified above has been
 shipped in full to.....(country of destination) on the.....
 19 and that there has been no relanding of any sugar contained in
 the said consignment.

(Signed) Collector of Customs.

Port.....

Dated the.....193

SUGAR

PART II.

I/We request that a refund of the duty paid or payable in respect of the above consignment admissible under clause 9 of the Sugar (Excise Duty) Order, 1934, may be allowed. Documents showing that British Indian excise duty at the rate of Rs. per cwt. amounting to Rs. has already been paid or become payable are enclosed herewith.

Exporter (s).....

Dated the..... 193 ..

To

The Collector,

The Collector of Customs,

Port.....

* Strike off the portion not required

I am satisfied that the refund claimed is admissible and may be paid.

(Signed) The Collector.

The Collector of Customs,

Port.....

[Fin. Deptt. (C. R.) Notification No. 1-Central Excises, dated the 3rd May 1934, as amended by Fin. Deptt. (C. R.) Notifications No. 6-Central Excises, dated the 16th June 1934, No. 25-Central Excises, dated the 22nd September 1934, No. 44-C. Ex., dated the 15th December 1934, No. 1-C. Exc., dated the 5th January 1935, No. 12-C. Exc., dated the 6th April 1935, No. 11-C. Exc., dated the 21st November 1936, No. 9-C. Exc., dated the 26th June 1937, No. 14-C. Exc., dated the 18th September 1937, No. 17-C. Exc., dated the 16th October 1937, No. 6-C. Exc., dated the 12th March 1938, No. 22-C. Exc., dated the 20th March 1938, No. 56-C. Exc., dated the 28th May 1938, No. 58-C. Exc., dated the 9th July 1938]

FORM D

Account of sugar received for crushing only byfactory and not liable to payment of full duty on issue.

(Vid. Clause 6-A.)

Date.	Opening balance.		Quantity received.	From whom received.	Quantity crushed.	Quantity issued.		Balance.		Where stored.	Remarks.
	Crushed.	Un-crushed.				Crushed.	Un-crushed.	Crushed.	Un-crushed.		
1	2	3	4	5	6	7	8	9	10	11	12

THE BOMBAY SUGAR (EXCISE DUTY) SUPPLEMENTARY ORDER, 1938.

In exercise of the powers conferred by section 11 of the Sugar (Excise Duty) Act 1934 (XIV of 1934), the Central Government is pleased to make, with effect from the 1st April 1938, certain rules for the purpose of regulating the issue of sugar out of the premises of a factory situated in the Provinces of Bombay and imposing on the owners of factories the duty of keeping certain records.

CHAPTER I.

SHORT TITLE, COMMENCEMENT AND DEFINITIONS.

1. (1) This Order may be called "The Bombay Sugar (Excise Duty) Supplementary Order, 1938".

(2) It shall come into force on the 1st April 1938, whereupon all rules made by the Provincial Government of Bombay under section 5 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934) shall be cancelled. This cancellation shall not, however, have effect as regards anything done, or any offence committed, or any fine or penalty incurred, or any proceedings instituted before the said date.

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

(i) "the Act" means the Sugar (Excise Duty) Act, 1934 (XIV of 1934);

(ii) "Collector" means the Assistant Collector of Salt Revenue in whose jurisdiction the factory is situated and includes any officer specially authorised by the Collector of Salt Revenue, Bombay, with the special or general consent of the Central Board of Revenue to exercise throughout the Province of Bombay or any specified area therein all or any of the powers of a Collector under this Order;

(iii) "Chief Inspector" means the officer appointed by the Collector of Salt Revenue, Bombay, to inspect and supervise sugar factories in the Province of Bombay;

(iv) "Sugar Excise Inspector" means an officer of the Bombay Salt Department, not below the rank of Sub-Inspector, appointed to supervise the working of a factory or any other officer duly empowered in this behalf by the Collector of Salt Revenue, Bombay;

SUGAR

(x) "Form" means a Form set out in the Schedule appended to this Order :

Provided that "Form B" shall mean Form B, appended to the Sugar (Excise Duty) Order, 1934.

CHAPTER II.

ISSUE OF SUGAR OTHER THAN *Kāandsari* AND PALMYRA SUGAR FROM FACTORY.

3. The Sugar Excise Inspector may at any time check the weighing operations at the factory so as to reduce his work of ascertaining the actual weight by re-weighment at the time of issue.

4. No owner shall allow any quantity of sugar to be removed out of a factory except under a pass granted by him and countersigned by the Sugar Excise Inspector. The pass shall be in Form S. E. 1 in triplicate and shall contain the following particulars, namely:—

- (a) Date and time of issue.
- (b) Total number of bags to be issued.
- (c) Average weight in maunds of sugar in each bag.
- (d) Total number of maunds and cwt. of sugar to be issued.
- (e) Consignee and place of destination.

5. On receipt of the pass in Form S. E. 1 (in triplicate) from the owner, the Sugar Excise Inspector shall examine the details furnished by the owner and on making any test weighment, if such test weighment is in his opinion necessary, shall countersign the pass at the place specified for such countersignature and allow the consignment to be removed from the factory.

6. One part of the pass (the original) shall be handed over to the owner, the second (the duplicate) shall accompany the consignment as far as the gate of the factory, where it shall be delivered by the owner or his servant accompanying the consignment to the Excise guard at the gate while taking the consignment out of the factory compound, and the third (the triplicate) shall remain on the record of the Sugar Excise Inspector. The Excise guard on duty at the gate shall on arrival of the consignment at the gate count the number of bags in the consignment, and on satisfying himself that the number of bags is the same as that entered in the pass allow it to pass through the gate. The Excise guard shall return the duplicate of the pass to the Sugar Excise Inspector. If the excise guard finds that there is any

difference between the number of bags contained in the consignment and that shown in the pass, he shall not allow the consignment to pass through the gate, but report the matter to the Sugar Excise Inspector, who shall immediately check the consignment himself and in the event of his finding any bag or bags in excess take such action as may be necessary under the Act.

7. If any sugar is to be used within a factory for the manufacture of any commodity other than sugar itself, the quantity of sugar required for the purpose shall be removed to a special room or rooms in the factory under a pass to be issued in triplicate by the Sugar Excise Inspector in Form S E 1. The sugar so issued shall for account and assessment purposes be treated as issued out of the factory. The duplicate of the pass shall be sent to the Collector by the Sugar Excise Inspector along with the monthly return received from the owner.

8. If there are two or more exits from a factory, consignments of sugar removed from the factory shall be cleared only through the main gate, where an Excise guard shall be posted.

9. After sunset or closure of the factory for the day whichever is earlier all gates except the main gate shall be closed under lock and key.

10. Any of these rules may be relaxed by order of the Collector of Salt Revenue, Bombay, in the case of a factory having a railway siding of its own.

CHAPTER III.

SPECIAL PROVISION FOR THE *Khandsari* SUGAR FACTORIES.

11. The operations at the factory where *khandsari* sugar is manufactured and no resident Sugar Excise Inspector is posted shall be supervised by the nearest Sugar Excise Inspector by paying surprise and occasional visit. The owner of such factory shall give intimation in writing to the Sugar Excise Inspector of the commencement of the working of his factory.

12. If any sugar is to be used within a factory for the manufacture of any commodity other than sugar or for consumption the sugar so issued shall for account and assessment purposes be treated as sales out of the factory.

SUGAR

CHAPTER IV.

ACCOUNTS.

(To be maintained in respect of sugar other than *khandsari* sugar or palmyra sugar.)

13. The Sugar Excise Inspector shall maintain two daily registers and one monthly register in Forms S. E. 2, S. E. 3 and S. E. 4. The details of each transaction of issue shall be recorded in the register in Forms S. E. 2, before each transaction is complete, while the register in Form S. E. 3 shall be written soon after the issue operations are closed for the day. The monthly register in Form S. E. 4 shall be written on the first working day of the month following that to which it relates.

14. On receipt of the owner's monthly return prescribed by the Sugar (Excise Duty) Order, 1934, the Sugar Excise Inspector shall check it with the corresponding entries in his monthly register in Form S. E. 4, and, if the two are found to tally, attach to the return a certificate to that effect, and forward it with the duplicates of the passes issued during the month to the Collector through the Chief Inspector. In the event of any discrepancy being found between the figures supplied by the owner and those entered in the register in Form S. E. 4, the Sugar Excise Inspector shall require the owner to explain the difference and get the return corrected before forwarding it to the Collector.

15. (1) Every owner of a factory, other than a factory for *khandsari* or palmyra sugar, shall maintain the following accounts:-

- (a) Account of cane received and crushed,
- (b) Daily Manufacture Report,
- (c) Manufacture Run Report,
- (d) Sugar Production Register, and
- (e) Store Register,

in Forms S. E. 5, S. E. 6, S. E. 7, S. E. 8 and S. E. 9, respectively. He shall also maintain a Sugar issue and Bill register showing, amongst other particulars, the following details of issues from the factory, namely, Name and address of consignee, destination of consignment, Quantity, Railway Receipt No. and date, Invoice Number and date, Number and date of pass issued under clause 4 in Form S. E. 1 and the following details of the bills issued in respect of each transaction,

SUGAR

namely, Bill Number and date, Ledger Folio Number and Sales Journal Folio Number.

(2) With the exception of the Run Report, which shall be written upon the expiry of the run all accounts shall be written up daily in a clear and legible manner, even if no transactions take place.

CHAPTER V.

ACCOUNTS.

Special Provisions for Khandsari Sugar.

16. The owner of a factory where *khandsari* sugar is manufactured shall maintain accounts in Form S. E. 10. The manufacture and the transaction of sale of sugar shall be posted daily therein.

17. The owner shall forward each monthly return in Form B, on or before the 5th day of each succeeding month to the Sugar Excise Inspector, who shall check it with the accounts maintained by the owner and if he finds it correct attach to the return a certificate to that effect and shall forward it to the Collector through the Chief Inspector.

CHAPTER VI.

GENERAL.

18. No sugar shall be removed from a factory except in accordance with the procedure laid down in this Order. If any sugar is removed by any employee at the factory in contravention of the conditions prescribed herein, the owner shall be held responsible for such removal and be liable to be dealt with according to the provisions of the Act.

19. At factories where *khandsari* sugar is being manufactured in addition to all other sugar except palmyra sugar, the provisions of Chapters II and IV shall apply but the accounts of *khandsari* sugar shall be kept separately both by the owner and the Sugar Excise Inspector.

SUGAR

FORM S. E. 2.

(Vide clause 13.)

Daily account of sugar removed from the factory (to be maintained by the Sugar Excise Inspector).

[illegible]

*State the average net weight of sugar contained in each bag exclusive of the weight of tare.

SUGAR

FORM S E. 3.

(Vide clause 13.)

Consolidated daily account of sugar removed from the factory (to be maintained by the Sugar Excise Inspector)

Date.	Number of bags				Total number of bags.	Total net weight of sugar in		Remarks.
	Each containing sugar on an average (exclusive of tare weight)							
	Mds. Srs.	Mds. Srs.	Mds. Srs.	Mds. Srs.		Mds. Srs.	Cwt. Lbs	
1st								
2nd								
3rd								
4th								
5th								
6th								
7th								
8th								
9th								
10th								
11th								
12th								
13th								
14th								
15th								
16th								
17th								
18th								
19th								
20th								
21st								
22nd								
23rd								
24th								
25th								
26th								
27th								
28th								
29th								
30th								
31st								
Monthly Total.								

* State the net average weight of sugar contained in each bag exclusive of tare.

SUGAR

FORM

(Vide

Monthly Register of Issues of Sugar

Month.	Number of bags:				Total number of bags.	Total weight of sugar in	
	Each containing sugar on an average (exclusive of tare weight).						
	Mds. Srs.*	Mds. Srs.*	Mds. Srs.*	Mds. Srs.*		Mds	Srs. Cwt. Lbs.
April ...							
May ...							
June ...							
July ...							
August ...							
September							
October ...							
November.							
December.							
January ...							
February...							
March ...							
Total for the year.							

* State the net average weight of sugar

clause 13.)

[illegible]

F 2

SUGAR

FORM S. E. 6.

(Vide clause 15.)

Daily Manufacturing Report Register.

Name of Factory.....

Season

Report No.....

Date.....

Serial No	Particulars.			
1	Cane crushed	...	...	Mds.
2	Total Mixed Juice	...	...	Mds.
3	Mixed juice % cane			
	Added water % cane.			
4	Sugar actually bagged	...	...	Mds.
5	Estimated yield sugar % cane.			
	Estimated yield molasses % cane.			
6	Bagasse % cane.			
	Press cake % cane.			
7	Analysis—			
	Cane	...	...	Sugar %
	Mixed juice	...	...	Sugar %
				Brix %
				Purity%
	Final Molasses	...	...	Sugar %
				Brix %
				Purity%
	Bagasse	...	...	Sugar %
	Press cake	...	...	Sugar %

SUGAR

FORM S. E. 7.

(Vide clause 15.)

Manufacturing Run Report Register.

Name of Factory.....

Season.....

Report No.....

Clarification process used... Period ending

Formal No.	Particulars	For the run.	To date
1	No. of days actual working.		
2	Total cane crushed .. Mds.		
3	Total mixed juice... ..		
4	Mixed juice % cane.		
	Added water % cane.		
5	Total sugar actually bagged... Mds.		
	Sugar in process		
6	Molasses sent out		
	Molasses in process		
7	Recovery sugar % cane.		
	Production molasses % cane.		
8	Bagasse % cane.		
	Press cake % cane.		
9	Analysis:—		
	Cane ... Sugar %		
	Mixed juice ... Sugar %		
		Brix %	
		Purity %	
	Final Molasses ... Sugar %		
		Brix %	
	Bagasse ... Sugar %		
	Press cake... Sugar %		
	Average pol of all sugars.		

SUGAR

39

Sugar Balance.

Serial No	Particulars.	Cane — 100	
		For the run.	To date
1	Sugar in cane	...	...
2	Sugar in Mixed juice	...	...
3	Sugar in Bagasse	...	...
4	Sugar in commercial sugars	...	...
5	Sugar in Press cake	...	...
6	Sugar in Molasses	...	...
7	Sugar undermentioned	...	...

Stock in process as on.....

Serial No	Particulars	C ft.	Brix	Purity.	Available sugar	Molasses
1	Juice	...	...	...	...	...
2	Syrup	...	...	...	...	...
3	Massequite No. I	...	...	...	...	...
	No. II	...	...	...	...	...
	No. III	...	...	...	...	...
4	Light molasses No. I	...	...	...	...	...
	No. II	...	...	...	...	...
	No. III	...	...	...	...	...
5	Heavy molasses No. I	...	...	...	...	...
	No. II	...	...	...	...	...
6	Other material in process	...	...	...	...	...
7	Sugar unbagged Mds	...	...	...	...	...
	Total	...	...	...	...	...

SUGAR

FORM S E. 9.

(*Vide* clause 15.)*Store Register*

Name of Factory

Season.....

Date	Opening balance.	Received to-day.	Total receipt, to Date.	Issued to-day	Total issued to date.	Closing balance	Remarks
	Mds	Mds.	Mds.	Mds.	Mds.	Mds	

SUGAR

FORM

(Vide

Sugar manufactured and issued from the Khandhari

Month

Date.	Opening balance.			Receipts on account of Sugar manufactured.			Quantity issued from the factory.		
	2			3			4		
1	Number of bags.	Maunds	Seers.	Number of bags.	Maunds.	Seers	Num- ber of bags.	Maunds.	Seers.
1st									
2nd									
3rd									
4th									
5th									
6th									
7th									
8th									
9th									
10th									
11th									
12th									
13th									
14th									
15th									
16th									
17th									
18th									
19th									
20th									
21st									
22nd									
23rd									
24th									
25th									
26th									
27th									
28th									
29th									
30th									
31st									
Total									

I certify that the entries made above are correct.

Date

19

{Finance Department (Central Revenues) Notification

and monthly return.

[illegible]

No. 37-C. Exc., dated the 1st April 1938]

THE MADRAS SUGAR (EXCISE DUTY) SUPPLEMENTARY ORDER, 1938.

In exercise of the powers conferred by section 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), the Central Government is pleased to make, with effect from the 1st April 1938, certain rules for the purpose of regulating the issue of sugar out of the premises of a factory situated in the Province of Madras.

CHAPTER I

SHORT TITLE, COMMENCEMENT AND DEFINITIONS.

1. (1) This Order may be called "The Madras Sugar (Excise Duty) Supplementary Order, 1938"

(2) It shall come into force on the 1st April 1938, whereupon all rules made by the Provincial Government of Madras under section 5 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934) shall be cancelled. This cancellation shall not, however, have effect as regards anything done, or any offence committed, or any fine or penalty incurred, or any proceedings instituted before the said date.

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

(i) "the Act" means the Sugar (Excise Duty) Act, 1934 (XIV of 1934);

(ii) "Collector" means the Assistant Commissioner of Salt Revenue in whose jurisdiction the factory is situated and includes any officer specially authorized by the Collector of Salt Revenue, Madras, with the special or general consent of the Central Board of Revenue, to exercise throughout the Province of Madras or any specified area therein all or any of the powers of a Collector under this Order;

(iii) "Inspector" means the Inspector of the Salt Revenue Department in charge of the Circle in which the factory is situated;

(iv) "Supervising Officer" means an officer appointed by the Collector of Salt Revenue to exercise the powers and perform the duties of Supervising Officer under this Order;

(v) "Duty" means the duty payable under section 3 of the Act;

SUGAR

(vi) "Form" means a form set out in the Schedule appended to this Order.

Provided that Form B shall mean Form B appended to the Sugar (Excise DUTY) Order, 1934 ;

(vii) "the Order" means the Sugar (Excise Duty) Order, 1934 ; and

(viii) "Peon" means a subordinate of the Madras Salt Revenue Department appointed by the Collector of Salt Revenue, Collector, or Inspector to exercise the powers and to perform the duties of a peon under this Order

3. (1) The provisions of this Chapter and Chapter VI shall apply to all factories manufacturing any kind of sugar.

(2) The provisions of Chapters II and IV shall apply to factories—

(a) where sugar other than *khandsari* or palmyra is manufactured ; and

(b) where such sugar is manufactured in addition to *khandsari* or palmyra sugar or both.

In case (b), accounts shall be maintained separately for—

(i) sugar other than *khandsari* or palmyra ;

(ii) *khandsari* sugar ; and

(iii) palmyra sugar

(3) The provisions of Chapters III and V shall apply to factories where *khandsari* or palmyra sugar or both are manufactured.

Explanation.—Where only *khandsari* or palmyra sugar or both are manufactured at a factory during a particular period of the year, the provisions of Chapters III and V shall apply to such factory during that period.

CHAPTER II.

**FACTORIES PRODUCING, WHETHER EXCLUSIVELY OR NOT, SUGAR
OTHER THAN *khandsari* OR PALMYRA.**

4. (1) The owner of a factory shall not produce, or cause or permit the production of, sugar in the factory for the first time after this Order comes into force without giving notice in writing to the Collector at least fifteen days before the production of sugar. Every such notice shall specify the nature of the raw materials used for the production of sugar.

THE MADRAS SUGAR (EXCISE DUTY) SUPPLEMENTARY ORDER, 1938.

In exercise of the powers conferred by section 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), the Central Government is pleased to make, with effect from the 1st April 1938, certain rules for the purpose of regulating the issue of sugar out of the premises of a factory situated in the Province of Madras.

CHAPTER I

SHORT TITLE, COMMENCEMENT AND DEFINITIONS.

1. (1) This Order may be called "The Madras Sugar (Excise Duty) Supplementary Order, 1938".

(2) It shall come into force on the 1st April 1938, whereupon all rules made by the Provincial Government of Madras under section 5 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934) shall be cancelled. This cancellation shall not, however, have effect as regards anything done, or any offence committed, or any fine or penalty incurred, or any proceedings instituted before the said date.

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

(i) "the Act" means the Sugar (Excise Duty) Act, 1934 (XIV of 1934);

(ii) "Collector" means the Assistant Commissioner of Salt Revenue in whose jurisdiction the factory is situated and includes any officer specially authorized by the Collector of Salt Revenue, Madras, with the special or general consent of the Central Board of Revenue, to exercise throughout the Province of Madras or any specified area therein all or any of the powers of a Collector under this Order;

(iii) "Inspector" means the Inspector of the Salt Revenue Department in charge of the Circle in which the factory is situated;

(iv) "Supervising Officer" means an officer appointed by the Collector of Salt Revenue to exercise the powers and perform the duties of Supervising Officer under this Order;

(v) "Duty" means the duty payable under section 3 of the Act;

SUGAR

(vi) "Form" means a form set out in the Schedule appended to this Order.

Provided that Form B shall mean Form B appended to the Sugar (Excise DUTY) Order, 1934 ;

(vii) "the Order" means the Sugar (Excise Duty) Order, 1934 ; and

(viii) "Peon" means a subordinate of the Madras Salt Revenue Department appointed by the Collector of Salt Revenue, Collector, or Inspector to exercise the powers and to perform the duties of a peon under this Order

3. (1) The provisions of this Chapter and Chapter VI shall apply to all factories manufacturing any kind of sugar.

(2) The provisions of Chapters II and IV shall apply to factories—

(a) where sugar other than *khandsari* or palmyra is manufactured ; and

(b) where such sugar is manufactured in addition to *khandsari* or palmyra sugar or both.

In case (b), accounts shall be maintained separately for—

(i) sugar other than *khandsari* or palmyra ;

(ii) *khandsari* sugar ; and

iii) palmyra sugar

(3) The provisions of Chapters III and V shall apply to factories where *khandsari* or palmyra sugar or both are manufactured.

Explanation.—Where only *khandsari* or palmyra sugar or both are manufactured at a factory during a particular period of the year, the provisions of Chapters III and V shall apply to such factory during that period.

CHAPTER II.

FACTORIES PRODUCING, WHETHER EXCLUSIVELY OR NOT, SUGAR OTHER THAN *khandsari* OR PALMYRA.

4. (1) The owner of a factory shall not produce, or cause or permit the production of, sugar in the factory for the first time after this Order comes into force without giving notice in writing to the Collector at least fifteen days before the production of sugar. Every such notice shall specify the nature of the raw materials used for the production of sugar.

(2) The owner of a factory engaged in the production of sugar when this Order comes into force shall, within seven days of the date of the coming into force thereof, give notice in writing to the Collector, specifying the nature of the raw materials used by him for the production of sugar.

(3) The owner of every factory shall give notice in writing to the Collector of his intention to stop or resume the production of sugar at least fifteen days before stopping or resuming such production, at the case may be.

(4) Whenever there is a change in the nature of any raw material or raw materials used, the owner of the factory shall give notice in writing to the Collector specifying the new raw material or raw materials used, at least fifteen days before making the change.

5. The owner of a factory shall not manufacture or cause or permit any other person to manufacture sugar from any material which has been mixed with palmyra sugar or any form of concentrated palmyra juice or syrup or any product of the palmyra palm, unless he gives to the Supervising Officer notice of his intention to do so and agrees either to pay on the sugar so manufactured duty at the rates prescribed in section 3 (2) (a) of the Act when it is issued from the factory for consumption or for the manufacture of any other commodity in or outside the factory or for export, or to remove the sugar so manufactured under such other conditions as may be prescribed under the Act or the Order.

6. All sugar produced in a factory shall before it is removed from the factory be put into bags in the presence of the Supervising Officer and weighed, so that each bag may contain such known quantity of sugar as the owner may require.

Each bag shall bear a distinguishing mark showing the kind and the quantity of sugar contained in it. Bags containing sugar of the same kind and with the same quantity in each shall be kept together in a separate lot when they are stored in the factory.

7. Sugar shall be removed out of the factory only between 6 A.M., and 6 P.M., provided that the Supervising Officer may for sufficient reasons to be recorded in writing permit removal of sugar from the factory after 6 P.M., under such conditions as he may prescribe.

Explanation.—For the purpose of this clause "factory" shall mean any place therein which may be specified by the Supervising Officer.

SUGAR

8. No sugar shall be issued from the factory for consumption, export or manufacture of any commodity in or outside the factory except in the presence of the Supervising Officer and except on presentation by the owner of an application in Form S. E-3 to the Supervising Officer and on obtaining the permission of such Officer on the Form. The Supervising Officer shall accord such permission only after making the necessary entries in Form S. E-1.

9. If the Supervising Officer has any reason to believe that any bag or bags containing sugar to be removed has or have been tampered with or if the owner desires to have any bag or bags reweighed the Supervising Officer shall cause such bag or bags to be reweighed in the presence of the owner and if the weight on check-weighment of such bag or bags differs from that found at the time when such bag or bags were filled with sugar, he shall take into account that net weight of such bag or bags as check-weighed for the assessment of duty.

10. Every application made and permission granted in Form S. E-3 shall be in triplicate. One copy (the original) shall be retained by the Supervising Officer. The second copy (the duplicate) shall accompany the consignment as far as the gate of the factory where it shall, before the consignment is taken out of the factory premises, be delivered by the owner or his servant accompanying the consignment to the Peon on guard at the gate. The third copy (the triplicate) shall be delivered to the owner. The Peon on guard at the gate shall on arrival of the consignment at the gate count the number of bags in the consignment and on satisfying himself that the number of bags is the same as that entered in the permit allow it to pass through the gate. The Peon on guard at the gate shall return the duplicate of the permit to the Supervising Officer with an endorsement that the number of bags has been checked and found to agree with that shown in the permit. If the Peon on guard finds that there is any difference between the number of bags contained in the consignment and the number shown in the permit he shall not allow the consignment to pass through the gate, but shall report the matter to the Supervising Officer who shall immediately check the consignment himself and in the event of his finding any bag or bags in excess, take such action as may be necessary under the Act.

11. If there are two or more exits from a factory, consignments of sugar removed from the factory shall be taken out only through the main gate where a peon is posted on guard.

SUGAR

12. After 6 P.M., or the closure of the factory for the day, whichever is earlier, all gates except the main gate shall be closed under lock and key by the owner.

13. Any of the clauses in this Chapter may be relaxed by an order of the Collector of Salt Revenue in the case of a factory having a railway siding of its own.

CHAPTER III.

CONTROL OVER ISSUE OF SUGAR FROM THE FACTORIES ENGAGED EXCLUSIVELY FOR THE PRODUCTION OF *khandsari* OR PALMYRA SUGAR.

14. In the case of a factory where only *khandsari* sugar or palmyra sugar or both are manufactured and no resident office is posted, the resident officer at the nearest sugar factory or such other officer as the Collector of Salt Revenue may appoint in this behalf, and the Inspector shall supervise the operations of the factory by paying surprise and occasional visits.

15. The owner of such factory shall give fifteen days' notice in writing of his intention to manufacture sugar or to stop or resume such manufacture, as the case may be.

CHAPTER IV.

ACCOUNTS TO BE MAINTAINED AT FACTORIES PRODUCING, WHETHER EXCLUSIVELY OR NOT, SUGAR OTHER THAN *khandsari* OR PALMYRA.

16. The Supervising Officer shall maintain a register in Form S. E-1, in which the quantity of sugar produced in and the quantity removed from, the factory shall be entered daily in the appropriate column. A total shall be struck at the end of each month. The Supervising Officer shall submit a monthly extract of the totals in the register in Form S. E-1 to the Collector through the Inspector together with the permits delivered at the gate as a check on the aforesaid extract and the owner's return in Form B, and a copy of the extract aforesaid to the Inspector. In addition to the aforesaid register, the Supervising Officer shall maintain a register in Form S. E-2 showing the monthly production and issues of sugar and the accounts relating to the payment of the duty.

SUGAR

17. The return in Form B, which the owner is required to submit monthly to the Collector under clause 5 of the Order shall be delivered to the Supervising Officer on the 3rd of the month following that to which the return relates. On receipt of the return in Form B the Supervising Officer shall check the entries in it with the totals of the entries for the month in the register in Form S. E.-1 and if the entries in the return and the register are found to agree, submit the return to the Collector through the Inspector on the 5th of the following month with an extract of the totals of the entries in the register in Form S. E.-1 and the permits delivered at the gate. In the event of any difference between the figures as entered in the return in Form B and those entered in the S. E.-1 register, the Supervising Officer shall call upon the owner to explain the difference and get the return reconciled before submitting it to the Collector.

18. (1) When the manufacture of dutiable sugar in a factory has stopped, the Collector of Salt Revenue may withdraw the Supervising Officer attached to the factory and appoint another officer to be in general charge of the factory. Before vacating office the Supervising Officer shall verify the stock of sugar as entered in Form S. E.-1 and report the quantity in stock to the Collector and the Inspector. The owner may issue sugar at any time after giving intimation in Form S. E.-3 of the quantity to be issued to the Collector and to the officer appointed to be in charge.

(2) Before manufacture is started again, the Supervising Officer appointed to the factory shall verify the balance of sugar in stock, to see that the total quantity issued, as intimated by the owner, is correct. If the difference between the quantity originally in stock when the Supervising Officer was withdrawn and that in stock when the new Supervising Officer takes charge exceeds the total quantity issued as intimated by the owner and the excess cannot be accounted for by wastage or otherwise, the owner shall be liable to pay duty on such excess.

CHAPTER V.ACCOUNTS TO BE MAINTAINED AT FACTORIES PRODUCING EXCLUSIVELY *khandasari* OR PALMYRA SUGAR.

19. The owner of the factory where *khandasari* or palmyra sugar or both are exclusively produced shall maintain an account in Form S. E.-4, in which the manufacture and sale of sugar shall be posted daily.

SUGAR

20. The owner shall forward the monthly return in Form B to the resident Supervising Officer of the nearest factory, or to such other officer as the Collector of Salt Revenue may depute for the purpose. The officer to whom the return is forwarded shall check it with the accounts maintained by the owner and if such officer finds that the return and the accounts agree, he shall make an endorsement to that effect and submit it to the Collector through the Inspector.

CHAPTER VI.

GENERAL

21. The owner of a factory shall maintain a register in Form S.E.-5 of raw materials used and sugar manufactured in the factory.

22. No sugar shall be removed from the factory except in accordance with the procedure laid down in this Order

23. If any sugar is removed by an employee at the factory in contravention of the conditions hereinbefore prescribed, the owner shall be held responsible for such removal and shall be liable to be dealt with according to the provisions of the Act and the Order as if he had removed the sugar himself.

24. The owner shall carry out all such orders as may be issued by the Collector of Salt Revenue, Collector, Inspector or Supervising Officer to give effect to the provisions hereinbefore contained.

SUGAR

FORM S. E.-3.

(Vide Clause 7.)

I
We request permission to remove the undermentioned quantities of
sugar from ^{my}our factory godown No. to-day/to-morrow at a.m./p.m.
for ^{transport}export to

Name of consignee

No. of bags.

Total quantity
Cwt lb

N. B.—In the case of removal of sugar within the factory premises for preparing any commodity other than sugar the name of such commodity together with the room in the factory premises to which it is to be removed shall be stated in the blank space provided for after the words 'transport to'

Date

19 .

Factory Owner.

To the Supervising Officer.

Checked and permitted to pass out of the factory for
land consumption to be used within the factory for the manufacture of
export

Supervising Officer.

Note.—The Supervising Officer shall score out the portions which are not applicable to the case.

Checked and found to agree.

Guard peon.

Register of sugar manufactured, issued

[illegible]

(CLAUSE 15)

[illegible]

Note:—Form S. E. 3. has been printed on page 51.

SUGAR

FORM S. E.-4.

(Vide Clause 18.)

Sugar manufactured and issued from the kandsari or palmyra sugar factory at *and monthly return*
Month *19*

Date. (1)	Opening balance. (2)			Received on account of sugar manufac- tured. (3)			Quantity issued from the factory. (4)			Name of Place of consignee destination. (5)			Quantity destroyed by accident. (7)			Closing balance. (8)			Remarks. (9)
	NUMBER OF BAGS.	CWT LB.		NUMBER OF BAGS.	CWT LB.		NUMBER OF BAGS.	CWT LB.		NUMBER OF BAGS.	CWT LB.		NUMBER OF BAGS.	CWT LB.					
1st																			
2nd																			
3rd																			
4th																			
5th																			
6th																			
7th																			
8th																			
9th																			
10th																			
11th																			
12th																			
13th																			
14th																			
15th																			
16th																			
17th																			
18th																			
19th																			
20th																			
21st																			
22nd																			
23rd																			
24th																			
25th																			
26th																			
27th																			
28th																			
29th																			
30th																			
31st																			
Total																			

I certify that the entries made above are correct.

Date

19

Supervising Officer.

(10c) *siniglo* *epi* (1)

Register of raw materials used and sugar manufactured in the factory at.....

[illegible]

[Finance Department (Central Revenues) Notification No. 33-C. Exc., dated the 1st April 1938]

THE NORTHERN INDIA SUGAR (EXCISE DUTY) ORDER, 1938.

In exercise of the powers conferred by sections 10 and 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), the Central Government is pleased to apply in the adapted form set out below certain provisions of the Sea Customs Act, 1878 (VIII of 1878) and to make certain rules for the purpose of providing for the assessment and collection of the duty imposed by the first-mentioned Act in the following Provinces, namely:—Bengal, Assam, Bihar, United Provinces, Punjab, North-West Frontier, Central Provinces, Delhi, Ajmer-Merwara and Baluchistan.

CHAPTER I.

SHORT TITLE, COMMENCEMENT AND DEFINITIONS.

1. (1) This Order may be called "The Northern India Sugar (Excise Duty) Order, 1938".

(2) It shall come into force on the 1st April 1938, whereupon the Sugar (Excise Duty) Order, 1934 (except notifications issued in pursuance of clause 10 thereof) shall be cancelled in its application to the said Provinces, and the rules made under section 5 of the first-mentioned Act, by the Governments of the Provinces named in the preamble shall be cancelled. These cancellations shall not, however, have effect as regards anything done or any offence committed, or any fine or penalty incurred, or any proceedings instituted before the said date.

2. In this Order unless there is anything repugnant in the subject or context:—

(i) "the Act" means the Sugar (Excise Duty) Act, 1934 (XIV of 1934);

(ii) "India" means the territories included in India as defined in the General Clauses Act, 1897, together with all foreign possessions on the continent of India not protected by a customs cordon;

(iii) "Northern India" means the Provinces of Bengal, Bihar, Assam, United Provinces, Punjab, North-West Frontier, Central Provinces, Delhi, Ajmer-Merwara and Baluchistan;

SUGAR

- (iv) "Commissioner" means the Commissioner, Central Excise and Salt, Northern India ;
- (v) "Deputy Commissioner" means a Deputy Commissioner, Central Excises and Salt, Northern India ;
- (vi) "Assistant Commissioner" means the Assistant Commissioner of Central Excises and Salt Department, Northern India, in whose jurisdiction the factory is situated, and includes any officer specially authorized to exercise throughout Northern India or any specified area therein all or any of the powers of the Assistant Commissioner ;
- (vii) "Inspecting Officer" includes officers of the Central Excises and Salt Department, Northern India, not below the rank of Inspector and any officer of the customs or Income-tax Department authorized by the Commissioner, with the special or general consent of the Central Board of Revenue to inspect the premises in which sugar liable to duty is possessed or manufactured, and shall include an officer permanently stationed at the factory to supervise its operations ;
- (viii) "Inspector" means the Inspector of Central Excises and Salt Department, Northern India, appointed to supervise the working of the factory or any other officer duly empowered by the Commissioner in this behalf ;
- (ix) "Duty" means the duty payable under section 3 of the Act.

CHAPTER II.

SPECIAL APPOINTMENTS AND DELEGATIONS.

3. Unless the Central Government shall in any case otherwise direct, the power of specially authorizing any officer to exercise throughout Northern India or any specified area therein all or any of the powers of an Assistant Commissioner under this order shall be exercisable by the Commissioner.

CHAPTER III.

MANUFACTURE AND ACCOUNTS.

4. Every owner of a factory shall keep a correct daily account in Form A appended to this Order. Separate accounts shall be kept for (a) sugar other than *khandsari* sugar or *palmyra* sugar (b) *khandsari* sugar, and (c) *palmyra* sugar

5. Within five days after the close of each month, every owner of factory shall submit to the Assistant Commissioner a monthly return in Form B appended to this Order in triplicate showing the quantity of sugar issued from the premises of the factory or used within the said premises for the manufacture of any commodity other than sugar during that month. Separate returns shall be filed for (a) sugar other than *khandsari* sugar or palmyra sugar, (b) *khandsari* sugar and (c) palmyra sugar.

6. On receipt of the return referred to in clause 5, the Assistant Commissioner shall, after verification of the return of exports, if any, to places outside India and such other enquiry, as he may deem fit, assess the duty payable on sugar removed from the factory or used within its premises for the manufacture of any commodity other than sugar. If the owner of a factory fails to submit a return the Assistant Commissioner may make a summary assessment on such information as may be available. The amount assessed shall be communicated to the owner of a factory who shall, by the end of the month following that for which the return was required to be made, pay it into the local Treasury less any amount that may have been paid, before the return is submitted, into any other treasury approved by the Commissioner, provided that evidence of such payments shall be presented to the Assistant Commissioner within fourteen days of the close of the month to which the return relates.

7. (1) Every owner of a factory, other than a factory for *khandsari* or palmyra sugar, shall maintain the following accounts:—

- (a) Account of cane received and crushed,
- (b) Daily Manufacture Report,
- (c) Manufacture Run Report,
- (d) Sugar Production Register, and
- (e) Store Register.

in Forms C, D, E, F and G respectively appended to this Order. He shall also maintain a Sugar Issue and Bill register showing, amongst other particulars, the following details of issues from the factory, namely, name and address of Consignee, Destination of Consignment, Quantity, Railway Receipt No. and date, Freight paid, Invoice Number and date, Number and date of pass issued under clause 8 and the following details of the bills issued in respect of each transaction, namely, Bill number and date, Ledger Folio Number and Sales Journal Folio Number.

SUGAR

(2) With the exception of the Run Report, which shall be written up on the expiry of the run, all accounts shall be written up daily in a clear and legible manner, even if no transactions take place.

8. No sugar shall be issued from a factory except under a pass in the following form signed by the owner of the factory:—

- (a) Date and time of issue,
- (b) Total number of bags issued,
- (c) Average weight in maunds and seers of each bag,
- (d) Total weight of sugar issued,
- (e) Consignee's name and destination of consignment,
- (f) Signature.

The pass shall be made out in triplicate of which one copy shall be retained by the owner and filed in his office, one copy shall accompany the consignment to its destination and the third copy shall be sent without delay to the Inspector. Any breach of this rule shall be punishable with fine which may extend to one thousand rupees.

9. If any sugar is to be used within a factory for the manufacture of any commodity other than sugar, the quantity of sugar required for the purpose shall be removed from the store room under a pass signed by the owner and containing the following particulars:—

- (a) Date and time of issue,
- (b) Total number of bags issued,
- (c) Average weight in maunds and seers of each bag,
- (d) Total weight of sugar issued,
- (e) Purpose for which issued,
- (f) Signature.

A Copy of this pass shall be sent without delay to the Inspector. Any breach of this rule shall be punishable with fine which may extend to one thousand rupees.

10. Every owner of a factory shall give prompt intimation by registered post to the Inspector of the commencement of manufacture in his factory.

11. An Inspecting Officer may enter the premises of any owner of a factory and inspect the building, the machinery, the stocks and the accounts, and may at any time check the correctness of the re-

cords made of removals of sugar from the factory or their transfer within the factory to that part of the premises (if any) in which it is to be used for the manufacture of any commodity other than sugar.

11. A An Inspecting Officer shall check the stock balance of sugar in every factory by actual counting once a year between 1st October and 3rd November and when there is reason to verify the accuracy of a factory's account he may check the stock at any other time of the year. If the stock is not arranged in an orderly manner so as to permit of actual counting the Inspecting Officer may require the factory owner to arrange, without avoidable delay, the stock in separate rows, each row containing the same number of bags of sugar of uniform size and weight. He may also require the factory owner to leave at the time of actual counting an accessible passage, two feet wide, free of bags in the middle of the godown at right angles to the aforesaid passage, so as to facilitate counting. If any factory owner fails to comply with any such requirement, he shall be punishable with fine which may extend to two thousand rupees.

12. If any owner of a factory fails to keep correct accounts in the manner prescribed by clause 4 and by clause 7 (if applicable) or refuses to permit any authorized officer to enter his premises and inspect the building, machinery, stocks and accounts, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

13. If the Commissioner has reason to believe that the owner of a factory is not maintaining correct accounts in the manner prescribed by clause 4 and clause 7 (if applicable) he may without prejudice to the provisions of clause 12 but subject to the provisions of clause 19 direct that no sugar be issued from the factory or be used within the factory in the manufacture of any commodity other than sugar otherwise than under the authority of a permit granted by an authority appointed for the purpose.

CHAPTER IV.

REFUNDS AND REMISSIONS.

14. Any person who exports from British India to any place outside India sugar on which duty has become payable under the Act, shall, (a) in the case of exports by land, on production of satisfactory evidence before the Assistant Commissioner that the sugar has been

SUGAR

so exported and that the duty has been paid or has become payable in respect of such sugar, and (b) in the case of exports by sea, on production of an application in Form H, appended to this Order, duty completed, either before the Assistant Commissioner or before the Customs collector at the port of export, receive a refund of that duty. If the exporter is the owner of the factory in which the sugar was produced and has presented his application for refund to the Assistant Commissioner the amount may, at that officer's discretion, be paid in cash or be set off against duty due from the owner of the factory.

15. Any owner of a factory who receives into the factory for the purpose of further refinement or manufacture, sugar on which duty has been paid under the Act, shall, on production of satisfactory evidence before the Assistant Commissioner that the duty has been paid in respect of such sugar, receive a refund of that duty. Such refund may, at the discretion of the Assistant Commissioner, be paid in cash or be set off against duty due from the owner of the factory.

16. The Central Government may, by notification in the Official Gazette, exempt any sugar from the whole or any part of the duty leviable thereon.

CHAPTER V.

MISCELLANEOUS.

17. Any dispute as to the sucrose content of sugar shall be determined by the Chemical Adviser to the Commissioner or by such other officer as the latter may empower in this behalf.

18. If in the case of any factory the duty falls into arrears the Assistant Commissioner may order that no sugar shall be issued from that factory until duty has been paid on the sugar under issue and on any sugar previously issued from the factory in respect of which duty is in arrears.

19. An appeal shall lie from any order of an Assistant Commissioner to the Deputy Commissioner, and from any order of the Deputy Commissioner to the Commissioner. No appeal shall lie from any appellate order of the Commissioner, but an appeal shall lie from any original order of the Commissioner to the Central Board of Revenue. The Central Government may revise any order passed under the Act from which no appeal lies:

Provided that no order in revision shall be passed having an effect more prejudicial to the person concerned than the order under revision without such person being given an opportunity of stating his case.

20. No appeal under clause 19 shall be admitted unless received by the appellate authority within three months of the date of the order against which the appeal is made.

21. The Central Government may empower any officers to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar in respect of which it appears to them that duty should have been but has not been levied or that any contravention of the provisions of the Act or of this Order has occurred.

21-A. Any person against whom a reasonable suspicion exists that he has been guilty of an offence under the Act or this Order may be arrested in any place by any officer of the Central Excises and Salt Department, Northern India, not below the rank of an Inspector.

21-B. Every person arrested on the ground that he has been guilty of an offence under the Act or this Order shall forthwith be taken before the nearest Magistrate. If there is no Magistrate near at hand, the arrested person shall be taken to the officer in charge of the Police Station within the jurisdiction of which he was arrested, who shall produce the arrested person before the nearest Magistrate.

21-C. When any such person is taken before a Magistrate, such Magistrate may, if he thinks fit, either commit him to gaol or order him to be kept in the custody of the Police for such time as is necessary to enable such Magistrate to communicate with the proper officers of the Central Excises and Salt Department, Northern India :

Provided that any person so arrested, committed or kept shall be released on giving security to the satisfaction of the Magistrate to appear at such time and place as such Magistrate appoints in this behalf.

22. (1) Sugar in respect of which breaches of the Act or of this Order have been committed shall, together with the packages or coverings thereof, be liable to confiscation, which may, without prejudice to the provisions of section 9 of the Act, be adjudged subject to the provisions of clause 19 by the Assistant Commissioner :

Provided that when adjudging confiscation the Assistant Commissioner shall give the owner an option to pay in lieu of confiscation such fine, not exceeding one thousand rupees, as he thinks fit.

(2) Articles of which confiscation has been adjudged under sub-clause (1) and in respect of which the option of paying a fine in lieu of confiscation has not been exercised shall be sold, destroyed or otherwise disposed of in such manner as the Assistant Commissioner may direct.

23. The Assistant Commissioner may accept from any person who is reasonably suspected of having committed an offence under the Act or under this Order a sum of money not exceeding one thousand rupees in lieu of punishment for breach of any of the provisions of the Act or of this Order.

24. When duty has been short-levied through inadvertence, error, or misconstruction on the part of the Assistant Commissioner, or through mis-statement as to quantity on the part of the owner of a factory,

or, when any such duty after having been levied has been, owing to any such cause, erroneously refunded,

the person chargeable with the duty so short-levied, or to whom such refund has erroneously been made, shall pay the deficiency or repay the amount paid to him in excess, on demand being made within six months from the close of the month in respect of which the duty shall have been levied or from the date of making the refund :

Provided that a person chargeable with duty short-levied as a result of an offence under the Act of which he has been convicted in Court shall pay the deficiency on demand being made at any time.

25. No duty which has been paid and of which repayment wholly or in part is claimed in consequence of the same having been paid through inadvertence, error or misconstruction shall be returned unless such claim is made within six months from the date of such payment

26. Every owner of a factory who issues any syrup (except final molasses) from his factory shall furnish the following information to the Inspector within twenty-four hours of issue, namely, the quantity issued, the sugar value of the syrup according to the Formula given below, and the destination and purpose for which issued.

Formula.

Sugar value of syrup =

$$\frac{\text{Total weight of syrup} \times \text{Brix \%} \times 0.9}{100}$$

SUGAR

FORM D.

DAILY MANUFACTURING REPORT REGISTER.

(Vide clause 7.)

Name of Factory.....

Season.....

Report No..... Date.

Serial No.	Particulars.
1	Cane crushed ... Mds.
2	Total Mixed juice ... Mds.
3	Mixed juice % cane. Added water % cane.
4	Sugar actually bagged ... Mds.
5	Estimated yield sugar % cane. Estimated yield molasses % cane.
6	Bagasse % cane. Press cake % cane.
7	Analysis:—
	Cane ... Sugar %
	Mixed juice ... Sugar % Brix % Purity%
	Final Molasses ... Sugar % Brix % Purity%
	Bagasse ... Sugar %
	Press cake ... Sugar %

SUGAR

FORM E.
MANUFACTURING RUN REPORT REGISTER.

(Vide clause 7.)

Name of Factory.....

Season.....

Report No.....

Clarification Process used..... Period ending.....

Serial No.	Particulars	For the run.	To date
1	No. of days actual working.		
2	Total cane crushed	Mds.	
3	Total mixed juice	Mds.	
4	Mixed juice % cane. Added water % cane.		
5	Total sugar actually bagged	Mds.	
	Sugar in process	Mds.	
6	Molasses sent out	Mds.	
	Molasses in process	Mds.	
7	Recovery sugar % cane. Production molasses % cane.		
8	Bagasse % cane Press cake % cane		
9	Analysis:—		
	Cane	Sugar %	
	Mixed juice	Sugar % Brix % Purity%	
	Final molasses	Sugar % Brix % Purity%	
	Bagasse	Sugar %	
	Press cake	Sugar %	
	Average pol of all sugars		

SUGAR

Sugar Balance.

Serial No.	Particulars	Cane = 100.	
		For the run.	To date.
1	Sugar in cane	...	...
2	Sugar in Mixed juice	...	...
3	Sugar in Bagasse	...	...
4	Sugar in commercial sugars	...	...
5	Sugar in Press cake	...	...
6	Sugar in Molasses	...	...
7	Sugar undetermined	...	...

Stock in Process as on

Serial No.	Particulars	Cft.	Brix.	Purity.	Available Sugar	Molasses
1	Juice	...	...	...	...	...
2	Syrup	...	...	...	...	...
3	Massecurite	...	...	...	...	...
	No. I	...	...	...	...	...
	No. II	...	...	...	...	...
	No. III	...	...	...	...	...
4	Light Molasses—	...	...	...	...	...
	No. I	...	...	...	...	...
	No. II	...	...	...	...	...
	No. III	...	...	...	...	...
5	Heavy Molasses—	...	...	...	...	...
	No. I	...	...	...	...	...
	No. II	...	...	...	...	...
6	Other material in process	...	...	...	...	...
7	Sugar unbagged Mds.	...	...	...	...	...
	Total	...	...	...	...	...

SUGAR

FORM H.

(Vide clause 14.)

PART I.

I/We propose to export the undermentioned quantities of sugar to
(country of destination):—

Description of sugar.	Number of bags.	Average weight of the contents of each bag.	Total quantity.				Remarks.
1	2	3	4				5
		Mds. Srs.	Mds.	Srs.	Cwts.	Lbs.	

Exporter (s).....

Dated the.....

To

THE COLLECTOR OF CUSTOMS,

PORT.....

No.....

I certify that the consignment of sugar specified above has been shipped in full to.....(country of destination) on the....
19 and that there has been no relanding of any sugar contained in the said consignment.

(Signed) Collector of Customs,

Port.....

Dated the.....19 .

PART. II.

I/We request that a refund of the duty paid or payable in respect of the above consignment admissible under clause 14 of the Northern Sugar (Excise Duty) Order, 1938, may be allowed. Documents showing that British India excise duty at the rate of Rs.....per cwt.

SUGAR

amounting to Rs.....has already been paid or become payable
are enclosed herewith.

Exporter (s).....

Dated the..... 19 ..

To

THE ASSISTANT COMMISSIONER,

CENTRAL EXCISES AND SALT,

..... DIVISION.

THE COLLECTOR OF CUSTOMS,

PORT.....

*Strike off the portion not required.

I am satisfied that the refund claimed is admissible and may be paid.
The amount paid is adjustable in the books of the Accountant General.

.....

Assistant Commissioner,

Central Excises and Salt,

..... *Division.*

Collector of Customs,

Port.....

[Finance Department (Central Revenues) Notification No. 9 C. Exc., dated the 19th March 1938 as amended by F. D. (C. R.) Notifications Nos. 55-C. Exc., dated the 28th May 1938, and No. 62-C. Exc., dated the 10th September 1938]

PROHIBITIONS.

In exercise of the powers conferred by section 19 of the Sea Customs Act, 1878 (VIII of 1878), the Central Government is pleased to prohibit the taking by sea out of British India of sugar in any of its Commercial forms, except the product sold as final molasses :

Provided that nothing in this notification shall be deemed to apply to—

- (a) sugar manufactured outside India, and
- (b) sugar exported to Burma or to a State in India.

[Finance Department (C.R.) Notification No. 1-Customs, dated the 1st January 1938.]

EXEMPTIONS.

1. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934) sugar exported after the 1st April, 1934 by sea to any country outside India or shipped for consumption on a voyage to any port outside India.

[Finance Department (C. R.) Notification No. 2-Central Excises, dated the 3rd May 1934 as amended by Notification No. 13-C. Exc., dated the 19th March 1938.]

2. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934), sugar produced in the experimental sugar factory attached to the Harcourt Butler Technological Institute, Cawnpore.

[Finance Department (C. R.) Notification No. 15-Central Excises, dated the 21st July 1934.]

3. In pursuance of Clause 10 of the Sugar (Excise Duty) Act, 1934 the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934) sugar produced in the factory attached to the Jullundur Experimental Farm.

[Finance Department (C. R.) Notification No. 30-C. Exc., dated the 13th October 1934.]

SUGAR

4. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the Duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934) sugar produced for demonstration purposes in the Bengal Government Sugar Factory at Rajshahi.

[Finance Department (C. R.) Notification No. 43-C. Exc., dated the 15th December 1934.]

5. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934), sugar produced for the purpose of demonstration in the Sugar Court at the United Provinces Industrial and Agricultural Exhibition, Lucknow.

[Finance Department (C. R.) Notification No. 1-C. Exc., dated the 2nd January 1937.]

6. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt *khandsari* sugar produced in any factory in British India and issued out of such factory on or after the 28th February 1937 from so much of the duty leviable under clause (i) of sub-section (2) of section 3 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), as is in excess of one rupee per cwt.

[Finance Department (C. R.) Notification No. 7-C. Exc., dated the 3rd April 1937.]

7. In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Central Government is pleased to exempt sugar produced in any factory in British India either (a) by mixing residue containing cane sugar with palmyra juice or (b) by mixing residue containing palmyra sugar with cane juice, from the payment of so much of the duty leviable under clause (ii) of sub-section (2) of section 3 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), as is in excess of the amount computed in accordance with the following rules, namely :—

RULES.

1. In the case of factories which manufacture both cane sugar and palmyra sugar, an accurate stock-taking of material in process in the factory before the beginning of a new season shall be carried out.

SUGAR

2. The following formula, known as the S. J. M. formula of Noel Deerr, shall be applied for the calculation of recoverable sugar, namely—

$$\text{Recoverable Sugar} = \frac{S(J-m)}{J(S-m)}$$

(per unit weight
of dry substance
in material)

where S = Purity of sugar produced

J = Purity of the material used

m = Purity of final molasses.

3. The amount of recoverable sugar shall be calculated from the residual products according to the following procedure:—

(i) Complete analysis of the residual cane products shall be carried out before these are mixed with molten palmyra jaggery at the end of the cane season and the beginning of the refining season. From the analyses the value of J will be obtained. The values of S and m shall be taken as the average figures of the last palmyra season.

(ii) In the case of residual palmyra products remaining at the end of the refining season an analysis of the products shall be carried out before they are mixed with cane juice or syrup and the quantity of recoverable sugar shall be calculated by the application of the formula given in rule 2 substituting average values of S and m for the last cane season and the values of J will be known from actual analyses.

4. In the case of sugar produced by mixing residue containing cane sugar with palmyra juice, the duty shall be leviable on the actual sugar content of the said residue as ascertained under rule 3 (i)

5. In the case of sugar produced by mixing residue containing palmyra sugar with cane juice, rebate of duty proportionate to the palmyra sugar content as ascertained under rule 3 (ii) shall be allowed from the duty assessed on the mixed sugar.

[Finance Department (C. R.) Notification No. 5-C. Exc., dated the 19th February 1938.]

OFFICERS EMPOWERED TO SEARCH.

In pursuance of clause 14 of the Sugar (Excise Duty) Order, 1934, and in supersession of the notifications issued in this behalf by the Provincial Governments of Bombay and Madras, the Central Government is pleased to empower the officers mentioned in the annexed Schedule, within their respective jurisdictions, to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar in respect of which it appears to them that duty should have been but has not been levied or that any contravention of the provisions of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), or of the said Order has occurred.

SCHEDULE.

I. *In the Province of Bombay—*

1. "Head Quarters Assistant to the Collector of Salt Revenue Bombay."
2. Assistant Collectors of Salt Revenue.
3. Chief Inspector of Sugar Excise.
4. Any officer of the Bombay Salt Department not below the rank of Sub-Inspector.
5. Bandarkarkuns and Nakedars in charge of minor Sea and Land Customs Stations.
6. Petty Officers and constables of the Bombay Salt Department.

II. *In the Province of Madras—*

Any officer of the Madras Salt Revenue and Customs Departments not below the rank of Sub-Inspector.

[Finance Department (C. R.) Notification No. 40-C. Exc., dated the 1st April 1938 as amended by Notification No. 59-C. Exc., dated the 20th August 1938.]

In pursuance of clause 21 of the Northern India Sugar (Excise Duty) Order, 1938, the Central Government is pleased to empower all officers of the Central Excises and Salt Department, Northern India, to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar in respect of which it appears to them that duty should have been but has not been levied or that any contravention of the provisions of the Sugar (Excise Duty) Act, 1934, (XIV of 1934), or of the said Order, has occurred.

[Finance Department (C. R.) Notification No. 41-C. Exc., dated the 1st April 1938.]

PART II

CONTENTS

	PAGES
PART II	79-180
U. P. Sugar Factories Control Act 1938 (No. 1 of 1938)	79-97
Sections	
CHAPTER I. Preliminary	79-80
1. Short title and commencement	79
2. Definitions	79-80
CHAPTER II. Constitution of Advisory Committees, the Sugar Control Board and other authorities	81-82
3. Advisory Committee	81
4. Sugar Control Board	81
5. Constitution of Board and advisory committees	81
6. Powers and duties of advisory committee and Board	81
7. Appointment of Cane Commissioner	81
8. Appointment of Inspectors	81-82
CHAPTER III. Licensing of factories	82-85
9. Construction and extension of factories	82
10. Licences for crushing cane	83
11. Conditions of licences for crushing cane	83-84
12. Licence fees	84
13. Appointment of manager	84-85
CHAPTER IV. Purchase of Cane	85-89
14. Estimate of quantity of cane required by factory	85-86
15. Declaration of reserved area	86
16. Survey of reserved area	86-87
17. Maintenance of register	87
18. Purchase of cane in reserved area	87-88
19. Declaration of assigned areas and purchase of cane therein	88-89
20. Purchase of cane outside reserved area	89
CHAPTER V. Price to be paid for cane	90
21. Power of Provincial Government to fix minimum price	90
22. Fixing of price of cane	90
CHAPTER VI. Miscellaneous	90-97
23. Licensing of purchasing agent etc.	90-91
24. Distribution of seed cane by factories	91
25. Determination of "occupier" for purpose of this Act	91
26. Penalty for breach of conditions of licence	92
27. Other penalties	92-93
27A.	93-94
28. Institution of proceedings	94
29. Tax on sale of cane	94
30. Power to make rules	95-97
31. Repeal of the Sugar Cane Act, 1934	97

Rules	PAGES
The United Provinces Sugar Cane Rules, 1934 ...	98-110
The United Provinces Sugar Cane Rules, 1936 ...	111-129
Amendments to Sugar Cane Rules, 1936 ...	130-133
The United Provinces Sugar Factories Control Rules 1938	134-180
1. Short title, extent and Commencement ...	134
2. Definitions ...	134
3. Advisory Committee ...	134-135
4. Sugar Control Board ...	135-136
5. Inspectors ...	136-137
6. Manager ...	137
7. Licensing of purchasing agents ...	137-140
8. Licensing of other employees ...	140-141
9. Licences for the construction of new factories ...	141-142
10. Licences for the extension of existing factories ..	142
11. Licences for crushing cane ...	142-143
12. Estimate of quantity of cane required by factories ...	143-144
13. Declaration of reserved areas ...	144
14. Survey and Growers' register ...	144-145
15. Purchase of cane growing in reserved area ...	145-146
16. Declaration of an assigned area and purchases of cane in an assigned area ...	146
17. General provisions regarding purchases of cane ...	146-149
18. Minimum price ...	149
19. Weighments ...	149-151
20. Payments ...	151-153
21. Notices ...	153
22. Registers and Records ...	153-155
23. Arbitration ...	155-156
24. Tribunal ...	156
25. Penalties ...	156-158
25A. Collection of cess ...	158
26. Compensation ...	158
27. Forfeiture of security... ..	158-159
28. Protection to persons acting under these rules ...	159
29. Power to exempt from rules ...	159
30. Interpretation of rules ...	159
31. Repeal of old rules ...	159
APPENDIX I. Rules of procedure at meetings of advisory committee ...	159-160
APPENDIX II. Rules of procedure at meetings of Sugar Control Board ...	160
APPENDIX III. Forms ...	161-180

SUGAR CANE

U. P. Sugar Factories Control Act 1938
Act No. 1 of 1938.

[PASSED BY THE LEGISLATURE OF THE UNITED PROVINCES.]

[Assented by Governor on February 10, 1938, and published in U.P.
 Government Gazette Extraordinary, dated February 11, 1938.]

AN
 ACT

To provide for the licensing of sugar factories and to regulate the supply and the price of sugar cane intended for use in such factories.

Whereas it is expedient to provide for the licensing of sugar factories and for regulating the supply of sugar cane intended for use in such factories and the price at which it may be purchased and for such other matters as may be incidental thereto;

It is hereby enacted as follows:

CHAPTER I

PRELIMINARY.

1. (1) This Act may be called the United Provinces Sugar
 Short title and
 commencement. Factories Control Act, 1938.

(2) It extends to the whole of the United Provinces.

(3) This Act shall come into force at once and shall remain in force until the 30th June, 1941.

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

(a) "advisory committee" means a committee established under Section 3;

(b) "assigned area" means an area assigned to a factory under sub-section (1) of Section 19;

(c) "Board" means the Sugar Control Board established under Section 4;

(d) "cane" means sugar cane intended for use in a factory;

(e) "Cane Commissioner" means the officer appointed to be Cane Commissioner under Section 7;

SUGAR CANE

(f) "Cane-grower" means a person who cultivates cane either by himself or by members of his family or by hired labour and who is not a member of a Cane-growers' Co-operative Society ;

(g) "Cane-growers' Co-operative Society" means a society registered under the Co-operative Societies Act, 1912 (Act II of 1912), one of the objects of which is to sell cane grown by its members ;

(h) "Collector" in any provision of this Act includes any officer whom the Governor may, by notification, appoint to exercise and perform the powers and duties of a Collector under that provision ;

(i) "crushing season" means the period beginning on the 1st October in any year and ending on the 30th June next following ;

(j) "factory" means any premises, including the precincts thereof, wherein twenty or more workers are working or were working on any day of the preceding twelve months and in any part of which any manufacturing process connected with the production of sugar by means of vacuum pans is being carried on or is ordinarily carried on with the aid of power ;

(k) "occupier of factory" means the person who has ultimate control over the affairs of a factory ;

Provided that where the affairs of a factory are entrusted to a managing agent such agent shall be deemed to be the occupier of the factory ;

(l) "Prescribed" means prescribed by rules ;

(m) "purchasing agent" means a person licensed under this Act to act as a purchasing agent ;

(n) "reserved area" means an area specified in an order issued under Section 15 ;

(o) "rule" means a rule made under this Act ; and

(p) "sugar" means any form of sugar containing more than ninety per cent, of sucrose.

CHAPTER II

CONSTITUTION OF ADVISORY COMMITTEES, THE SUGAR CONTROL BOARD AND OTHER AUTHORITIES.

3. The Governor may, by notification, establish an advisory committee for the Province or for any area specified in such notification.

4. There shall be established for the United Provinces a Sugar Control Board.

5. The Board and each advisory committee shall be constituted in the prescribed manner.

6. (1) The Board and every advisory committee shall exercise and perform, in addition to any powers or duties conferred or imposed on them by the provisions of this Act, such powers and duties as may be prescribed.

(2) The business of the Board and of every advisory committee shall be conducted in such manner and in accordance with such procedure as may be prescribed.

7. The Governor may, by notification, appoint any officer to be Cane Commissioner to exercise and perform in addition to the powers and duties conferred and imposed on him by this Act, such powers and duties as may be prescribed from time to time.

8. (1) The Governor may, by notification, appoint such persons as he thinks fit to be Inspectors for the purposes of this Act within such local limits as he may assign to them respectively.

(2) No person shall be appointed to be an Inspector under subsection (1) or having been so appointed, shall continue to hold office who is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

(3) The Provincial Government may by rules provide for the appointment of such servants of the Crown as it thinks fit to be *ex officio* or additional Inspectors for the purposes of this Act within such local limits as it may assign to them respectively.

(4) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code and shall be officially subordinate to such authority as the Provincial Government may specify in this behalf.

(5) The Provincial Government may by rules provide for the powers to be exercised and the functions to be performed by an Inspector.

CHAPTER III

LICENSING OF FACTORIES

9. (1) No person shall commence the construction of any building **Construction and extension of factories.** intended to be used as a factory or any extension of the plant of an existing factory which is likely to increase its capacity for crushing cane unless he has been granted a licence by the Provincial Government. An application for a licence under this sub-section shall be made to the Provincial Government in the prescribed form.

(2) The Provincial Government shall prescribe the conditions on and the circumstances in which licences will be granted under sub-section (1).

(3) The Provincial Government shall publish a notice of the receipt of any application under sub-section (1) in the *Gazette* and such notice shall specify a date on or after which the application will be taken into consideration.

(4) The Provincial Government may, after consulting the Board with regard to the application and the objections received thereto, grant the licence applied for or reject the application as it thinks fit.

(5) A licence granted under sub-section (4) shall be valid for such period as may be specified therein but may be renewed by the Provincial Government from time to time.

NOTE:—

Under the Act no factory owner is authorised to construct or extend the premises of a factory without the previous permission of the Provincial Government. The factory owner is to apply to the Provincial Government in the form E given in the rules. The Provincial Government shall consider the application with respect to the provisions of section 9 of the Act and the licence is to be granted after making the enquiry warranted by the circumstances of each application.

SUGAR CANE

10. (1) After such date as the Governor may by notification specify in this behalf, no cane shall be crushed in a factory unless the occupier thereof has obtained a licence authorizing him to crush cane.

(2) An application for such licence shall be made to the Provincial Government in the prescribed form.

(3) On receipt of such application, a licence shall be granted if the applicant is the occupier of a factory which was in existence on February 10, 1938, or at which cane was crushed for at least 30 days in any crushing season during the five years previous thereto and in which sugar was manufactured direct from cane, or is a person to whom a licence has been granted under section 9.

Provided that the Provincial Government may refuse to grant a licence in any other case, or to any person, if it has already cancelled, or refused to renew, a licence previously granted to such person.

(4) A licence under this section shall be valid till the 30th June next following and shall be renewable in the prescribed manner.

(5) If an occupier of a factory has committed two breaches of the conditions of his licence for which penalties have been imposed, the Provincial Government may, after consulting the Board, refuse to renew his licence.

NOTES

Section 10 deals with the licences for crushing cane. Under this section the Governor is authorized to order that no cane shall be crushed in a factory after such date as may be fixed unless the factory has obtained a licence to crush cane.

The factory owner is to apply on Form F given with rules to the Provincial Government. The Provincial Government is to consider the application with regard to circumstances of each case, and to order accordingly. In case where the factory owner has committed two breaches of the conditions of his licence for which he has been punished the Provincial Government may, after the consultation of the Board refuse to grant or renew the licence. Also where the Provincial Government has already refused to renew it, may refuse it again.

11. A licence granted under sub-section (3) of Section 10 shall be subject to such conditions as the Provincial Government may, after consulting the Board, impose in respect of all or any of the following matters at the time when the licence is granted :

(a) membership of any organization of the sugar industry the

main object of which is to regulate the sale of sugar and which is recognized by the Provincial Government ;

(b) the price below or above which, the terms on which, and the persons to whom or organizations to which or through whose agency, any variety, grade or quantity of sugar produced in the factory may be sold ;

(c) the manner in which sugar produced in the factory shall be graded, marked, packed or stored for sale ;

(d) the minimum quantity of the cane that shall be purchased during the crushing season ;

(e) such other matters as may be prescribed, including conditions of labour.

12. The Provincial Government may levy such fee, not exceeding one hundred rupées, as may be prescribed for a licence granted under Section 9 or Section 10.

Licence fees.

13 (1) Before any factory commences to crush cane, the occupier shall send to the Collector a notice in the prescribed form appointing a person to be manager of the factory for the purposes of this Act and the rules made thereunder.

Appointment of manager.

(2) The Collector may require any person appointed as manager under sub-section (1) to deposit as security an amount not exceeding rupees one thousand in cash or Government promissory notes and no person shall be deemed to have been appointed as manager until such deposit is made.

(3) Whenever another person is appointed as manager, the occupier shall send to the Collector a written notice of the change within fourteen days from the date on which the new manager assumes charge.

(4) During any period of which no person has been designated as manager of a factory under this section, or during which the person designated does not manage the factory, or has not made the requisite deposit, any person found, acting as manager, or, if no such person is found, the occupier himself shall be deemed to be the manager of the factory for the purposes of this Act and the Rules.

NOTES

The United Provinces Sugar Factories Control Act, 1938, provides for the licensing of sugar factories. Under Chapter III the extension of factories and condi-

tions of licences for crushing cane is dealt with. Section 9 relates to the licences for the construction and extension of factories while section 10 relates to the conditions of licences for crushing cane. Under the Act the licence should not be refused to any existing factory. As worded, however, it can be interpreted to mean that on an application being made a licence must be granted, thus it can be argued that even if a factory is constructed without a licence under section 9, it must be granted a licence for crushing cane.

Before the amendment the matter was a very complicated one and the intention of the Legislature was not clear enough. By the amendments the powers of the Provincial Government are enlarged. As under section 10 (3) now the Government is not bound in every case to grant the licence. Not only this, the law regarding the factories situated at the Provincial Borders was also very complicated. In particular certain factories in Bihar have always obtained their cane from areas near them in the United Provinces and similarly some factories in the United Provinces take their cane mainly from Behar. Under the Act, as it originally stood, there was no restriction to it. Provisions regarding declaration and reservation did not apply to factories outside U. P., but under the amendment this flaw has been removed.

UNDER THE AMENDMENT.

The amendment of section 10 (3) has given very wide powers to the Government as regards the granting of licences for crushing cane. Now the granting of licences to crush cane will be obligatory only in respect of those factories which were in existence when the Act came into force, or of those factories constructed under licence since the Act came into force. Thus, Government will have an option to refuse licences in other cases and Section 10 (3) of the Act is amended to achieve this end.

As regards the working of the factories situated at the Provincial Borders an express provision is added to the Act to provide for the reservation or assigning, of areas in the United Provinces to factories outside the Provinces, vide Sec. 19.

CHAPTER IV.

PURCHASE OF CANE.

14. (1) The Provincial Government may by order require the
 Estimate of quantity of cane required by factory. occupier of any factory to submit to the Cane Commissioner, on or before the prescribed date, an estimate, in the prescribed form and manner of the quantity of cane which will be required in the factory during such crushing season as may be specified in the order.

(2) The Cane Commissioner shall examine every such estimate and shall publish the same in the prescribed manner with such modifications, if any, as he may think fit to make therein after consultation with the advisory committee within whose jurisdiction the factory is situated.

(3) An estimate published under sub-section (2) may be revised by the prescribed authority.

15. (1) The Cane Commissioner may, after consulting the advisory Declaration of committee or committees, if any, of the area concerned and the occupier of the factory and after reserved area. considering any objections that may be raised, issue an order declaring any area to be a reserved area for the purposes of the supply of cane to a particular factory during the ensuing crushing season, and may likewise at any time cancel such order or alter the boundaries of an area so reserved :

Provided that in the case of a factory situated outside the United Provinces, such declaration shall only be made on receipt by the Cane Commissioner of an application to that effect in the form prescribed from the occupier of such factory and on the condition that the occupier establishes a branch office in the United Provinces, deposits a security of Rs. 5,000 with a Collector in the United Provinces and appoints a person resident in the United Provinces as his manager for the United Provinces.

Provided also that unless the parties concerned consent no portion of an area reserved for one factory shall, so long as the agreements entered into by the occupier of such factory with the cane-growers in such area for the supply of cane remain in force, be included within the reserved area of another factory.

(2) An appeal shall lie against the order of the Cane Commissioner under sub-section (1) to the prescribed authority.

16. (1) The Provincial Government may order a survey to be made Survey of re- of the area reserved for a factory under Section 15, served area. and may recover the cost of such survey from the occupier of such factory.

(2) Every survey mentioned in sub-section (1) shall be made by an officer appointed by the Provincial Government for this purpose, and the said officer shall exercise and perform such powers and duties in making such survey as may be prescribed, and the survey shall be made in accordance with the prescribed procedure.

(3) Every person owning or occupying land in any area in respect of which a survey is being made under sub-section (2) shall afford to the officer making the said survey such assistance and facilities for making the said survey as may be prescribed.

SUGAR CANE

(4) any amount due from the occupier of a factory under sub-section (1) shall be recoverable from such occupier as an arrear of land revenue.

17. (1) The occupier of a factory for the purposes of which an area has been reserved shall maintain a register in the prescribed form and manner of all cane-growers and Cane-growers' Co-operative Societies in such area, who offer under Section 18 to sell cane to him.

(2) The Provincial Government may by rules provide for—

- (a) the correction of entries in and the addition of new entries to such register,
- (b) the payment of costs in connexion with such correction or addition, and the manner in which such costs shall be realized, and
- (c) the supply, on payment, of copies of entries in the register.

18. (1) A cane-grower or a Cane-growers' Co-operative Society in a reserved area may offer, in the form and by the date prescribed, to supply to the occupier of the factory for which the area is reserved cane-grown by the cane grower or by the members of such Cane-growers' Co-operative Society as the case may be, not exceeding the quantity, if any, prescribed for such grower or Cane-growers' Co-operative Society.

(2) The occupier or manager of a factory for which an area is reserved shall enter into an agreement, in such form, by such date and on such terms and conditions as may be prescribed, to purchase cane offered in accordance with sub-section (1):

Provided that, he shall not enter into an agreement to purchase cane from a person who is a member of a Cane-growers' Co-operative Society.

(3) Except with the permission of the Provincial Government, cane grown in a reserved area shall not be purchased in such area by a purchasing agent, or by any person other than the occupier of the factory for which such area has been reserved.

(4) Cane grown in a reserved area shall not be sold by any person other than a cane-grower or a Cane-growers' Co-operative Society:

Provided that a cane-grower or a Cane-growers' Co-operative Society may deliver cane intended for use in a factory through another cane-grower or through a carrier.

(5) During the crushing season the Provincial Government may, if it is satisfied that there is likely to be in the area reserved for a factory any quantity of cane available for sale to the occupier of the factory in excess of the quantity for which he is required to enter into agreements, direct that cane shall not be purchased outside the reserved area until the occupier of the factory enters into agreements to purchase all the cane offered to him in the reserved area:

Provided that such prohibition shall not apply in respect of cane for the supply of which agreements in writing have been entered into before such direction was issued.

19. (1) The Cane Commissioner may, after consulting the advisory Committee or committees (if any) of the area concerned and the occupier of the factory and after considering any objections that may be raised, issue an order declaring any area to be an assigned area for the purposes of the supply of cane to a particular factory:

Declaration of
assigned areas
and purchase of
cane therein.

Provided that in case of a factory situated outside the United Provinces such declaration shall only be made on receipt by the Cane Commissioner of an application to that effect in the form prescribed from the occupier of such factory.

(2) Subject to the provisions of sub-section (5) the occupier of a factory for which an area has been assigned, shall enter into agreements for the purchase in the assigned area of such quantity of cane as may be fixed by the Cane Commissioner.

(3) Such agreements shall be entered into with cane-growers in the assigned area or Cane-growers' Co-operative Societies or purchasing agents, by such date and in such form and on such terms and conditions as may be prescribed:

Provided that such agreements shall not be entered into with a person who is a member of a Cane-grower's Co-operative Society.

(4) If such an agreement is entered into with a purchasing agent, he shall enter into similar agreements with cane-growers in the assigned area or Cane-growers' Co-operative Societies in respect of all the cane which he has undertaken to supply.

SUGAR CANE

(5) If the cane-growers or Cane-growers' Co-operative Societies in the assigned area are not willing to enter into agreement to supply or fail to supply the requisite quantity of cane, the occupier of the factory or the purchasing agent may, after giving the prescribed notice to the Collector, purchase the balance of the cane required from outside the assigned area unless otherwise directed by the Collector.

(6) An appeal shall lie against an order of the Cane Commissioner under sub-section (1) or sub-section (2) to the prescribed authority.

20. In any area other than a reserved area no person shall purchase cane except—
 Purchase of cane outside reserved area.

(a) the occupier of a factory or a person employed by him for the purpose of making such purchases ;

(b) a purchasing agent or a person employed by him for the purpose of making such purchase, or

(c) a Cane-growers' Co-operative Society:

Provided that a person entitled to purchase cane may take delivery thereof through a cane-grower or through a carrier.

NOTES.

Under the Act the Provincial Government may require the factory owner to submit an estimate of the quantity of Cane required by such factory for crushing purposes for that season. The Cane Commissioner shall examine the application of the factory owner with regard to circumstances and pass such orders after the consultation of the advisory committee as he deems fit.

The Cane Commissioner may under the circumstances with the consultation of the advisory committee fix some area and reserve it for one factory for the purchasing of cane.

RESERVED AREA:—The area from where no other factory can buy cane from the cane-grower or Cane-growers' Society for the purpose of crushing except the one for which it is reserved.

UNDER THE AMENDMENT

The Provincial Government has added a new provision to Section 19 with regard to the provisions of reservation of areas in the United Provinces for the factories situated outside the province.

SUGAR CANE

CHAPTER V

PRICE TO BE PAID FOR CANE.

21. (1) The Governor, after consultation with the Board, may by notification determine in respect of any area the minimum price to be paid by occupiers of factories or purchasing agents for cane purchased in that area or direct that such minimum price shall be calculated in accordance with rules made under this Act.

(2) The Governor may, after consultation with the Board, vary by notification the price notified under sub-section (1) from time to time as he thinks fit.

(3) The occupier of a factory or a purchasing agent shall not make any deductions from the amount due for cane sold to him by a cane-grower or Cane-growers' Co-operative Society except such deductions as may be prescribed, or as the Governor may, by notification from time to time allow.

22. The Governor may, after consultation with the Board, by notification direct that, in addition to the minimum price to be paid for cane, the occupier of the factory shall pay for special varieties of cane to be specified in such notification and which a cane-grower or Cane-growers' Co-operative Society has agreed to supply to him, such additional price as the Provincial Government may direct.

CHAPTER VI.

MISCELLANEOUS

23 (1) No person shall exercise any of the powers conferred by or under this Act on a purchasing agent unless he has been licensed in the prescribed manner.

(2) The Governor may, by notification, direct that in any area no person shall be employed by an occupier of a factory or by a purchasing agent to do any work or class of work in connexion with any transaction for the purchase of cane unless such person has been licensed in the prescribed manner.

(3) A licence shall not be granted to any person under sub-section (1) unless such person has paid the prescribed deposit or fur-

nished the prescribed security in Government Bonds, and the Collector may, in accordance with rules framed by the Provincial Government order that the deposit paid or security furnished in respect of such licence shall be forfeited to the Crown or shall not be returned before the prescribed period or that the whole or any portion of such deposit or security shall be paid to any person who has suffered any loss owing to the misconduct of the person to whom such licence was granted.

24. The occupier of a factory or any other person acting on his behalf shall not distribute seed cane of any variety ^{Distribution of seed cane by factories} to any person to be used by cane-growers or the members of Cane-growers' Co-operative Societies if the Governor, after consulting the Board, has by an order published in the *Gazette*, declared that such variety of seed cane is unsuitable for distribution to cultivator.

25. (1) Where the occupier of a factory is a firm or other association ^{Determination of "occupier" for purpose of this Act.} of individuals, any one of the individual partners or members thereof may be prosecuted and punished under this Act for any offence for which the occupier of the factory is punishable:

Provided that the firm or association may give notice to the Collector that it has nominated one of its number to be the occupier of the factory for the purposes of this Act, and such individual shall be deemed to be the occupier for the purposes of this Act until further notice cancelling his nomination is received by the Collector or until he ceases to be a partner or member of the firm or association.

(2) Where the occupier of a factory is a company, any one of the directors thereof or, in the case of a private company, any one of the share-holders thereof, may be prosecuted and punished under this Act for any offence for which the occupier of the factory is punishable:

Provided that the company may give notice to the Collector that it has nominated a director, or, in the case of a private company, a share-holder, to be the occupier of the factory for the purposes of this Act and such director or share-holder shall be deemed to be the occupier of the factory for the purposes of this Act until further notice cancelling his nomination is received by the Collector or until he ceases to be a director or share-holder.

26. (1) If the Provincial Government is satisfied that there has been a breach of the conditions of a licence granted under Section 10, it may refer the same for advice to a tribunal constituted in the prescribed manner, and, on the advice of such tribunal, impose on the occupier of the factory concerned, a penalty which may extend to five thousand rupees or to an amount calculated at annas eight per maund of sugar produced or sold in contravention of the conditions of the licence, or, in case the breach consists of the wilful failure to purchase a minimum quantity of cane, to an amount calculated at a rate not exceeding one anna per maund of cane which he has failed to purchase, and may after a second breach for which a penalty has been imposed, cancel the licence.

(2) Any penalty imposed on the occupier of a factory under sub-section (1) shall be recoverable from such occupier as an arrear of land revenue.

27. (1) If any person commences the construction of a new factory or if the occupier of a factory makes any extension of the plant of the factory, in contravention of the provisions of sub-section (1) of Section 9, he shall be punishable with fine which may extend to five thousand rupees.

(2) If cane is crushed at a factory without a licence having been obtained for the same under section 10 the occupier of the factory shall be punishable with fine which may extend to five hundred rupees for each day on which cane is crushed at the factory without such licence, and the court may order that the factory shall cease crushing cane until a licence for the same has been granted. If the order of the court to stop the crushing of cane is not complied with, the occupier or the manager of the factory or both may be sentenced to imprisonment which may extend to six months.

(3) If the occupier or manager of a factory —

- (a) intentionally fails to maintain correctly the register mentioned in sub-section (1) of section 17, or
- (b) intentionally fails to enter into agreements as required by Section (2) of Section 18 or sub-section (2) of Section 19, or
- (c) intentionally and persistently fails to purchase cane in accordance with the terms of an agreement entered into under sub-section (2) of Section 18 or sub-section (2) of Section 19, or

SUGAR CANE

- (d) purchases cane outside a reserved area in contravention of the provisions of sub-section (5) of Section 18, or
- (e) knowingly enters into an agreement with a cane-grower who is a member of a Cane-grower's Co-operative Society in contravention of the provisos to sub-section (2) of Section 18 or sub-section (3) of Section 19, or
- (f) distributes seed in contravention of Section 24, he shall be punishable with fine which may extend to two thousand rupees.

(4) If a purchasing agent fails to enter into agreements as required by sub-section (4) of Section 19, he shall be punishable with fine which may extend to two thousand rupees.

(5) If any person knowingly:

- (a) pays for any cane purchased for use in a factory a price less than the minimum price or such other price as may be determined for such cane under the provisions of Chapter V, or makes any deduction from the amount due for cane sold to him in contravention of the provisions of sub-section (3) of Section 21, or
- (b) purchases or sells cane in a reserved area in contravention of the provisions of sub-section (3) or (4) of Section 18, or
- (c) exercises any of the powers conferred by or under this Act on a purchasing agent or takes part in any transaction connected with the purchase of cane in contravention of Section 20, or Section 23,

he shall be punishable with imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

(6) Any person contravening any of the provisions of the Act for which no penalty is otherwise provided, shall be punishable with fine which may extend to two thousand rupees.

*Replaced by Act, VI of 1939

27-A. (1) No suit, prosecution or other legal proceeding shall lie against the Provincial Government or against any person for anything which is in good faith done or intended to be done under this Act or the rules framed thereunder.

(2) The exercise of any discretion or authority conferred on the provincial Government or on the Cane Commissioner by this Act, shall not be questioned in any Civil Court.

28. (1) No prosecution shall be instituted under this Act except
 Institution of upon complaint made by or under authority from
 proceedings. the District Magistrate.

(2) On the application of a person accused of an offence under this Act, the District Magistrate may compound such offence by levying a composition fine not exceeding the fine which could be imposed for such offence at any stage before conviction.

(3) No Court inferior to that of a Magistrate of the 2nd class shall try any offence against this Act or any order or rule made thereunder.

29. (1) The Governor may, after consulting the Board, by notification, impose a tax on the sale of sugarcane at a
 Tax on sale of cane. rate not exceeding six pies per maund or at a rate not exceeding ten per cent. of the sale price, and may, by notification exempt from such tax sales in any area, or any class or classes of such sales, to be specified in the notification.

(2) The Governor may, after consulting the Board, by notification, impose a cess not exceeding six pies a maund on the entry of sugarcane into a local area, specified in such notification, for consumption, use or sale therein:

Provided that such cess shall not be imposed on the entry into any such area of any sugarcane in respect of the sale of which a tax imposed under sub-section (1) is payable.

(3) The Provincial Government shall make rules specifying the authority empowered to collect the tax or cess and the person from whom, and the manner in which, the tax or cess shall be collected.

(4) If any agreement for the sale of cane is entered into before the imposition of a tax or cess under this section, the seller will be entitled to recover from the buyer in addition to, and as part of, the contracted price, the amount of such tax or cess to which the seller may be liable.

(5) All sums payable in accordance with sub-sections (1) or (2) or the rules made under sub-section (3) shall be recoverable as an arrear of land revenue.

SUGAR CANE

36. (1) The Provincial Government may make rules to carry out the provisions of this Act.
 Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for:

- (a) the constitution, powers, duties, and procedure of advisory committees and the Board;
- (b) the authorities by which any functions under this Act or the rules made thereunder are to be performed;
- (c) the form and manner in which applications may be made for a licence to commence the construction of a new factory or the extension of the plant of an existing factory, the conditions on which and the circumstances in which such licence may be granted;
- (d) the form and manner in which applications for licences for crushing cane may be made, the terms and conditions of such licences, their renewal, suspension and cancellation and the fees to be charged for the same;
- (e) the form in which the notices required by Sections 13 (1) and 19 (5) should be given;
- (f) the amount of the deposits referred to in Section 13 and 23 and the terms and conditions on which, and the procedure by which the same may be made, retained or withdrawn;
- (g) the date by which, and the form and manner in which the estimate mentioned in Section 14 should be submitted and the manner in which and the places at which such estimate shall be published;
- (h) the procedure to be followed in making a survey under Section 16, the manner of calculating the cost of such survey, the amount to be deposited in connexion therewith, and the assistance to be afforded by owners and occupiers of land to the officer making such survey;
- (i) the form of the application in which a person offers to sell cane, the date by which such application should be made and the quantity of such cane which may be offered for such sale;
- (j) the form of the agreement to be entered into for the purchase of cane, the date by which such agreement should be made and the terms and conditions thereof;

- (k) the quantity of cane to be purchased in a reserved area or in an assigned area by the occupier of a factory during the crushing season for which agreements should be entered into;
- (l) the posting of notices and the maintenance of records, registers and accounts and the submission of returns, the supply of copies of entries therein, and the fees to be charged for the same;
- (m) the method by which the minimum price to be paid for cane under this Act shall be calculated or determined and the deductions that may be made therefrom;
- (n) the form and manner in which applications for licences under Section 23 may be made, the terms and conditions of such licences, their renewal, suspension and cancellation, and the fees to be charged for the same;
- (o) the constitution of a tribunal provided for in sub-section (1) of Section 26, its powers, duties, and procedure and the recovery of costs incurred in connexion therewith;
- (p) the operation of Cane-growers' Co-operative Societies;
- (q) the correct weighment of cane, the provision of facilities for weighment and for checking weighments, and things of weighments;
- (r) the payment of the price for cane;
- (s) the regulation of the supply of cane;
- (t) the provision of approach roads, parking space near factories for carts bringing cane to such factories, sheds for cart drivers and water troughs for bullocks and other kindred matters;
- (u) the reference to the Cane Commissioner of disputes relating to the supply of cane for decision or if he so directs to arbitration, the mode of appointing an arbitrator or arbitrators, the procedure to be followed in proceedings before the Cane Commissioner or such arbitrator or arbitrators, and the enforcement of the decisions of the Cane Commissioner or the awards of arbitrators;
- (v) the amount of the tax or cess imposed under Section 29 and the authority by which the person from whom, and the manner in which such a tax or cess shall be collected; and

SUGAR CANE

(w) the provision of sheds for carts, the proper disposal of sullage water and the speedy disposal of damaged cane.

(8) In making any rule under sub-section (1) or (2), the Provincial Government may provide that a breach of such rule shall be punishable with fine not exceeding two thousand rupees.

(4) The rule made under this section shall come into force on such date as may be fixed by the Provincial Government. Such rules shall be laid before both Chambers of the Legislature whenever they may meet after the rules have come into force, and if an amendment of any such rule is carried in both the Chambers in the session following the promulgation of such rules, such rule shall be amended accordingly.

(5) Rules made under this section shall be published in the *Government Gazette*.

31. The Sugar cane Act, 1934, is hereby repealed. The rules **Repeal of the** issued under the Sugarcane Act, 1934, shall continue **Sugar cane Act,** in force in so far as they are not inconsistent with **1934.** the provisions of this Act and are not superseded by any rule made, or notification issued, under this Act.

For rules see pages 98

INDUSTRIES DEPARTMENT.*25th October, 1934.*

No. 2918-XVII-676-34. In continuation of notification No. 784-I-XVIII, dated the 3rd September, 1934, and in exercise of the powers conferred by sections 3 and 7 of the Sugarcane Act, 1934 (Act XV of 1934) the United Provinces Government is pleased to make the following rules specifying the area declared as a controlled area for the purposes of the said Act fixing the minimum prices for the purchase therein of the Sugarcane intended for use in a sugar factory, prohibiting the purchase of Sugarcane otherwise than from the grower of the Sugarcane or from a licensed purchasing agent, and for the purpose generally of carrying into effect the objects of that Act.

THE UNITED PROVINCES SUGARCANE RULES, 1934.

1. *Short title, extent and commencement.* (i) These rules may be called the United Provinces Sugarcane Rules and shall take effect from December 1, 1934.

(2) These rules shall apply to the whole of the United Provinces of Agra and Oudh which is hereby declared to be a controlled area for the purposes of the Sugarcane Act, 1934, (XV of 1934.)

2. *Definition*—In these rules a 'Sugar Factory' means a factory as defined in the Sugarcane Act (XV of 1934)

3. *Inspectors*—(1) The Local Government may by notification in the local official gazette, appoint such Government servants belonging to an Imperial or Provincial service as it thinks fit to be inspectors within such local limits as it may assign to them respectively.

Provided that no person shall be appointed to be an inspector under this sub-rule or having been so appointed shall function as, or continue to hold the office of inspector who is or becomes directly or indirectly interested in a sugar factory situated within the limits of his jurisdiction, or in a sugar factory under the same management as any sugar factory so situated, or in any patent or machinery connected therewith.

(2) Every inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code.

(3) Every inspector shall be officially sub-ordinate to the Commissioner of the Division or to such other authority as may be notified by the Government in this behalf.

(4) An inspector may within the local limits for which he is appointed:—

(a) enter, with such official assistance (if any) as he thinks fit any place which is or which he has reason to believe to be used as a sugar factory or as weigh bridge premises used for weighing cane for a sugar factory; and make such examination of the premises and machinery and of any prescribed registers, and take on the spot, or otherwise, such evidence of any person as he may deem necessary for carrying out the purposes of these rules ;

SUGAR CANE

Provided that in the case of a sugar factory which is owned by a body registered under the Indian Companies Act, 1913 (Act VII of 1913), or the Co-operative Societies Act, 1912 (Act II of 1912) or which has been notified in writing to the District Magistrate to be a sugar factory, he shall not enter any portion of the sugar factory except the weighbridge and cane carrier premises and the office and he shall not examine any machinery other than the weighbridges or other scales used for the purchase of Sugarcane ;

(b) have carts carrying sugarcane or consignments of sugarcane weighed or reweighed of the purchasing centre in his own presence; and

(c) exercise in good faith such other powers as are necessary for carrying out the purposes of these rules.

5. The District Magistrate shall exercise, ex-officio, the powers of an inspector under these rules within his district and a sub-divisional magistrate shall exercise similar powers within his sub-division.

4. *Occupier and Manager*—(1) The occupier of a sugar factory shall mean the person or body of persons having ultimate control over its affairs, provided that—

(a) Where the affairs of a sugar factory are entrusted to a managing agent or agents or to a lessee or lessees, such agent or agents or lessee or lessees shall be deemed to be the occupier of the sugar factory.

(b) Where the occupier of a sugar factory is a company, registered under the Indian Companies Act, or a Co-operative Society registered under the Co-operative Societies Act, everyone of the directors thereof, or in the case of a private company everyone of the shareholders thereof, shall for the purposes of these rules be regarded as the occupier, unless the company or Co-operative Society has by notice to the District Magistrate nominated a director, or in the case of a private company a share-holder, to be the occupier of the sugar factory. Such notice shall be signed by the director or share-holder concerned in token of his acceptance of such nomination and sent in duplicate. The director or share-holder so nominated shall be deemed to be the occupier of the sugar factory for the purposes of these rules until further notice cancelling his nomination or intimating his resignation is received by the District Magistrate or until he ceases to be a director or share holder and notifies this fact to the District Magistrate.

(c) Where the occupier of a sugar factory is a firm, partnership or other association of individuals everyone of the individual partners or members thereof shall be regarded as the occupier for the purposes of these rules unless the firm, partnership or association has by notice given to the District Magistrate nominated one of their number to be the occupier of the sugar factory, such notice shall be signed by the person so nominated in token of his acceptance of such nomination and sent in duplicate. Thereupon such individual shall be deemed to be the occupier for the purposes of these rules until further notice cancelling his nomination or intimating his resignation is received by the District Magistrate or until he ceases to be a partner or member of the firm or association.

(2) The occupier of a sugar factory shall from time to time appoint

a person as the manager of the sugar factory for the purpose of these rules and shall send to the District Magistrate written notice in duplicate containing the name of the person so appointed, signed by the latter in token of his acceptance and thereupon such person shall be deemed to be the manager of the sugar factory for the purposes of these rules.

Explanation—A cane Superintendent may be appointed as manager under this rule.

(3) The manager shall be required to deposit with the occupier of the sugar factory a sum of Rs. 1,000 in cash or in Government securities of the market value of Rs. 1,000 or in Post Office cash certificates of the present encashment value of Rs. 1,000 or to hypothecate landed property worth not less than Rs. 2,000 as security for the due performance of his duties. Such security shall be maintained throughout the period he continues as a manager.

Provided that the District Magistrate may exempt him from giving such security or permit him to give a reduced security ;

Provided further that this rule will not apply to the manager of a sugar factory worked by the open pan process.

(4) Whenever a new manager is appointed, the occupier shall send to the District Magistrate in duplicate a written notice of the change, signed by the person newly appointed in token of his acceptance of the appointment within seven days from the date on which the new manager assumes charge.

(5) During any period for which no person has been designated as manager of a sugar factory under this rule, any person found acting as manager, or if no such person is found or can be proved to have been so acting, the occupier himself, shall be deemed to be the manager of the sugar factory for the purposes of these rules

5. *Licensed purchasing agents*—(1) The occupier or manager of a sugar factory situated in United Provinces shall, from time to time intimate to the District Magistrate of the District in which the sugar factory is situated the names of and full particulars about the persons whom he desires to appoint as licensed purchasing agents for the supply of cane for the sugar factory. The occupier or manager of a sugar factory situated beyond the limits of the United Provinces shall apply for a licence for each purchasing agent who desires to purchase sugarcane in the United Provinces for such sugar factory, to the District Magistrate of the nearest District in the United Provinces and shall intimate to such District Magistrate their names and full particulars about them.

(2) No person other than a Co-operative Society for cane supply shall be licensed as a purchasing agent unless he has paid a licence fee of one rupee.

(3) No person, other than a Co-operative Society for cane supply, shall be licensed as a purchasing agent unless he has deposited with the occupier or manager of the sugar factory concerned if situated in the United Provinces, or in the case of a sugar factory situated outside

SUGAR CANE

the United Provinces, with the District Magistrate to whom application for licence is made a sum of Rs. 1,000 in cash or in Government securities of the market value of Rs. 1,000 or in Post Office cash certificates of the present encashment value of Rs. 1,000 or hypothecated to him landed property worth Rs. 2,000 as security. On receipt of such security, the occupier or manager of the sugar factory shall give information thereof to the District Magistrate. Such security shall be maintained throughout the period such person works as a purchasing agent. Government will have first charge on such sum or property for the recovery of any fine imposed on him under the Sugarcane Act, 1934, or under these rules, and a provision to that effect shall be made in the security bond :

Provided that if the occupier or manager of a sugar factory agrees, the District Magistrate may exempt any purchasing agent from giving such security or permit him to give a reduced security :

Provided further that the District Magistrate may exempt any purchasing agent who intends to supply sugarcane only for a sugar factory worked by the open pan process from giving such security or permit him to give a reduced amount as security.

(4) Any person, whom the occupier or manager of a sugar factory in the United Provinces desires to appoint as a purchasing agent shall be licensed by the District Magistrate in this behalf till the 30th June next following provided that no person other than a Co-operative society for cane supply shall be so licensed (a) if he has not paid the licence fee or (b) he has failed to deposit the security referred to in sub-rule (3), or (c) he has been convicted within the previous two years of any offence under the Sugarcane Act, 1934, or these rules or (d) he is an undischarged insolvent or of unsound mind

(5) The licence of a purchasing agent, other than a Co-operative Society for cane supply, shall be cancelled by the District Magistrate on receiving an application to that effect from the occupier or manager of the sugar factory concerned; or when the licensed purchasing agent is adjudged insolvent or becomes of unsound mind.

(6) The occupier of a sugar factory shall be responsible for making good any amounts proved to be due by licensed purchasing agents, other than Co-operative Societies for cane supply, for the price of cane purchased by such purchasing agents.

(7) A Co-operative Society for cane supply shall, on its applying to the District Magistrate in this behalf, be licensed by him as a purchasing agent.

(8) Nothing in these rules shall prevent a person from working as a purchasing agent for more than one sugar factory, provided he obtains a separate licence for each such sugar factory.

(9) No person shall purchase sugar cane intended for use in any sugar factory except one employed by the occupier or manager of a sugar factory for the purpose of purchasing sugar cane intended for use in such sugar factory, or a licensed purchasing agent or a

Co-operative Society for cane supply. Any person committing a breach of this sub-rule shall be punishable with fine which may extend Rs. 300/-.

6. *Purchases of Sugarcane*—(1) The occupier or manager of a sugar factory shall from time to time intimate to the District magistrate the names of, and full particulars about, the persons whom he employs for purchasing Sugarcane on his behalf at the various purchasing centres and he shall not permit any other person to purchase Sugarcane on his behalf for the sugar factory.

(2) The occupier or manager of a sugar factory or a licensed purchasing agent shall not purchase Sugarcane for a sugar factory from any person, other than (i) the grower of such cane or a person representing himself to be such grower or, (ii) a Co-operative Society representing himself to be such grower, or (iii) a licensed purchasing agent.

(3) Save in the case of a Co-operative Society for cane supply, the price of the cane shall not be paid to a representative of the grower (or person representing himself to be such grower) unless he is duly authorized by him in writing to receive such payment, provided that no person who has purchased the cane from the grower or who is employed by the occupier or manager of a sugar factory and no person (other than a Co-operative Society for cane supply) who has lent money to the grower shall be so authorized by the grower to receive such payment.

(4) Any person falsely representing himself as a grower or a person duly authorized by him shall be punishable with fine which may extend to Rs. 300/-.

(5) Any person committing an offence under sub rule (4) may, at the discretion of the District Magistrate be prosecuted either under the said sub-rule or for the offence of cheating or attempting to cheat under the Indian Penal Code.

7. *Minimum prices*—(1) The occupier or manager of a sugar factory or a licensed purchasing agent shall not purchase Sugarcane for a sugar factory or pay for it at a price below the minimum price fixed under these rules.

(2) In the case of Sugar cane purchased for vacuum pan sugar factories, the basic minimum price shall be five annas per standard maund of 82½ lbs. avoirdupois for Sugarcane delivered at a sugar factory or at any of the weighbridges or outstations or other purchasing centres where cane is being purchased for a sugar factory :

"Provided that in any crushing season for each fortnight after 15th December, the aforesaid minimum price shall be increased or decreased according as the average, for the corresponding fortnight of the preceding calendar month, of the average, for each day of that period, of the ten highest price quotations (of which two shall be for sugar factories in the Meerut Division four for those in the Gorakhpur Division, and four in the rest of the Province at Cawnpore for first grade sugar manufactured in the United Provinces for delivery

SUGAR CANE

by factories on a f. o. r. factory basis, goes higher or lower than the sum of Rs. 8-8-0, and the amount of such increase or decrease in the minimum price shall be 3 pies for every 8 annas of increase or decrease in the said average price of sugar if quotations of the ten sugar factories as aforesaid are not available calculation of the average may be made on the basis of such of the aforesaid quotations as may be available :

Provided further that the basis for fixing the minimum price shall be reconsidered after the close of the 1934-35 cane crushing season.

(3) In the case of sugarcane purchased for open pan sugar factories, the basic minimum price as well as the units of increase or decrease therein shall be $\frac{2}{3}$ rd of the corresponding figure for vacuum pan sugar factories, taken to the nearest pie.

8. *Weightments*—(1) All dealings and contracts in connexion with the purchase and supply of sugarcane shall be had and made according to the maund of 82½ lbs. and it shall not be lawful to use any other weight in relation to any such dealing or contract.

(2) All weightments of sugarcane shall be by the maund of 82½ lbs. and multiples thereof and shall be made correctly and to the nearest quarter maund.

(3) No scales or weights shall be used for the purchase of sugarcane by, or on behalf of, an occupier or manager of a sugar factory, or a licensed purchasing agent which have been disapproved by the inspector :

Provided that the inspector shall not disapprove any scales and weights which comply with the rules and which weigh correctly to within two per cent :

Provided further that no weighbridge other than one belonging to a railway administration shall be so approved unless the scale arm is clearly marked and is either accessible to the vendors of sugarcane and their authorized agents or legible to persons standing near the carts which are being weighed.

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

(5) At every place where sugarcane is being purchased for a sugar factory, adequate facilities for weightment, to the satisfaction of the Inspector, shall be provided, and carts shall not be kept waiting unduly for weightments.

(6) Weightments of sugarcane for a factory shall not be made more than half an hour after sunset, unless lighting arrangements approved by the Inspector as sufficient for the easy reading of the scale arm by both the purchaser and the vendor or his authorized agent are made and maintained.

(7) Nothing shall be demanded or accepted by an occupier or manager of a sugar factory or a licensed purchasing agent or any

person acting on his behalf, from the grower of the sugarcane or any person on his behalf, as a consideration for the weighment or purchase of the sugarcane.

NOTES.

(U. P. Sugarcane Rules (1934) Rules 8 (2) and 9 (4).)

A purchaser of a Sugarcane is not entitled under the Sugarcane Rules to an allowance for fractions at the time of weighment under Rule 8 (2) and again at the time of payment under Rule 9 (4) after having made deductions for Kurda. Rule 8 (2) has nothing to do at all with R. 9 (4) which deals with payment. When once the weight has been ascertained in accordance with R. 8, there remains no further occasion or justification for making again an allowance for any fraction.

AYUR ALI vs EMPEROR

1937 A. W. R. 311 = A. I. R. 1937 All 423.
= 169 I. C. 626.

9. *Payments*—(1) All payments for cane purchased for a sugar factory shall be made at the purchasing centre within 24 hours of demand; provided that, in the case of purchases made at such purchasing centres (other than the sugar factory premises) as may be approved by the District Magistrate, payments shall be made within seven days of demand.

(2) Except as provided in sub-rule (3), 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.

Provided that a suitable deduction may be made from the price in the case of cane purchased at purchasing centres situated within such areas, as may be specially notified by the Local Government from time to time, where the cane has been in the opinion of such Government, badly affected by disease.

Provided further that the Local Government, if satisfied that in any local area a substantial quantity of cane will remain standing and unsold on 15th May, in any year and is not likely to be purchased at the prescribed minimum price, may by notification in the Gazette direct that in that area such deduction as may be specified in the notification, may be made from the price of cane purchased after that date.

(3) If any loan has been advanced to the person from whom the Sugarcane has been purchased, the amount of such loan, together with simple interest thereon at a rate not exceeding two pias per rupee per month for the period the loan has been outstanding, may be deducted subject to the terms of the agreement from the amount paid for the cane.

Explanation: A loan for the purchases of this sub-rule shall on and after 1st May, 1935, mean only an advance made, 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.

SUGAR CANE

(4) No deductions shall be made from the weight of the cane recorded on the ground that the cane is improperly stripped or is otherwise unsuitable.

10. *Notices*—(1) The manager of a sugar factory and a licensed purchasing agent (other than a Co-operative Society for cane supply) shall cause to be put up throughout the cane purchasing season at each purchasing centre a copy of an abstract of the rules (when received from Government) and notices showing correctly, the minimum price or prices fixed by Government and the rates at which cane is being purchased for the sugar factory at that centre, and shall send intimation of the starting of each purchasing centre to the District Magistrate within whose jurisdiction such centre is situated.

(2) Such notices shall be put up—

(a) at each entrance to the sugar factory;

(b) at the place at which purchases of Sugarcane are made for the sugar factory, either by licensed purchasing agents or by any person employed by the occupier or manager of the sugar factory or acting on his behalf;

(c) at such other conspicuous places near the places mentioned in (a) and (b) as the District Magistrate may direct.

(3) Entries in such notices shall be made legibly in both the Nagri and the Urdu scripts and shall be on one side of the paper only.

11. *Registers*—(1) The manager of a sugar factory and a licensed purchasing agent (other than a Co-operative Society for cane supply) shall cause to be maintained, to each purchasing centre, a register showing—

(a) the name of the person from whom the Sugarcane is purchased, with his parentage, caste, and full address together with similar particulars about the person (if any) authorized by the vendor to deliver the cane on his behalf;

(b) the weight of the cane purchased;

(c) the rate at which it is purchased;

(d) the price that has to be paid for it at that rate;

(e) the amount of loan advanced (if any);

(f) the amount of interest upto the date of recovery of the same (if any);

(g) the amount actually paid (if any);

(h) the date of payment, and

(i) the name of the licensed purchasing agent or that person employed by the occupier or manager of a sugar factory and acting on his behalf, by whom the Sugarcane is purchased.

(2) The manager of a sugar factory and a licensed purchasing agent, other than a Co-operative Society for cane supply, shall also cause to be issued to each person from whom cane is purchased or to his authorized agent, a parcha in duplicate showing the amount of cane purchased from him and the rate thereof. Such parcha shall be handed over to him before he leaves the premises of the sugar factory or other purchasing centre and a copy or a triplicate counterfoil thereof shall be kept at the sugar factory or purchasing centre concerned.

(3) The register and copies or counterfoils of the parcha referred to in sub-rule (2) shall be open to inspection and check by the Inspector, or such other public servant as may be appointed by him for the purpose in this behalf.

(4) The District Magistrate may sanction the use of such other registers and forms in place of those specified in sub-rules (1) and (2) as in his opinion substantially fulfil the object of those sub-rules.

12. *Penalties*—(1) If the manager or if no manager has been appointed, the occupier of a sugar factory or other person acting on his behalf or a licensed purchasing agent or any person acting on his behalf:

(a) has or makes dealings or contracts in connexion with the purchase and supply of Sugarcane for a sugar factory by a weight other than the maund of 82½ lbs. and multiples thereof;

(b) uses a weight other than the maund of 82½ lbs. and multiples thereof and quarter and half maunds for weighing the sugarcane purchased or obtained for a sugar factory or fails to make weighments correctly and to the nearest quarter maund;

(c) uses, keeps or possesses scales or weights which are incorrect or which have been disapproved by the inspector for weighing sugar cane purchased or obtained for a sugar factory.

(d) fails to make available for inspection, examination or test by the Inspector when so required by him, the scales and weights used kept or possessed for weighing Sugarcane purchased for a sugar factory;

(e) fails to provide adequate facilities for weighment to the satisfaction of the Inspector or keeps carts waiting unduly for weighment;

(f) weighs Sugarcane for the sugar factory more than half an hour after sunset without making proper lighting arrangements to the satisfaction of the Inspector in accordance with the provisions of rule 8 (6);

(g) demands or accepts, from a grower of Sugarcane or a person on his behalf, any consideration for the weighment or purchase of the Sugarcane;

(h) fails to make payments for cane purchased for a sugar factory in accordance with the provisions of rule 9 (1);

(i) makes deductions from the weight of cane recorded on account of its unsuitability;

SUGAR CANE

(j) makes deductions from the price of the cane purchased which reduces such price to a figure below that calculated at the prescribed minimum rate, otherwise than as provided in rule 9 (4); such person, if an occupier or manager, shall be punishable with fine which may extend to Rs. 500/- and if a licensed purchasing agent, shall be punishable with fine which may extend to Rs. 500/-, his licence shall be liable to cancellation and he shall not be eligible to receive another licence or to have his licence renewed for a period of two years thereafter.

(2) If the manager of a sugar factory or any person acting on his behalf or a licensed purchasing agent or any person employed by him and acting on his behalf :

(a) fails to put up in the manner prescribed any notice required by these rules ;

(b) puts up a notice which is proved to be incorrect in any material particular or is not in the form prescribed or does not otherwise comply with the rules ;

(c) fails to maintain any register or to issue any parcha or to maintain a copy or counterfoil thereof, as required by these rules ;

(d) maintains a register or issues a parcha or maintains a copy or counterfoil thereof which contains an entry which is proved to be incorrect in any material particular or is not in the form prescribed or does not otherwise comply with the rules ;

(e) destroys such register or copy or counterfoil of a parcha before the expiry of one year from the date of the last entry therein ;

(f) fails to make available at the purchasing centre the register or a copy or counterfoil of a parcha for the inspection of the Inspector when required by him; such manager or licensed purchasing agent shall be punishable with fine which may extend to Rs. 300 and in case of a continuing offence to a fine which may extend to Rs. 50 per day, subject to a maximum of Rs. 2000.

(3) Where the occupier or manager of a sugar factory or a licensed purchasing agent is charged with an offence against these rules, he shall be entitled subject to the discretion 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 if, after the commission of the offence has been proved, the occupier or manager of the sugar factory or the licensed purchasing agent as the case may be proves to the satisfaction of the court--

(a) that he has used due diligence to enforce the execution of these rules, and

(b) that the said other person committed the offence in question without his knowledge, consent or connivance,

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager or the licensed purchasing agent as the case may be and the occupier or mana-

ger shall be discharged from all liability in respect thereof under these rules.

(4) When it is made to appear to the satisfaction of the Inspector at any time prior to the initiation of a prosecution—

(a) that the occupier or manager of the sugar factory or a licensed 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 manager or the licensed purchasing agent as the case may be or in contravention of his orders,

the Inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager of the sugar factory or the licensed purchasing agent and such person shall be liable to the like fine as if he were the occupier or manager or the licensed purchasing agent as the case may be.

NOTES.

U. P. Sugarcane Rules (1934) Rule 12—Prosecution of clerk of licensed agent—Duty of Inspector—

Where the accused, who is a clerk of a licensed agent, is prosecuted for an offence under Rule 12 of the U. P. Sugarcane Rules on the report of the Inspector, it is not incumbent on the Inspector to satisfy the court that he had satisfied himself as required by Rule 12 cl. (4) that the occupier or manager of the sugar factory or the licensed purchasing agent was not guilty. As a matter of fact, as the workings of the clause show, the Inspector has to satisfy himself prior to the initiation of the prosecution, and the very fact that the Magistrate initiated prosecution against the accused would be enough to show that the Inspector felt so satisfied.

SHEO PUGAN PRASAD vs. EMPEROR.

160 I. C. 13 = 1936 A. W. R. 21 = 1936 A.L.J. 206
= A.I.R. 1936 All. 853.

U. P. Sugarcane Rules (1934) Rule 9 (1) and 12 (2) (a)

A licensed purchasing agent cannot be convicted for the breach of a rule the observance of which was not imposed upon him by law. The proviso to Rule 9 (1) of the U. P. Sugarcane Rules, 1934, imposed duties only upon the occupier or the manager, and a licensed purchasing agent cannot therefore, be convicted for a breach of that rule. Although Rule 12 imposed penalties alike upon managers, occupiers and licensed purchasing agent, it could only have been intended that a licensed purchasing agent should be convicted for the breach of a rule which he was himself bound to observe for example Rule 10.

EMPEROR vs. RAM LOCHAN SINGH.

168 I. C. 359 = 38 Cr. L. J. 532 = A.I.R. 1937 Oudh 386.

13. If any person convicted of an offence under these rules is again convicted of a similar offence, he shall be liable for each such offence to twice the punishment prescribed for the first offence and shall in the case of a second conviction be punished with fine which shall not be less than one hundred rupees, and in the case of a third or subsequent conviction, shall be punished with fine which shall not be less than two hundred and fifty rupees :

Provided that for the purposes of this section no cognizance shall be taken of any conviction which took place more than one year before the commission of the offence which is the subject of the prosecution.

14. (1) No prosecution shall be instituted under these rules except upon complaint made by or under authority from the District Magist-

SUGAR CANE

rate, provided that the District Magistrate, shall not make a complaint or pass an order for prosecution for an offence under rule 12 (1h) unless he is satisfied that there is a general complaint of non-payment within the prescribed time.

(2) No offence under these rules shall be tried by any court other than a High Court, a Chief Court, a court of session or a court of a stipendiary Magistrate of the 1st or 2nd class.

(3) No court shall take cognizance of any offence under these rules except upon complaint made within six months of the date on which the offence is alleged to have been committed and within three months of the last date on which sugarcane was crushed at the sugar factory concerned during the season in which the offence was committed.

NOTES.

Rule 14 (1)—Object of Prosecution without proper complaint sustainability.

Rule 14 of the U. P. Sugarcane Rules is introduced to prevent Sugar factories from being harassed by frivolous complaints and accusations and there can be no prosecution under the Rules except upon a proper complaint made by or under authority from District Magistrate and further there can be no prosecution in respect of a charge which is not mentioned in that complaint.

163 I. C. 250 = A. I. R. 1936 All 370 = 1936 A. W. R. 163,

RAGHUBAR DAYAL vs. EMPEROR.

Rule 14 (1) U. P. Sugarcane Rules (1934).

Construction—Sanction by District Magistrate—conditions of validity—Proof of him being satisfied as to general complaint of non payment—Necessity grant of sanction Effect of—Presumption that he has satisfied himself when made the complaint and the court is competent to take cognizance of it without more.

ZAHID HUSSAIN vs. EMPEROR

169 I. C. 627 (1) = 1937 A. W. R. 310

= A. I. R. 1937 A. 421 = 1937 A. L. T. 354.

For the case law on Benar and Orissa Sugarcane Rules see, the following cases.

1. Sarai Jha vs. Emperor, (A. I. R. 1937 Patna 242 = 169 I. C. 312).
2. Sakaldeo Singh vs. Emperor (A. I. R. 1937 Pat. 4 = 166 I. C. 345).
3. Ram Subhag Singh vs. Emperor (A. I. R. 1937 Pat 146 = 166 I. C. 136).

15. *Miscellaneous*—The Local Government may for special reasons exempt the occupier or manager of any sugar factory or a licensed purchasing agent from all or any of the provisions of these rules made under section 7 of the Sugarcane Act (XV of 1934).

16. Any manager or occupier of a sugar factory situated outside the United Provinces may make purchases of Sugarcane in the United Provinces either himself or through any person employed or appointed by him in this behalf, but in all such cases he and his employees will be bound by these rules as if he were the manager or occupier of a sugar factory situated in the United Provinces.

SUGAR CANE

FORM 1.

Form of nomination of occupier
manager

We.....
 hereby give notice that we have nominated.....
under rule..... to be the occupier
manager
 of the.....sugar factory for the purpose of the
 U. P. Sugarcane Rules, 1934, and that he has accepted his
 nomination as such with effect from.....

The manager has furnished a security of Rs.....in cash
 hypothecated landed property worth Rs.....as security

.....

Accepted... ..

occupier
manager { Nominee }

Published in the "U.P. Gazette" dated the 24th Oct 1936.

INDUSTRIES DEPARTMENT.

17th October, 1936.

No. 3695 XVIII-717.—In continuation of notification No. 3023-XVIII, dated the 26th August 1936, and in exercise of the powers conferred by sections 3 and 7 of the Sugarcane Act 1934 (Act XV of 1934), the United Provinces Government is pleased to make the following rules (in supersession of the rules promulgated with notification No. 2918-XVIII-676, dated the 25th October, 1934, as subsequently amended) specifying the area declared as a controlling area for the purposes of the said Act, fixing the minimum prices for the purchase therein of the sugarcane intended for use in a sugar factory, prohibiting the purchase of sugarcane otherwise than from the grower of the sugarcane or from a licensed purchasing agent, and for the purpose generally of carrying into effect the objects of that Act.

THE UNITED PROVINCES SUGARCANE RULES, 1936.

1. *Short title, extent and commencement*—(1) These rules may be called the United Provinces Sugarcane Rules and shall take effect from 1st November 1936.

(2) These rules shall apply to the whole of United Provinces of Agra and Oudh which is hereby declared under Section 3 of the Sugarcane Act, 1934. (Act XV of 1934), to be controlled area for the purposes of that Act.

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

(i) "the Act" means the Sugarcane Act 1934, (XV of 1934);

(ii) "inspector" means any person appointed under these rules to perform the duties of an inspector;

(iii) "circle inspector" means an inspector appointed in accordance with the provisions of rule 3 (1);

(iv) "occupier" means the occupier of a factory appointed in accordance with the provisions of rule 4 (1);

(v) "manager" means the manager of a factory appointed in accordance with the provisions of rule 4 (2) or deemed to be the manager of a factory in accordance with the provisions of rule 4 (5);

(vi) "cane" means sugarcane;

(vii) "year" means the agricultural year commencing on the 1st day of July and ending on the 30th day of June next following;

(viii) "purchasing centre" means any place at which cane intended for use in a factory is purchased, supplied, delivered, weighed or paid for and includes such portions of the premises of a factory at which any of these operations take place;

(20) "a Co-operative Society for cane supply" means a society registered under the Co-operative Societies Act, 1912, with principal object of supplying cane intended for use in a factory.

3. *Inspectors*—(1) The Local Government may, by notification in the local official Gazette, appoint such Government Servants, belonging to an Imperial or Provincial service, as it thinks fit, to be inspectors for the purposes of these rules, within such local limits as it may assign to them respectively.

(2) The local Government may also, by notification as aforesaid, appoint such public officers as it thinks fit to be additional Inspectors for all or any of the purposes of these rules, within such local limits as it may assign to them respectively.

(3) No person shall be appointed to be an inspector under sub-rule (1) or having been so appointed shall function as or continue to hold the office of an inspector, if he is or becomes directly or indirectly interested in a factory situated within the limits of his jurisdiction or in a factory under the same management as any factory so situated or in any patent or machinery connected therewith.

(4) An inspector appointed under sub-rule (1) shall be officially subordinate to the Commissioner of such division as may be notified by the Govt. in this behalf.

(5) The Members of the Board of Revenue shall be inspectors ex-officio for the whole Province, every District Magistrate for his District, every Sub-Divisional Magistrate for his subdivision, and every Tahsildar for his tahsil.

(6) Every inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code.

(7) Every inspector may, within the local limits of his jurisdiction and with such assistants (if any) being persons in the employment of Government, as he thinks fit—

(i) enter any place, other than the premises of a vacuum pan factory which is or which he has reason to believe to be used as a factory;

(ii) make, at such place, an examination of the premises and plant and of the records, registers and accounts maintained; and

(iii) record the statement of any person whom he may deem necessary to examine for carrying out the purposes of the Act or these rules.

(8) An inspector, who is a Government servant belonging to an Imperial or Provincial service, may also, within the local limits for which he is appointed, and with such assistants, if any, being persons in the employment of Government as he thinks fit—

(i) enter any place including the premises of a vacuum pan factory which is or which he has reason to believe to be used as a purchasing centre or for the maintenance of any records registers, accounts or other documents relevant thereto.

SUGAR CANE

Provided that, in the case of a vacuum pan factory, he shall not enter any portion of such factory other than the weighbridge and cane carrier premises and the office ;

(ii) examine the weighbridges or other scales or weights used, kept or possessed for the weighing or purchase of cane at any such place;

(iii) cause carts carrying cane or consignments of cane to be weighed or reweighed at such place in his own presence ;

(iv) check the prescribed registers maintained at such place, or if all the prescribed registers are not maintained, check such other records, registers, accounts or documents as maintained and as are in his opinion relevant ;

(v) check the relevant weightments, purchases and payments made at such place ;

(vi) exercise in good faith such other powers as may be necessary for carrying out the purposes of the Act or of these rules.

4. *Occupier and manager*—(1) The occupier of a factory shall mean the person or body of persons having ultimate control over its affairs, provided that—

(a) where the affairs of a factory are entrusted to a managing agent or agents or to a lessee or lessees, such agent or agents or lessee or lessees shall be deemed to be the occupier of the factory ;

(b) where the occupier of a factory is a company, registered under the Indian Companies Act or a Co-operative Society registered under the Co-operative Societies Act, every one of the directors thereof, or in the case of a private company everyone of the share-holders thereof, shall for the purposes of these rules be regarded as the occupier, unless the company or Co-operative Society has by notice to the District Magistrate nominated a director or in the case of a private company, a share-holder to be the occupier of the factory. Such notice shall be signed by the director or share-holder concerned in token of his acceptance of such nomination and sent in duplicate. The director or share-holder so nominated shall be deemed to be the occupier of the factory for the purposes of these rules until further notice cancelling his nomination or intimating his resignation is received by the District Magistrate or until he ceases to be a director or share-holder and notifies this fact to the District Magistrate.

(c) where the occupier of a factory is a firm, partnership or other association of individuals everyone of the individual partners or members thereof shall be regarded as the occupier for the purposes of these rules unless the firm, partnership or association has by notice given to the District Magistrate nominated one of their member to be the occupier of the factory ; such notice shall be signed by the person so nominated in token of his acceptance of such nomination and sent in duplicate. Thereupon such individual shall be deemed to be the occupier for the purposes of the rules until further notice cancelling his nomination or intimating his resignation is received by the District Magistrate or until he ceases to be a partner or member of the firm or association.

(2) An occupier shall from time to time appoint a person as the manager of the factory for the purposes of these rules and shall send to the District Magistrate a written notice in duplicate containing the name of the person so appointed signed by the latter in token of his acceptance and subject to the provisions of sub-rule (3) such person shall be deemed to be the manager of the factory for the purposes of these rules.

Explanation—A cane superintendent may be appointed as manager under this rule.

(3) The manager of a vacuum pan factory shall be required to deposit with the occupier thereof a sum of Rs. 1,000 in cash or in Government securities of the market value of Rs. 1,000 or in post office cash certificate of the present encashment value of Rs. 1,000 or to hypothecate landed property worth not less than Rs. 2,000 as security for the due performance of his duties. Such security shall be maintained throughout the period he continues as a manager and for six months thereafter :

Provided that the District Magistrate may exempt him from giving such security or permit him to give a reduced security.

(4) Whenever a new manager is appointed, the occupier shall send to the District Magistrate in duplicate a written notice of the change, signed by the person newly appointed in token of his acceptance of the appointment within seven days from the date on which the new manager assumed charge.

(5) During any period for which no person has been designated as manager, any person found acting as manager, or if no such person is found or can be proved to have been so acting, the occupier himself shall be deemed to be the manager for the purposes of these rules.

NOTE—The District Magistrate for the purposes of this rule is the District Magistrate of the district in which the factory is situated.

5. *Licensing of purchasing agents*—(1) An application for a licence to act as a purchasing agent under the Act, shall be made, when the factory for which the cane is to be supplied by the purchasing agent is situated—

(i) within the United Provinces, to the District Magistrate of the district in which such factory is situated; and

(ii) outside the United Provinces, to the District Magistrate the district in which the applicant wishes to purchase cane.

(2) Such application shall be made in Form II appended to these rules.

(3) Save in the case of a co-operative society for cane supply, such application shall be duly stamped and accompanied by—

(i) a fee of rupee one of a treasury receipt showing that this fee has been paid ;

(ii) a declaration that the applicant is willing to abide by the terms and conditions of the licence; and

SUGAR CANE

(iii) a nomination from the occupier or manager of the factory concerned in Form III appended to these rules.

(4) The applicant, other than a co-operative society for cane supply, shall deposit as security a sum of Rs. 1,000 in cash or Government securities of the market value of Rs. 1,000 or post office cash certificates of the present encashment value of Rs. 1,000 or a bond of hypothecation of landed property worth Rs. 2,000. Such security shall be deposited (i) if the factory concerned is situated in the United Provinces, with the occupier or manager thereof who will send information about the receipt of such security to the District Magistrate of the district in which the factory is situated or (ii) if the factory concerned is situated outside the United Provinces, with the District Magistrate to whom application for licence is made. Such security shall be maintained throughout the period such person works as a purchasing agent. Government will have first charge on such sum or property for the recovery of any fine imposed on him under the Act, or under these rules, and a provision to that effect shall be made in the security bond :

Provided that, if an occupier or manager satisfies the District Magistrate that a purchasing agent can be relied on to discharge his duties under the Act or under these rules but is unable to deposit the sum mentioned, or that the amount prescribed is for any reason in the particular case excessive, the District Magistrate may dispense with the deposit of security, or permit the deposit of such smaller security as he thinks proper. In such cases the occupier or manager shall execute a bond to be responsible for any sum recoverable from the purchasing agent by way of fine under the Act or under these rules or otherwise upto a limit of Rs. 1,000:

Provided further that the District Magistrate may exempt any purchasing agent who intends to supply cane only for a factory worked by the open pan process from giving such security or permit him to give a reduced amount as security.

(5) The applicant may send his application by registered post or present it in person or through an authorized representative.

(6) On receipt of such application, the District Magistrate, shall subject to the provisions of sub-rules (8)-(11) grant a licence if the applicant is a Co-operative Society for cane supply or in other cases if he is satisfied that the applicant—

(i) has paid the prescribed licence fee;

(ii) has furnished the prescribed security ;

(iii) is not a minor or a purdanashin lady or an undischarged insolvent or a person of unsound mind ;

(iv) 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 District Magistrate of a technical nature and not such as to justify the refusal of a licence ;

(v) has not been sentenced to imprisonment for a term exceeding six months ; and

(vi) is not a company, firm or other association of persons (other than a Co-operative Society for cane supply).

(7) A licence granted under this rule shall be in Form IV appended to these rules.

(8) 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 licensed purchasing agent in writing to the District Magistrate granting the licence in the same manner and on the same conditions 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 District Magistrate who issued it.

(9) A licence other than one to a Co-operative Society for cane supply will ordinarily permit purchases of only one purchasing centre; but the District Magistrate may at his discretion permit purchases to be made at not more than three purchasing centres or condition that the licensed purchasing agent furnishes a separate security as mentioned in sub rule (4) for each purchasing centre at which he is permitted to make purchases.

NOTE

During the year 1936-37 a District Magistrate may permit a licensed purchasing agent to make purchases at more than three purchasing centres if he is satisfied that because of advances made or other similar causes such a course is desirable.

(10) A licence shall be valid only within the local limits of the district in which it has been granted. If a local Co-operative Society for cane supply of a licensed purchasing agent desires to purchase cane for a factory in a district other than that covered by the licence, an application to that effect shall be made to the District Magistrate of such district 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.

(11) Save in the case of a Co-operative Society for cane supply, a licence shall be valid for making purchases on behalf of only one factory. If a licensed purchasing agent (other than a Co-operative Society for cane supply) desires to purchase cane for more than one factory, he shall be required to obtain a separate licence for each such factory. Such licence shall be granted provided (i) the District Magistrate is satisfied that the issue of another licence will not contravene the provisions of sub-rule (9) and (ii) the consent in writing of the occupiers or managers of all factories on whose behalf he already holds licences is produced before the District Magistrate.

(12) Pending the receipt of a licence or an endorsement thereon, for which an application has been made, the applicant may purchase cane for supply to the factory concerned, on the authority of a certificate signed by the occupier or manager of such factory. He shall be deemed to be a duly licensed purchasing agent under these rules and shall be liable for purchases of cane made by him in the same manner and to the same extent as if he had been a duly licensed purchasing

agent. An occupier or manager who signs such a certificate shall (i) state therein that he has forwarded the application for the licence or endorsement as the case may be to the District Magistrate concerned, (ii) forward a copy thereof to the District Magistrate and to the Circle Inspector within whose jurisdiction the applicant intends to purchase cane, within 24 hours of his signing the same and (iii) be liable under these rules for the purchases of cane made on the authority of such certificates in the same manner and to the same extent as if they had been made by a duly licensed purchasing agent.

(13) A licence of a purchasing agent, other than a co-operative society for cane supply, shall be cancelled by the District Magistrate who issued the licence if—

(i) he receives an application to that effect from the occupier or manager of the factory concerned, or

(ii) the purchasing agent is adjudged insolvent or becomes of unsound mind.

(14) A licence of a purchasing agent may be cancelled or suspended or an entry of warning made thereon by the District Magistrate who issued the licence. An endorsement on a licence of a purchasing agent may be cancelled or suspended or an entry of warning made on the licence by a District Magistrate who endorses the licence; in such case, such District Magistrate shall send intimation of the orders passed by him to the District Magistrate who granted the licence for such action as he may deem fit. No orders for the cancellation or suspension of a licence or an endorsement thereon or for the making of an entry of warning on the licence shall be issued, except for reasons to be recorded in writing, after giving an opportunity for explanation to the purchasing agent reasonable notice to the occupier or manager of the factory concerned.

(15) An appeal shall lie to the Commissioner of the Division from an order of a District Magistrate refusing to grant a licence or cancelling or suspending a licence. Such appeals shall be filed within one month of the date of the order of the District Magistrate. The order of the Commissioner on appeal and the order of the District Magistrate, if no appeal is filed in the time fixed, shall be final.

6. *Purchases of cane*—(1) No person shall purchase cane intended for use in a factory except.—

(i) the occupier or manager of such factory, or a person employed by him for the purpose of making such purchases,

(ii) a licensed purchasing agent or a person employed by him for the purpose of making such purchases;

(iii) a co-operative society for cane supply. Any person committing a breach of this sub-rule shall be punishable with fine which may extend to Rs. 300.

(2) An occupier or manager or a person employed by him shall not purchase cane for his factory from any person other than—

(i) the grower of such cane or a person duly authorized by such grower to deliver cane on his behalf; or

(ii) a person representing himself to be the grower of such cane or to be authorized by such person to deliver cane on his behalf, provided the purchasing centre is situated at a distance of more than five miles from any vacuum pan sugar factory; or

(iii) a co-operative society for cane supply; or

(iv) a licensed purchasing agent; or

(v) the occupier or manager of another factory who has purchased cane in the manner prescribed in these rules.

NOTE.

A grower, who hands over to the person delivering cane the written requisition from the occupier or manager of a factory or a licensed purchasing agent for the cane, shall be deemed to have authorised such person to deliver the cane on his behalf.

(3) A licensed purchasing agent or a person employed by him shall not purchase cane for a factory—

(i) except in accordance with the terms and conditions of his licence;

(ii) in any area within a radius of five miles of a vacuum pan factory, which is operating and purchasing cane in that area;

Provided that during the year 1936-37 a District Magistrate may permit such purchase to be made within such area, if he is satisfied that because of advances made or contracts entered into or other similar causes, such a course is desirable;

(iii) from any person other than—

(a) the grower of such cane or a person duly authorized by such grower to deliver cane on his behalf; or

(b) a co-operative society for cane supply; or

(c) another licensed purchasing agent.

(4) An occupier or manager or a licensed purchasing agent who opens a purchasing centre shall send intimation thereof within 24 hours of the start of operations to the District Magistrate and to the Circle Inspector within whose jurisdiction such purchasing centre is situated.

(5) If a purchasing centre is opened with the intention of purchasing cane for a period of less than 14 days, the occupier or manager or licensed 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 District Magistrate and to the Circle Inspector within whose jurisdiction the purchasing centre is situated.

SUGAR CANE

(6) If a purchasing centre is opened with the intention of purchasing cane for a period of 14 days or more, the occupier or manager or licensed purchasing agent shall, before he closes the purchasing centre, at least seven clear days before the date on which it is to be closed—

(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) send intimation of the date of the proposed closure to the District Magistrate and to the Circle Inspector within whose jurisdiction the purchasing centre is situated.

(7) If a purchasing centre has to be closed, owing to a breakdown of machinery or other cause necessitating an abrupt but temporary suspension of operations, the occupier or manager or licensed purchasing agent concerned shall—

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

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

(iii) send intimation thereof immediately to the District Magistrate and to the Circle Inspector within whose jurisdiction the purchasing centre is situated.

In such cases the District Magistrate may, at his discretion, and if he is satisfied that the closure was unavoidable, grant exemption from the seven day period referred to in sub-rule (6),

(8) An occupier or manager and a licensed 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 at that centre;

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

(iii) send a copy of the name of and full particulars about the persons whose names are entered in these lists, within 24 hours of their employment, to the District Magistrate and to the Circle 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;

(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 District Magistrate for making weighments, purchases or payments.

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

(10) A licensed purchasing agent shall produce his licence and a person employed by an occupier or manager or a licensed purchasing agent for making weighments, purchases or payments shall produce the written authority given to him under sub-rule (8) (iv) of this rule on demand by an inspector.

(11) The occupier or manager of a factory situated outside the United Provinces may make purchases of cane in the United Provinces either himself or through any person employed or appointed by him in this behalf, but in all such cases he and his employees or other persons acting on his behalf will be bound by these rules as if he were the occupier or manager of a factory situated in the United Provinces.

(12) No person shall falsely represent himself as a grower of cane or as authorised by such grower to deliver cane on his behalf or as a person duly authorised by the grower to receive payment on his behalf. Any person contravening the provisions of this sub-rule shall be punishable with fine which may extend to Rs. 300. He may at the discretion of the District Magistrate, be prosecuted either under this sub-rule or for the offence of cheating or attempting to cheat under the Indian Penal Code.

7. *Minimum prices*—(1) An occupier or manager or a licensed purchasing agent or any person employed by him shall not purchase cane for a factory or pay for it at a price below the minimum price fixed under these rules in accordance with section 3 of the Act.

(2) In the case of cane purchased for vacuum pan factories, the basic minimum price shall be five annas per standard maund of 82 $\frac{1}{2}$ lb. avoirdupois for cane delivered at a purchasing centre:

Provided that the aforesaid minimum price shall be increased or decreased by 3 pies for every 8 annas of increase or decrease in the average price of sugar, above or below Rs. 8-8.

Explanation I—The average price of sugar for this purpose shall be taken to be the average for the corresponding fortnight of the preceding calendar month of the average for each day of that period, of the ten highest price quotation at Cawnpore for first grade sugar manufactured in the United Provinces for delivery by factories on a f. o. r. factory basis.

Explanation II—The ten highest price quotations shall be such that two of them shall be for factories in the Meerut Division, four for those in the Gorakhpur Division and four in the rest of the Province; provided that if the quotations of the ten sugar factories as aforesaid are not available calculation of the average may be made on the basis of such of the aforesaid quotations as may be available.

(3) In the case of cane purchased for open pan factories, the basic minimum price as well as the units of increase or decrease therein shall be two thirds of the corresponding figures for vacuum pan factories, taken to the nearest pie.

8. *Weighments*—(1) All dealings and contracts in connexion with the purchase and supply of cane shall be had and made accord-

SUGAR CANE

ing to the maund of 82½ lb. and it shall not be lawful to use any other weight in relation to any such dealing or contract.

(2) All weighments of cane shall be made by the maund of 82½ lb. and multiples thereof.

(3) Where weighment is made on a weighbridge the weight shall be correctly recorded to the nearest quarter maund. Where weighment is made on a beam scale the actual weight shall be correctly recorded.

(4) No scales or weights shall be used, kept or possessed for the weighment of cane by, or on behalf of, an occupier or manager of a licensed purchasing agent—

(i) which are incorrect, provided that a weigh bridge shall not be deemed to be incorrect which weighs correctly to within two percent 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 and are either not accessible to the vendors of cane and their authorised agents or 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 any scales or weights which comply with the rules, unless if after due warning a weighbridge is not adjusted and is persistently found to be incorrect.

(5) 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 such inspection, examination or test when required by the inspector. To facilitate such inspection, standard weights of two maunds in the aggregate shall be kept by the occupier or manager or the licensed purchasing agent concerned as the case may be, at every purchasing centre where there is a weighbridge, for testing the same.

(6) At every purchasing centre adequate facilities for weighment, to the satisfaction of the inspector, shall be provided, and carts shall not be kept waiting unduly for weighments.

Explanation—A cart shall not be deemed to have been 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 practice of issuing written instructions is in force, brings cane without receiving such instructions.

(7) An occupier or manager shall—

(i) provide metalled approaches to and exits from all weighbridges of the factory premises to such distance as may be in each case reasonable and feasible up to a distance of one furlong, when required to do so by the District Magistrate;

(ii) keep the same in a proper state of repairs; and

(iii) provide reasonable space for the parking of carts waiting their turn for approach to the weighbridges, in cases where this is necessary owing to the restricted nature of the approaches to the factory premises.

(8) Weighments of cane for a factory shall not be made more than half an hour after sunset, unless lighting arrangements approved by the inspector as sufficient for the easy reading of the scale arm by both the purchaser and the vendor or his authorised agent are made and maintained.

(9) 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 :

Provided that where cane is brought bound in bundles and weighed in bundles, a deduction not exceeding half a seer per full maund of cane may be made on account of the weight of the binding material.

9 *Payments*—(1) All payments for cane purchased for a factory shall be made at the purchasing centre within 24 hours of demand :

Provided that, in the case of purchases made at such purchasing centres (other than the factory premises) as may be approved by the District Magistrate of the district in which the purchasing centre is situated payments shall be made within seven days of demand.

(2) Payments shall be made on the basis of the recorded weight of the cane purchased.

(3) Payments for cane purchased for a factory shall not, save in the case of a co-operative society for cane supply, be made to a representative of the grower (or to a representative of the person representing himself to be such grower) unless he is duly authorised by him in writing to receive such payment:

Provided that no person who has purchased the cane from the grower or who is employed by an occupier or manager by a licensed purchasing agent and no person (other than a co-operative society for cane supply) who has lent money to the grower shall not be authorised by the grower to receive such payment.

(4) An occupier or manager and licensed purchasing agent shall be liable for all payments due for cane supplied to him or on his behalf. If a licensed purchasing agent, other than a co-operative society for cane supply, fails to make payments for cane purchased by him for a factory, the occupier of such factory shall be responsible for making such payment :

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

(5) Except as provided in sub-rules (6) (7), (8) and (9) no deduction shall be made by way of fine or otherwise from the price of the

SUGAR CANE

cane purchased which would reduce such price to a figure below that calculated at the prescribed minimum rate.

(6) If an occupier or manager provides his own means of transport, a deduction for the cost of such transport may be made at the rate of one pie per mile per maund, subject to maximum of one anna per maund, from the price of cane purchased at a purchasing centre:

Provided that the District Magistrate of the district in which the purchasing centre is situated approves of the proposed means of transport and declares the purchasing centre to be one to which this proviso applies and such purchasing centre must be situated at a distance of ;

(a) not less than 5 miles from the factory, in case transport by rail by direct route is not possible;

(b) more than 5 miles from nearest railway station, in case through transport by road is not possible and the cane has to be transported partly by road and partly by rail; or

(c) more than 5 miles from the nearest railway station and more than ten miles from the factory, in case through transport by road as well as transport partly by rail by direct route and partly by road is possible.

NOTE.

The supplier of cane shall have the option of delivering the cane using his own means of transport and in such case he shall be entitled to receive payment of the full price payable, without deduction.

(7) Such deduction as the local Government may by notification direct may be made from the price of cane purchased at a purchasing centre situated in any tract declared by the local Government as a tract—

(i) in which cane is definitely below the average of standard cane for the year on account of natural causes, e.g. serious water-logging, intensive insect attack, disease or severe frost; or

(ii) in which a specified inferior variety of cane is ordinarily or preponderatingly grown; or

(iii) in which owing to inaccessibility, or other special causes, the circumstances are such that a deduction from the minimum price would be in the interest of the growers.

(8) The local Government, if satisfied that in any local area a substantial quantity of cane will remain standing and unsold on the 1st April, 1937 and on the 1st May in any other year and is not likely to be purchased at the prescribed minimum price, may by notification in the Gazette direct that in such area such deduction as may be specified in the notification may be made from the price of the cane purchased on or after that date.

(9) If any loan has been advanced to the person from whom cane has been purchased, the amount of such loan, together with simple in-

terest thereon at a rate not exceeding two pies per rupee per month for the period the loan has been outstanding, may subject to the terms of the agreement 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. The unpaid balance of any such loans taken in any one year may be carried forward to the following and subsequent years so long as recovery is not barred by the law of limitation.

Explanation I.—A loan for the purposes of this sub-rule shall on and after 1st May, 1935, 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.

Explanation II.—No loan will be considered to be disproportionate within the meaning of explanation 1 unless it exceeds the amount which is fixed by the Agriculture Department as being proportionate to the area to be sown or the value of the cane to be delivered.

NOTES.

U. P. Sugar Cane Rules (1936) Rule, 9 & 13.

Where though two persons were charged under Rules 9 and 13 of the U. P. Sugar Cane Rules. Only one of them was tried and convicted, as the other had disappeared, that cannot operate to bar the trial and conviction of the other when found, if both the accused had acted jointly as agents of the persons mentioned in R. 13.

RABU RAM vs. EMPEROR.

1938 A. W. R. (C. C.) 125=1938 O. A. 908

10. *Notices*—(1) A manager and a licensed purchasing agent (other than a Co-operative Society for cane supply) 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) and (ii) notices showing correctly the minimum price or prices fixed by Government and 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 places at which weighments of cane are made for the factory ; and

(a) at such other conspicuous places near the places mentioned in (a) and (b) as the District Magistrate or the Circle Inspector may direct.

(3) Entries of such notices shall be made legibly in both the Nagri and the Urdu scripts and shall be on one side of the paper only.

11. *Registers and records*—(1) A manager and a licensed purchasing agent, other than a co-operative society for cane supply, shall also cause to be prepared at each purchasing centre as soon as weighment takes a parcha in triplicate showing correctly—

SUGAR CANE

- (a) the date of purchase;
- (b) the name of the person from whom the cane is purchased;
- (c) the rate at which the cane is purchased;
- (d) the weight of the cane including the weight of the cart;
- (e) the weight of the cart (tare) and
- (f) the weight of the binding material (if any) to be deducted; and
- (g) the net weight of the cane purchased.

The entry under item (d) shall be made in the presence of the person who actually delivers the cane, while the cart is still standing on the weigh-bridge and/or before it leaves the place of weighment.

(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 authorized agent before he leaves the purchasing centre. The triplicate copy or 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 provisions of sub rule (2).

Provided that, if a number of parchas are presented together for payment, the receipt of the payee for the whole amount due to him may be taken only on the latest parcha; in such cases, the numbers of, or other references to, the other parchas covered by the receipt shall be given in the receipt, and the other parchas duly cancelled.

(4) A manager and a licensed purchasing agent (other than a Co-operative Society for cane supply) shall cause to be maintained, at each purchasing centre, a register or record showing correctly —

- (a) the date of the purchase,
- (b) the name of the person from whom 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;
- (c) the weight of the cane including the weight of the cart;
- (d) the weight of the cart (tare);
- (e) the weight of the binding material (if any) deducted;
- (f) the net weight of the cane purchased;
- (g) the rate at which it is purchased;
- (h) the price that has to be paid for it at that rate;
- (i) the amount of loan advanced to the person from whom the cane is purchased;
- (j) the amount of interest, upto the date of recovery of the same;
- (k) the amount actually paid on account of the cane purchased; and

(1) the date of payment.

NOTE.

For the present, it will suffice if, where the parchas give the gross and the tare weight, columns (c), (d) and (e) are replaced by a single column showing the reference to the parcha. Steps should, however, be taken to maintain the register in the standard form as early as practicable.

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

(6) An occupier or manager and a licensed purchasing agent shall maintain or cause to be maintained at each purchasing centre an inspection book in which inspectors may record their remarks and instructions.

(7) The registers and records maintained and copies or counterfoils of parchas 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 open to inspection and check by an inspector, or such other public servant as may be appointed by him for the purpose in this behalf.

(8) The registers, records, parchas, etc. referred to in sub-rule (7) shall be preserved for one year from the date of the last transaction entered thereon.

(9) The District Magistrate 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 fulfil the object of those sub-rules.

12. *Advisory Committees*—(1) The local Government may by notification, establish an advisory committee for any district.

(2) Such advisory committee will be appointed by the local Government and will ordinarily consist of:—

- (i) the District Magistrate or his nominee who shall be its chairman;
- (ii) two persons representing the interests of cane growers;
- (iii) two persons who are occupiers or managers of factories;
- (iv) one licensed purchasing agent, and

(v) one representative of Co-operative Societies for cane supply if any in the district.

The persons so appointed shall ordinarily be resident in the district. The Secretary of the Committee will be appointed by the District Magistrate and will ordinarily be the Circle Inspector within whose jurisdiction the district is situated.

(3) The term of appointment of an advisory Committee will be till the 30th June next following.

(4) The functions of an advisory committee will be—

(i) to investigate ways and means of maintaining healthy relations between cane growers, occupiers and managers of factories, and licensed purchasing agents;

SUGAR CANE

(ii) to make suggestions to ensure that the main objects of the Act and these rules are achieved, without causing any undue hardship to any person, and

(iii) to offer advice on any matter which may be referred to it for its advice by the District Magistrate, the Commissioner, the Board of Revenue or the local Government.

(5) The Secretary, shall subject to the control of the Chairman convene meetings of the advisory committee as often as may be necessary, circulate agenda, keep minutes of meetings, carry on correspondence on behalf of the advisory committee and discharge such other functions as may be necessary for the proper discharge of his duties.

(6) The procedure prescribed in Appendix I to these rules shall be followed at a meeting of an advisory committee.

13 *Offences*—(1) If a manager or, if no manager has been appointed, an occupier or other person acting on his behalf or a licensed purchasing agent or any person acting on his behalf—

(a) purchases cane in contravention of the provisions of sub-rules (2) or (3) of rule 6 ;

(b) fails to comply with or contravenes any of the provisions of sub-rules (4), (5), (6), (7), (8), (9) and (10) of rule 6 ;

(c) fails to comply with or contravenes any of the provisions of rule 8 ;

(d) fails to make payments as required by sub rules (1), (2), (3) and (4) of rule 9;

(e) makes deductions from the price of the cane purchased in contravention of rule 9 (5);

(f) fails to put notices as required by rule 10 or puts up notices which are incorrect in any material particular or otherwise not in accordance with the requirements of rule 10;

(g) fails to cause a copy of an abstract of the rules to be posted as required by rule 10 ;

(h) fails in contravention of rule 11 to maintain any register or record or to issue any parcha or maintains registers or records and issues parchas which are incorrect in any material particular or otherwise not in accordance with the requirements of rule 11;

(i) fails to make available at a purchasing centre the registers, records and copies or counterfoils of parchas for inspection as required by rule 11 (7);

(j) destroys or causes to be destroyed any register or record or copy or counterfoil of a parcha in contravention of rule 11 (8);

such occupier or manager or licensed purchasing agent shall be punishable with fine which may extend to Rs. 500 and in case of a continuing offence to a fine which may extend to Rs. 50 per day, subject to a maximum of Rs. 2000.

(2) If a licensed purchasing agent or a person acting on his behalf is convicted of an offence referred to in sub-rule (1), his licence shall

be liable to cancellation and he shall not be eligible to receive another licence or have his licence renewed for a period of two years thereafter.

(3) Where an occupier or manager or a licensed purchasing agent is charged with an offence against these rules, he shall be entitled subject to the discretion 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 if, after the commission of the offence has been proved, the occupier or manager or the licensed purchasing agent as the case may be proves to the satisfaction of the court—

(a) that he has used due diligence to enforce the execution of these rules, and

(b) that the said other person committed the offence in question without his knowledge, consent or connivance,

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager or the licensed purchasing agent as the case may be and the occupier or manager shall be discharged from all liability in respect thereof under these rules.

(4) When it is made to appear to the satisfaction of the inspector at any time prior to the initiation of a prosecution—

(a) that an occupier or manager or a licensed 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 manager or the licensed purchasing agent as the case may be or in contravention of his orders, the inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager or the licensed purchasing agent and such person shall be liable to the like fine as if he were the occupier or manager or licensed purchasing agent as the case may be.

(5) A breach of any other rule not otherwise provided for shall be punishable with fine not exceeding Rs. 300.

NOTES.

Rule 13 (1) (i).

What sub Rule (1) (i) of Rule 13 of the Sugarcane Rule means is that all the registers and records as required by Rule 11 (7) shall be kept at the purchasing centre and shall be "made available" which means shall be produced for inspection when asked for by the Inspector.

EMPEROR vs. CHHOTY LAL.

A. I. R. 1938 Oudh 56=172. I. C. 670.

14. Every person shall obey a lawful order or direction conveyed to him in writing which a District Magistrate is authorized under these rules to pass or issue.

Any person who fails to do so shall be liable on conviction to a fine which may extend to Rs 500.

SUGAR CANE

15. No person shall accept or obtain or agree to accept or obtain from any person, for himself or for any other person, any gratification, 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 payments therefor, or for showing or for bearing to show in connexion with the weighing or purchase of or payment for cane, favour or disfavour to any person. Any person, who, in circumstances where it would amount in effect to an attempt to evade the provisions of section 5 of the Act, contravenes the provisions of this rule, shall be liable on conviction to a fine which may extend to Rs. 500.

16. If any person convicted of an offence under these rules is again convicted of a similar offence, he shall be liable for each such offence to twice the punishment prescribed for the first offence and shall in the case of a second conviction be punished with fine which shall not be less than one hundred rupees, and in the case of a third or subsequent conviction, shall be punished with fine which shall not be less than two hundred and fifty rupees.

Provided that for the purposes of this section no cognizance shall be taken of any conviction which took place more than one year before the commission of the offence which is the subject of the prosecution.

17. *Miscellaneous*—(1) No prosecution shall be instituted under these rules except upon complaint made by or under authority from the District Magistrate, provided that the District Magistrate shall not make a complaint or pass an order for prosecution for an offence under rule 13 (1) (d) unless he is satisfied that there is a general complaint of non-payment within the prescribed time.

(2) No offence under these rules shall be tried (i) by any court other than a High Court, a Chief Court, a court of session or a court of a stipendiary magistrate of the 1st or 2nd class, or (ii) by a magistrate who made the complaint or reported the offence in his capacity as an inspector.

(3) No court shall take cognizance of any offence under these rules except upon complaint made within six months of the date on which the offence is alleged to have been committed and within three months of the last date on which cane was crushed at the factory concerned during the season in which the offence was committed.

18. All matters connected with the interpretation of these rules shall be referred to the Board of Revenue.

19. The local Government may for special reasons exempt an occupier or manager of a licensed purchasing agent from all or any of the provisions of these rules made under section 7 of the Sugarcane Act. (XV of 1934) Established 8th October Gazette 1938 sugarcane contract rules.

NOTE.—The amendments to these rules are given from page 130 onward.

AGRICULTURE DEPARTMENT.

11th November, 1937.

No. 4342-A/XII-A — In exercise of the powers conferred by sections 3 and 7 of the **Sugarcane Act, 1934** (Act XV of 1934), and in continuation of notification No 3823-A/XII-A, dated the 8th October, 1937, the United Provinces Government are pleased to make the following further amendments in the United Provinces Sugarcane Rules, 1936, which were promulgated with notification No 3695/XVIII—717, dated the 17th October, 1937 :

AMENDMENTS.

Rule 3

1. *Insert* the following as a new sub-rule :

"(2A). The Provincial Government may appoint such other persons as it thinks fit to be additional inspectors for land lying within an Indian State which is occupied by a railway and over which the Government of India has full and exclusive power and jurisdiction, in respect of purchases made for factories situated in such State."

2. *Insert* the following as sub-clause (vi) of sub-rule (8) and *renumber* existing sub-clause (vi) and (vii) :

"(vi) examine such records as are maintained at a factory showing the amount of cane purchased, the amount of cane crushed, the sucrose content thereof, the quantity of sugar manufactured and the percentage of extraction of sugar from cane."

Rule 5.

3. *For* sub-rule (1) *substitute* the following :

"(1) An application for licence to act as a purchasing agent under the Act shall be made to the District Magistrate of the district in which the applicant wishes to purchase cane."

NOTE.

If an applicant wishes to purchase cane in more than one district he shall apply for a licence to the District Magistrate of any one of such districts and for endorsements thereon in accordance with sub-rule (10) to the District Magistrate of the other districts."

4. *Insert* the following as sub-clause (ii) of sub-rule (3) and *renumber* existing sub-clause (ii) and (iii) as (iii) and (iv) :

"(ii) a declaration that the applicant does not hold a licence for any other district."

5. At the end of sub-rule (3) (iv) *delete* the full stop and *add* the following :

"which in the case of an application for the purchase of cane for a factory situated in an Indian State, shall be endorsed by the State authorities "

6. In sub-rule (4) *delete* the full-stop after the word "agent" in line 13 and *add* words "and for three months thereafter."

SUGAR CANE

7. In sub-rule (4), line (14), between the words "him" and "under" *insert* the words *or his employees*.

8. In sub-clause (r) of sub-rule (6) after the words "exceeding six months" *insert* the words "for an offence involving moral turpitude."

9. To sub-rule (6) *add* the following proviso:

"Provided that the District Magistrate may call upon the applicant and the occupier or manager 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."

10. In sub-rule (9) *insert* a full-stop after the word "centres" in line 4 and *delete* the words "on condition that..... permitted to make purchases."

11. *Delete* the "Note" to sub-rule (9).

12. To sub-rule (10) *add* the following:

"If a licence is given, or an endorsement made thereon by a District Magistrate which permits purchases in land lying within an Indian State which is occupied by a railway and over which the Government of India has full and exclusive power and jurisdiction, intimation thereof shall be sent by him to the authorities of the State concerned."

13. In sub-rule (2), line 12 after the word "concerned" *insert* the words:

"and that he has satisfied himself that the proposed agent is qualified to be a purchasing agent and is not subject to any of the disabilities mentioned in sub-rule (6)."

14. At the end of sub-rule (12) *add* the following:

"If a licence, or an endorsement thereon, for which an application has been made, is refused by the District Magistrate, the certificate, if any, on the authority of which the applicant is operating pending the grant of licence, or an endorsement thereon, shall cease to be valid after 72 hours of the receipt of intimation by the occupier or manager of the factory concerned of such refusal."

15. *Delete* the words "or suspension" in lines 1, 4, 9 and 10 of sub-rule (14) and at the end of the sub-rule *add*:

"Pending enquiry under this rule the District Magistrate may suspend a licence, or an 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 or manager of the factory concerned."

Rule 6.

16. In line 2 of sub-rule (2) between the word "factory" and "from" *insert* the words:

"In an area reserved by the District Magistrate for another factory (after hearing the objections, if any, of the occupiers or managers of the other factories who have been buying cane from such area in the past) or."

17. In sub-rule (2) (ii) *delete* the words "provided the purchasing centre is situated" and *substitute* the words "if the grower resides."

18. *Delete* the "Note" to sub-rule (2).

19. *Add* the following after sub-rule (3):

NOTE.

Requisition slips for the supply of cane, if issued, shall be in the name of the grower himself or a person representing himself to be such grower and believed to be such and shall be distributed by the occupier or manager or licensed purchasing agent himself, or by his own employee. (The distribution shall not be done through contractors, *sattedars*, canvassers, or other such persons)."

20. *Add* the following as a new sub-clause to sub-rule (3):

(iii) at the Rampur and Shazadnagar Railway Stations, save in the case of purchasing agents licensed to supply cane for factories in the Rampur State." and *renumber* existing sub-clause (iii) as (iv).

21. *Delete* the proviso in sub-rule (3).

22. In sub-rule (6) line 4 after the word "centre" *insert* "either permanently or except as provided for in sub-rule (7), temporarily."

23. In sub-rule (6) line 5 for the word "seven" *substitute* "three."

24. To sub-rule (7) *add* the following:

"(iv) purchase all requisitioned cane brought within twelve hours of the posting of notices under clause (i)."

25. In the last line of sub-rule (7) for "seven day" *substitute* "three-day,"

26. In line 4 of sub-clause (v) of sub-rule (8) after the words "exceeding six months" *insert* the words "for an offence involving moral turpitude."

27. After sub-rule (8) *insert* the following as a new sub-rule:

"(8a) No person who is not authorised in accordance with sub-rule (8) shall make or supervise weighments, purchases or payments at any purchasing centre on behalf of an occupier or manager or a licensed purchasing agent.

NOTE.

This sub-rule is not intended to prevent responsible officers connected with the workers of a factory from exercising supervision."

Rule 7.

28. (a) *Delete* sub-rule (2) and the proviso and explanations thereto and *insert* the following as sub-rule (2):

"(2) In the case of cane purchased for vacuum pan factories, the minimum price shall be five annas and three pies per standard maund of 82½ lb. avoirdupois, except in respect of purchases made at a railway station for transport by rail to factories situated at a distance of not less than 5 miles from such railway station in which case the minimum price shall be five annas per standard maund of 82 2/7 lb. avoirdupois.

SUGAR CANE

(b) For sub-rule (3) *substitute* the following :

"(3) In the case of cane purchased for open pan factories the minimum price shall be two-third of the minimum prices mentioned in sub-rule (2)."

Rule 3.

29. *Add* as a new sub-rule :

"(1a) No cane shall be purchased without actual weighment."

30. *Add* as a new sub-rule :

"(3a) The representative of a Co-operative Society of cane growers or any other person duly appointed by an Inspector for the purpose shall have the right to check weighments and to examine the purchase in which weights are recorded."

NOTE.

The person so appointed by an Inspector shall ordinarily be of the qualifications and status not lower than those of a Naib-Tahsildar.

31. In sub-rule (4) (ii) in the first line, after the word "marked" *insert* the words "on both sides wherever possible."

32. *Insert* the following as a new sub-rule :

"(4A) 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."

33. *Insert* the following as a new sub-rule.

"(4B) That part of the mechanism of a weighbridge by which its adjustment is controlled shall wherever possible be kept suitably sealed or locked.

34. In sub-rule 5 for "two maunds" *substitute* "ten maunds."

35. At the end of sub-rule (5) *add* the following :

"An occupier or manager or licensed 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 month and maintain a record of such tests which shall on demand be shown to the Inspector."

36. In the proviso to sub-rule (9) for the words "half a seer per full maund" *substitute* the words "one seer for two full maunds."

Rule 8.

37. In the proviso to sub-rule (4) *alter* "one month" to "three months."

38. To sub-rule (5) *add* the following proviso :

"Provided that recoveries of the dues of a co-operative society for cane supply may be made by deduction from the price payable for cane."

39. In sub-rule (6), before the words "a deduction" *insert* "(including a tramway)."

40. In sub-rule (8) *delete*

(a) the words "1st April, 1937 and on the."

(b) the word "other" between the words "in any" and "year."

NOTE.

The Sugar Cane Rules 1934 and 1935 given on pages 95 to 130 and the amendments thereto have been superseded by the Rules 1938 given hereafter. But on account of the importance of cane law thereunder they have been incorporated in the book.

The United Provinces Sugar Factories Control Rules, 1938.

Rule 1—Short title, extent and commencement

1.—These rules may be called the United Provinces Sugar Factories Control Rules, 1938, and shall take effect from the 8th October, 1938. These rules shall apply to the whole of the United Provinces.

Rule 2—Definitions.

2. In these rules unless there is anything repugnant in the subject or context—

(i) "Act" means the United Provinces Sugar Factories Control Act, 1938 (Act I of 1938).

(ii) "Collector" means the Collector of the district in which the factory is situated.

(iii) "Inspector" means any person appointed under section 8 of the Act to perform the duties of an inspector.

(iv) "Manager" means any person appointed as manager or acting as manager or deemed to be the manager in accordance with section 13 of the Act.

(v) "Notification" means a notification published in the *United Provinces Gazette*.

(vi) "Purchasing agent" includes any person, not being the grower or his authorized representative or a cane-growers co-operative society or a paid employee of the occupier of the factory not employed on a commission basis, who purchases, supplies, delivers, weighs or pays for cane.

(vii) "Purchasing centre" means any place at which cane is purchased, supplied, delivered, weighed or paid for and includes such portion of the premises of the factory at which any of these operations take place.

(viii) "Weighbridge" means any mechanism used to weigh cane and includes any weighbridge maintained or used by the occupier, manager or purchasing agent or by any person acting on his behalf.

(ix) "Year" means the agricultural year commencing on the 1st day of July and ending on the 30th day of June next following.

Rule 3—Advisory Committee.

3.—(1) When an advisory committee is established for any area under section 3 of the Act, the Governor shall, by notification, appoint the Chairmain and the Secretary thereof. The Governor may also appoint other persons, not being growers or persons interested in factories to be members or *ex officio* members. The Governor shall in addition, appoint as members an equal number of representatives of

SUGAR CANE

growers and factories, who shall ordinarily be residents of the area in respect of which the advisory committee is established.

(2) The functions of an advisory committee will be—

(a) to recommend ways and means of maintaining healthy relations between occupiers or managers of factories, cane-growers, cane-growers co-operative societies and purchasing agents ;

(b) to offer advice on any matter which may be referred to it for its advice by the Collector, the Commissioner, the Cane Commissioner, or the Provincial Government, especially in respect of the regulation of the purchase of cane and to advise the Cane Commissioner with regard to the cane estimates submitted to the Cane Commissioner under section 14 of the Act and the declaration of any proposed, reserved or assigned areas under sections 15 and 19 of the Act ;

(c) to bring to the notice of the Collector cases of breach of any of the provisions of the Act and of the rules made thereunder and to make suggestions for the prevention of the same.

(3) The Secretary may, subject to the control of the Chairman convene meetings of the advisory committee as often as may be necessary and he shall do so when required by one-third of the members. He shall circulate agenda, keep minutes of the meetings, carry on correspondence on behalf of the advisory committee and discharge such other functions as may be necessary for the proper performance of his duties. He shall forward a copy of the minutes of the meetings to the Cane Commissioner.

(4) The procedure prescribed in Appendix I of these rules shall be followed at meeting of an advisory committee.

(5) The term of appointment of an advisory committee shall be one year or such shorter period as may be prescribed by notification.

(6) When the place of a member of an advisory committee becomes vacant by the resignation or death of such member, the Governor may appoint a new member to fill the vacancy and such new member shall hold office for the unexpired residue of the term of office of the member in whose place he has been appointed.

Rule 4—Sugar Control Board.

4.—(1) The Board shall consist of fifteen members.

(2) The Minister for the time being of the United Provinces Government in charge of Development and the Secretary for the time being to the Government of the United Provinces in the Industries Department shall be *ex officio* members of the Board.

(3) The remaining members shall be nominated by the Governor either by name or by virtue of their office and shall include an equal number of representatives of sugar factories and of cane-growers.

(4) 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 that may be referred to it by the Provincial Government.

(5) The Governor shall by notification appoint one of the members of the Board as its Chairman and one as its Secretary.

(6) The meetings of the Board shall be held at Lucknow unless the Chairman otherwise directs, and on such dates as the Chairman may fix.

(7) Notice in writing of all meetings shall be circulated by the Secretary to all members not less than two weeks before the date fixed for the meetings, except in urgent cases, in which a meeting may be held on three day's notice, which should be given by letter and telegram.

(8) The term of appointment of the Board shall be one year from the 1st July each year provided that the term of the first Board will be till 30th June, 1939.

(9) When the place of a member nominated to the Board becomes vacant by the resignation or death of such member, the Provincial Government shall nominate a new member to fill the vacancy, subject to the provisions of sub-rule 3, and such new member shall hold office for the unexpired residue of the term of office of the member in whose place he has been nominated.

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

Rule 5—Inspectors.

5.—(1) The members of the Board of Revenue and the Cane Commissioner shall be *ex officio* inspectors for the whole of the province. The Divisional Commissioner, the Collector of the district and the Sub-Divisional Officer shall be *ex officio* inspectors within their jurisdictions.

(2) The Governor may appoint such servants of the Crown as he thinks fit to be additional inspectors within such local limits as he may assign to them respectively.

(3) The Provincial Government may appoint such other persons as it thinks fit to be additional inspectors for land lying within an Indian State which is occupied by a railway and over which the Government of India has full and exclusive power and jurisdiction, in respect of purchases made for factories situated in such State.

(4) Every inspector may within the local limits of his jurisdiction and with such assistants as he thinks necessary—

(a) enter any factory or other place which is or which he has reason to believe will be used as a purchasing centre or for the maintenance of any records, registers, accounts, or other documents relevant thereto, provided that he shall not enter any portion of such factory other than the weighbridge, the cane carrier premises and the office,

(b) examine the weighbridges or scales or weights used, kept or possessed for the weighing or purchase of cane at any such place,

SUGAR CANE

(c) cause carts or wagons carrying cane or other consignments of cane to be weighed or re-weighed in his own presence,

(d) examine the prescribed registers maintained at such places and check such other records, registers, accounts or documents as are maintained and are in his opinion relevant,

(e) check the relevant weighments, purchases and payments made at such place,

(f) record the statement of any person whom he may deem necessary to examine for the proper discharge of his duties,

(g) examine such records as are maintained at a factory showing the amount of cane purchased, the amount of cane crushed, the sucrose content thereof, the quantity of sugar manufactured, the percentage of extraction of sugar from cane, the quantity of sugar produced, issued and in stock,

(h) 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 forthwith for confirmation, and

(i) exercise in good faith such other powers as may be necessary for carrying out the purpose of the Act or of these rules.

Rule 6—Manager

6—(1) The occupier of a factory shall give notice before the factory commences to crush cane to the Collector in form 7, Appendix III, appointing a person to be the manager of the factory under section 13 (1) of the Act.

Explanation—A cane superintendent may be appointed as manager under this rule.

Rule 7—Licensing of purchasing agents.

7.—(1) An application for a licence to act as a purchasing agent under the Act shall be made in form 16, Appendix III, to the Collector of the district in which the applicant wishes to purchase cane.

NOTE.

If an applicant wishes to purchase in more than one district he shall apply for a licence to the Collector of any one of such districts and for endorsements thereon in accordance with sub rule (8) to the Collectors of the other districts.

(2) Such application shall be duly stamped and accompanied by (a) a treasury receipt showing that a licence fee of Rs. 5 has been deposited in the local Government treasury, (b) a nomination from the occupier or manager of the factory concerned in form 17, Appendix III appended to these rules which in the case of an applicant for the purchase of cane for a factory situated in an Indian State shall be endorsed by the State authorities, (c) a declaration that the applicant does not hold a licence for any other district.

(3) The applicant shall deposit as security a sum of rupees one thousand in cash or Government securities of the market value of Rs. 1,000 or post office cash certificates of the present encashment value of Rs. 1,000, or a bond of hypothecation of landed property worth Rs. 2,000. Such security shall be deposited (i) if the factory concerned is situated in the United Provinces, with the occupier or manager thereof, who will send information about the receipt of such security to the Collector of the district in which the factory is situated or (ii) if the factory concerned is situated outside the United Provinces, with the Collector to whom application for licence is made. Such security shall be maintained throughout the period such person works as a purchasing agent and for six months thereafter.

Government will have the first charge on such sum 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 occupier concerned, the Collector may dispense with the deposit of security or permit the deposit of such smaller security as he thinks proper. In such cases the occupier or manager shall execute a bond holding himself liable for any sum recoverable from the purchasing agent by way of fine under the Act or under these rules or otherwise, upto a limit of Rs. 1,000.

(4) The applicant may send his application by registered post or present it in person or through an authorized representative.

(5) On receipt of such application the Collector may issue a licence in form 21, Appendix III 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 Collector of a technical nature and not such as to justify the refusal of a 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 Collector may call upon the applicant and the occupier or manager 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.

(6) 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 Collector 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 Collector who issued it.

(7) A licence will ordinarily permit purchases at only one purchasing centre, but the Collector at his discretion permit purchases to be made at not more than three purchasing centres, but no separate security will be necessary for the additional centres.

SUGAR CANE

(8) 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 Collector of such district 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. If a licence is given or an endorsement made thereon by a Collector which permits purchases in land lying within an Indian State which is occupied by a railway and over which the Government of India have full and exclusive power and jurisdiction, intimation thereof shall be sent by him to the authorities of the State concerned.

(9) 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 such factory. Such licence shall be granted if (i) the Collector 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 or managers of all factories on whose behalf he already holds licences is produced before the Collector.

(10) Pending the receipt of a licence or an endorsement thereon for which an application has been made, the applicant may purchase cane for supply to the factory concerned on the authority of a certificate signed by the occupier or manager of such factory. He shall be deemed to be duly licensed purchasing agent under these rules and shall be liable for purchases of cane made by him in the same manner as if he had been a duly licensed purchasing agent. An occupier or manager who signs such a certificate shall (i) state therein that he has forwarded the application for the licence or endorsement as the case may be to the Collector concerned, and that he has satisfied himself that the proposed purchasing agent is not subject to any of the disabilities mentioned in sub-rule (5), (ii) forward a copy thereof to the Collector and to the Inspector within whose jurisdiction the applicant intends to purchase cane, within 24 hours of his signing the same, and (iii) be liable under these rules for the purchase of cane made on the authority of such certificate in the same manner and to the same extent as if they had been made by a duly licensed purchasing agent.

(11) If a licence, or an endorsement thereon, for which an application has been made, is refused by the Collector, the certificate, if any, on the authority of which the applicant is operating pending the grant of a licence or an endorsement thereon, shall cease to be valid within 72 hours of the receipt of intimation by the occupier or manager of the factory concerned of such refusal.

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

(13) A licence of a purchasing agent may be cancelled, or an entry of warning made thereon by the Collector 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 Collector who endorses the licence; in such case, such Collector shall send intimation of the orders passed by him to the Collector 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 on the licence shall be issued, except for reasons to be recorded in writing, after giving an opportunity for explanation to the purchasing agent and reasonable notice to the occupier or manager of the factory concerned. Pending inquiry under this rule the Collector may suspend a licence, or an 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 or manager of the factory concerned.

(14) An appeal shall lie to the Commissioner of the Division from an order of the Collector refusing to grant a licence, or cancelling or suspending a licence. Such appeal shall be filed within one month of the date of the order of the Collector. The order of the Commissioner on appeal and the order of the Collector, if no appeal is filed in the time fixed, shall be final.

Rule 8—Licensing of other employees.

8.—(1) After the issue of a notification under sub-section (2) of section 23 of the Act in respect of any area, no person shall be employed in such area by the occupier of a factory or by a purchasing agent to do any work or class of work in connexion with any transaction for the purchase of cane, including survey and preparation of lists of cane-growers or allotment and distribution of requisition slips for cane unless he has been licensed by the Collector of the district in which such transaction takes place; The licence fee for such licence shall be one rupee.

(2) An application for a licence under sub-rule (1) shall be made in form 18, Appendix III to the Collector of the district in which the applicant wishes to carry on any transaction in connexion with the purchase of cane. Such application shall be accompanied by (a) a treasury receipt showing that the licence fee prescribed under sub-rule (1) has been paid; (b) a nomination from the occupier or the manager of the factory concerned or the purchasing agent concerned in form 19 Appendix III.

(3) On receipt of such application the Collector may issue a licence in form 20, Appendix III. Before granting a licence under this rule the Collector may demand a security not exceeding Rs. 100 in cash or Government promissory notes for the due observance of the conditions of the licence.

(4) The securities prescribed in sub-rule (3) shall be deposited with the Collector of the district throughout the period the licensee perform the duties laid down in such licence and for six months thereafter. Government will have the first charge on such sum or property for the recovery of any fine imposed on the licensee under the Act or under these rules.

SUGAR CANE

(5) The Collector shall have power to cancel a licence issued under sub-rule (3) for breach of any provision of the Act or of the rules made thereunder or of the conditions of the licence without prejudice and in addition to any other penalty which the licensee may have incurred under the Act or the rules made thereunder. No order for the cancellation of the licence shall be issued until an opportunity for explanation has been given to the employee concerned and to the occupier or manager of the factory who has nominated him. Pending inquiry under this rule the Collector may suspend a licence, but such suspension shall not take effect until after the expiry of 72 hours from the giving of notice thereof to the occupier or manager of the factory concerned.

(6) The order of the Collector refusing, suspending or cancelling a licence shall be final, subject to an appeal to the Divisional Commissioner. Such appeal, if any, shall be filed within one month of the date of the order.

(7) A licence issued under sub-rule (1) shall be cancelled on the application of the licensee's employer.

Rule 9—Licences for the construction of new factories.

9.—(1) An application for a licence to commence the construction of any building intended to be used as a factory shall be made in form 1 Appendix III to the Cane Commissioner, who shall forward it with his report to the Provincial Government. The Provincial Government shall publish a notice of the receipt of such application in the *United Provinces Gazette* and such notice shall specify the date on or after which the application will be taken into consideration.

(2) Alterations to existing buildings with a view to their use as a factory shall amount to the construction of a building intended to be used as a factory.

(3) The Provincial Government may consult the Sugar Control Board with regard to the application and the objections, if any, received thereto before disposing of the application.

(4) No licence shall be granted for the construction of any building intended to be used as a factory unless—

(a) the site of the proposed factory is at a distance of not less than 10 miles from any existing factory or a factory for the construction of which a licence has been granted.

(b) the quantity of cane available or likely to be available within a radius of ten miles of the proposed site, excluding the cane in an area reserved for another factory, is not less than 60 per cent, of the estimated cane requirements of the proposed factory. The estimated cane requirements shall be calculated at 120 times the daily average crushing capacity of the proposed factory.

(c) the applicant undertakes to build storage accommodation for at least one half of the estimated annual production of sugar at the factory. The annual production of sugar shall be calculated at 9 per cent, of the estimated cane requirements as determined under clause (b) above, and

(d) the additional production of sugar is not likely to affect adversely the interests of the sugar industry; provided that a licence for the construction of a building at a new site for a factory already existing in the United Provinces or in Bihar shall be granted if conditions (a), (b) and (c) above are fulfilled.

(5) A licence for the construction of any building intended to be used as a factory shall be granted in form 4, Appendix III and shall be valid for one year and may be renewed by the Provincial Government from time to time until the construction of the factory is completed.

Rule 10—Licences for the extension of existing factories.

10.—(1) An application for a licence for any extension of the plant of an existing factory, which is likely to increase its capacity for crushing cane, shall be made in form 2, Appendix III to the Cane Commissioner, who shall forward it with his report to the Provincial Government within one month of the receipt of the same.

(2) No such application shall be granted unless after consulting the Board, the Provincial Government are satisfied, *inter alia*, that the additional cane required by the factory is available or is likely to be available within a radius of ten miles of the factory, excluding the area reserved for any other factory.

(3) A licence granted for any extension of the plant of an existing factory, which is likely to increase its capacity for crushing cane, shall be in form 5, Appendix III and shall be valid for one year and may be renewed by the Provincial Government from time to time until such extension is completed.

Rule 11—Licences for crushing cane.

11.—(1) An application for a licence for crushing cane shall be submitted to the Provincial Government in form 3, Appendix III, through the Cane Commissioner.

(2) A licence granted under section 10 (3) of the Act shall be in form 6, Appendix III and shall among others, be subject to the following conditions—

(a) that the factory shall be a member of the Indian Sugar Syndicate, Limited, registered under the Indian Companies Act, which has been recognised by the Provincial Government under section 11 (a) of the Act, and

(b) that the minimum quantity of cane which the factory will crush during the crushing season for which licence is granted shall be 120 times its average daily crushing capacity :

Provided that condition (b) may be relaxed by the Provincial Government if they are satisfied that the inability to crush the specified quantity of cane was due to circumstances beyond the control of the occupier of the factory.

(3) The average daily crushing capacity for the purposes of clause (b) of sub-rule (2) shall be determined by the Cane Commissioner, after taking into consideration—

SUGAR CANE

(a) the total quantity of cane crushed by the factory during each of the three previous crushing seasons,

(b) the number of days that the factory worked during each of the three previous crushing seasons,

(c) any extension of the plant of the factory since the last crushing season.

(4) Any person aggrieved by an order of the Cane Commissioner determining the crushing capacity of a factory under clause (b) sub-rule (2) may within one month from the date of such order appeal to the Provincial Government.

(5) An application for the renewal of a licence for crushing cane under section 10 (4) of the Act shall be filed on or before the 1st September, immediately preceding each crushing season in form 3, Appendix III before the Cane Commissioner, who shall renew such licence in form 6, Appendix III unless the occupier of a factory has committed two breaches of the conditions of the licence for which a penalty has been imposed, in which case he shall refer the matter to the Provincial Government for orders:

Provided that the Cane Commissioner may renew a licence for which an application for renewal is received by him after the 1st September if he is satisfied that there was reasonable cause for the delay

(6) The fee payable for a licence for the construction or extension of a factory, or for the renewal of such licence, shall be Rs. 75.

(7) The fee payable for a licence to crush cane or for its annual renewal shall be as follows:

<i>Average daily crushing capacity</i>	<i>Fee. Rs.</i>
Less than 500 tons	15
500 tons or more but less than 600 tons	25
600 tons or more but less than 700 tons	30
700 tons or more but less than 800 tons	35
800 tons or more but less than 900 tons	40
900 tons or more but less than 1000 tons	45
1000 tons or more	50

Rule 12—Estimate of quantity of cane required by factories

12.—(1) The occupier of a factory shall submit to the Cane Commissioner on or before 1st May each year in form 8, Appendix III an estimate of the quantity of cane which will be required by the factory during the crushing season next following the ensuing crushing season; provided that the estimate for the 1939-40 crushing season shall be submitted by the 15th October, 1938

(2) The Cane Commissioner shall, after consulting the Advisory Committee, if any, publish the same with such modifications as may be necessary within a month of the receipt of the estimate, in the *United*

Provinces Gazette and at the office of the Collector of the district in which the factory is situated.

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

Rule 13—Declaration of reserved areas.

13.—(1) In declaring reserved areas under section 15 (1) of the Act, the Cane Commissioner may take into consideration (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 area already reserved or cancelling any previous order declaring an area to be reserved shall be communicated to the occupier of the factory concerned and shall be published at the office of the Collector of the District in which the area is situated and at the gate of the factory.

(3) An appeal against any order of the Cane Commissioner under section 15 (1) of the Act may be made to the Provincial Government within one month of the publication of such order at the office of the Collector.

Rule 14—Survey and Growers' Register.

14.—(1) When an area has been reserved the Cane Commissioner may cause a survey of the sugarcane in it to be made in form 9, Appendix III and may deliver it to the manager or occupier of the factory concerned.

(2) The cost of the survey may be assessed at one rupee for every 25 acres of sugarcane surveyed and shall be payable within a month of the delivery of the form referred to in sub-rule (1).

(3) The occupier or manager of a factory shall after such local verification as he considers necessary prepare a register in Form 11, Appendix III as required under section 17 (1) of the Act to be called the Growers' Register, and it shall be opened to inspection by every cane-grower.

NOTE.

It will suffice if form 9 is used for the purpose and the amount of cane bonded is added therein.

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

(5) The occupier or manager of the factory shall, after such enquiry as he considers necessary, pass orders on the application within a

SUGAR CANE

fortnight of its receipt and a free copy of such orders shall be supplied to the applicant. An appeal from the order of the occupier or manager shall lie to the Sub-Divisional Officer within whose jurisdiction the land in question is situated and his decision shall be final.

(6) The occupier or manager of a factory shall give a copy of the entries in the Growers' Register on application made before the 15th December, in any year to any person on receiving payment at the rate of one anna for each grower.

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

Rule 15—Purchase of cane growing in a reserved area.

15.—(1) The occupier or manager of a factory shall estimate or cause to be estimated by 30th September, the quantity of sugarcane with each grower enrolled in the Growers' Register and shall submit the estimates to the Collector. The Collector may, after such enquiries as he considers necessary, modify the estimates and cause them to be published in such manner as he may direct. In framing these estimates, sugarcane grown on more than one-third of the area of land suitable for sugarcane cultivation in the holding of each grower may be excluded.

(2) A cane-grower or a cane growers' co-operative society in reserved area may offer in form 10, Appendix III, by the 15th October each year to supply during the crushing season to the occupier or manager of the factory for which the area has been reserved, cane not exceeding, in the case of a cane-grower, the quantity estimated in accordance with sub-rule (1)

(3) The occupier or manager of the factory for which the area is reserved shall enter into an agreement with the cane-grower or the cane-growers' co-operative society as the case may be, in forms 15 and 12 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 or manager 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 or manager shall cause identification card to be distributed to all cane-growers of the reserved area to whom requisition slips have been issued and shall maintain a record of the same. He will also keep a record of the requisition slips issued and distributed to the grower and returned by them.

(5) Cane grown in a reserved area shall not except with the permission of the Cane Commissioner be purchased by any person without the previous issue at convenient centres in the reserved area of requisition slips and identification cards to the growers, by the occupier or manager of the factory for which the area is reserved.

(6) Requisition slips and identification cards to members of a cane grower's co-operative society shall not be issued except by such society.

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

Rule 16—Declaration of an assigned area and purchases of cane in an assigned area.

16—(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, or modifying or cancelling any such previous orders shall be communicated to the occupier of the factory and shall be published at the office of the Collector of the district in which the area is situated and at such centres in the assigned area as the Collector or the Cane Commissioner may direct.

(2) An appeal against an order of the Cane Commissioner under section 19(1) or 19(2) of the Act may be made to the Provincial Government within one month of the publication of such order at the office of the Collector.

(3) The occupier of a factory for which an area has been assigned shall under section 19(3) of the Act by the 1st November, 1938 for the crushing season 1938-39 and by the 15th October each year for any subsequent crushing season enter into agreements in form 15 Appendix III, form 12, Appendix III, or form 13, Appendix III, as the case may be, with cane growers, 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 under section 19(4) of the Act enter into similar agreements in form 14, Appendix III with cane-grower or cane growers' co-operative societies in the assigned area in respect of all the cane which he has undertaken to supply to the occupier of the factory.

(5) Purchases 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-growers of the assigned area who have entered into the agreement referred to in rules 15(3) and (4) and he will also keep a record of the requisition slips issued and distributed to them and returned by them.

(6) In case of dispute whether a particular system of purchase adopted by the occupier or manager of a factory or his employee or the purchasing agents in the assigned area is equitable or not, the dispute may be referred to the Cane Commissioner whose decision shall be final.

Rule 17—General provisions regarding purchases of cane.

17—(1) No person shall transfer or abet the transfer of a requisition slip for the cane of a grower to another person, with the object of enabling cane other than that belonging to grower for whom the requisition slip has been issued to be sold to a factory.

SUGAR CANE

(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 therefor or for issuing requisition slips or for showing or for bearing to show in connexion with the weighing or purchase or supply of or payment for cane, favour or disfavour to any person.

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

(4) The occupier or manager of a 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 Advisory Committee, if any.

(5) Save with the previous approval of the Cane Commissioner, no occupier or manager or purchasing agent shall purchase cane consigned by a cane-grower by rail from a railway station where a purchasing centre has been or has been ordered to be established under sub-rule (4).

(6) An occupier or manager 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 manager 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 manager 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) send 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 a breakdown of machinery or other causes necessitating an abrupt but temporary suspension of operations, the occupier or manager 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 Collector 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 day period referred to in sub-rule (8).

(10) An occupier or a manager 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 of and 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,

(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 Collector, for making weighments, 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 manager or purchasing agent.

NOTE.

This sub rule is not intended to prevent responsible officers of a factory from exercising supervision.

(12) A purchasing agent shall actively participate in and if possible personally supervise the work of purchase of cane at at least one of the purchasing centre 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 on demand by the Inspector.

SUGAR CANE

(14) The occupier or manager of a factory situated outside the United Provinces may make purchases of cane in the United Provinces either himself or through any person employed or appointed by him in his behalf, but in all such cases he or his employees or other persons acting on his behalf will be bound by these rules as if he were the occupier or manager of a factory situated in the United Provinces.

Rule 18.—Minimum price.

18.—(1) An occupier or a manager or a purchasing agent or any person employed by him shall not purchase cane for a factory or pay for it at a price below the minimum price fixed under these rules in accordance with section 21 of the Act.

(2) The minimum price payable for cane shall be fixed per standard maund of 82½ lb. avoirdupois.

Rule 19.—Weighments.

19.—(1) All transactions in connexion with the purchase and supply of cane shall be made according to the maund of 82½ lb. avoirdupois, and it shall not be lawful to use any other weight in relation to any such transaction.

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

(3) All weighments of cane shall be made by the maund of 82 and 2/7 lb. avoirdupois, and multiples thereof.

(4) The net weight of cane shall be correctly recorded to the nearest eighth of a maund.

(5) The occupier or manager of a factory or a purchasing agent shall permit a representative of a cane growers' co-operative society or any other person duly authorized by the Cane Commissioner for the purpose to watch or check weighments and to examine the *parcels* in which weights are recorded.

NOTE.

The person so authorized by the Cane Commissioner shall ordinarily be of the qualifications and status not lower than those of a Naib-Fahaidar.

(6) No scales or weights shall be used, kept or possessed for the weighment of cane by, or on behalf of, an occupier or manager or a purchasing agent—

(i) which are incorrect, provided that a weighbridge shall not be deemed to be incorrect which weighs 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 wherever possible and are either not accessible to the vendors of cane and their authorized agents 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 any scales or weights which comply

with the rules unless after due warning a weighbridge is not adjusted and unless it is persistently found to be incorrect.

(7) 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.

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

(9) 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 such inspection, examination and test when required by the Inspector. To facilitate such inspection, standard weights of ten maunds in the aggregate shall be kept by the occupier or manager or the purchasing agent concerned as the case may be, at every purchasing centre where there is a weighbridge, for testing the same.

(10) An occupier or manager 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.

(11) At every purchasing centre adequate facilities for weighment, to the satisfaction of the Cane Commissioner shall be provided by the occupier or manager to avoid congestion and undue delay in the weighment of cane, and carts shall not be kept waiting unduly for weighment.

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

(12) An occupier or manager shall—

(i) provide metalled approaches to and exits from all weighbridges at the factory premises to such distance as may be in each case be reasonable and feasible, and up to a distance of one furlong when required to do so by the Cane Commissioner,

(ii) keep the same in a proper state of repair,

(iii) provide reasonable space for parking of carts waiting their turn for approach to the weighbridges, and

(iv) provide sheds and cattle troughs at the factory gates to the satisfaction of Cane Commissioner.

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

SUGAR CANE

(14) 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 :

Provided that where cane is brought bound 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.

Rule 20—Payments.

20.—(1) The occupier or manager of a factory shall provide adequate facilities to the satisfaction of the Collector for the payment of the price of cane.

(2) The occupier or manager or purchasing agent shall make all payments for cane at the purchasing centre within 24 hours of demand:

Provided that in the case of purchases made at such purchasing centres (other than the factory premises) as may be approved by the Collector of the district in which the purchasing centre is situated, payments shall be made within seven days of demand.

Provided further that when a purchasing centre is closed, all payments must be made at the centre within a week of the closing of the centre and if any growers do not appear to receive payments within this period, 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 the 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 himself to be such grower) unless he is duly authorized by him in writing to receive such payment :

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

(5) An occupier or manager 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 payments 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 or manager of the factory concerned within three months of the date on which 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 the dues of a cane growers' co-operative society may be made by deduction from the price payable for cane.

(7) If an occupier or manager provides his own means of transport (including a trainway) a deduction for the cost of such transport may be made at a rate not exceeding one pie per mile per maund, subject to a maximum of one anna per maund, from the price of cane purchased at a purchasing centre :

Provided that the Collector of the district in which the purchasing centre is situated approves of the proposed means of transport and declares the purchasing centre to be one to which this proviso applies and such purchasing centre must be situated at a distance of—

(a) not less than 5 miles from the factory, in case transport by rail by direct route is not possible,

(b) more than 5 miles from the nearest railway station, in case through transport by road is not possible and the cane has to be transported partly by road and partly by rail, or

(c) more than 5 miles from the nearest railway station and more than 10 miles from the factory, in case through transport by road as well as transport partly by road is possible.

NOTE.

The supplier of cane shall have the option of delivering the cane using his own means of transport and in such case he shall be entitled to receive payment of full price payable, without deduction.

(8) Such deduction as the Provincial Government may by notification direct may be made from the price of cane purchased at a purchasing centre situated in any tract declared by the Provincial Government as a tract—

(i) in which cane is definitely below the average of standard cane for the area on account of natural causes, e.g. serious waterlogging, intensive insect attack, diseases or severe frost, or

(ii) in which a specified inferior variety of cane is ordinarily or preponderantly grown, or

(iii) in which owing to inaccessibility, or other special causes, the circumstances are such that a deduction from the minimum price would be in the interest of the growers.

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

(10) If any loan has been advanced by an occupier or manager 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 pie per 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 :

SUGAR 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 the 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 manager 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.

Rule 21—Notices

21.—(1) A manager or 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 places mentioned in (a) and (b) as the Collector or the Inspector may direct.

(3) Entries of such notices shall be made ligibly in both the Nagri and Urdu scripts and shall be on one side of the paper only.

Rule 22—Registers and records.

22.—(1) A manager 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 authorized 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 or wagon, as the case may be,

(f) the weight of the cart (tare) 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,
- (j) the price that has to be paid for the cane at that rate.

The entries under items (e) and (f) shall be made and announced in the presence of the person who actually delivers the cane while the cart or wagon is still standing on the weighbridge and, in the case of weighing on beam scales, immediately on completion of the weighing.

Entries as regards items (a) to (e) shall be made as soon as weighing 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 authorized agent before he leaves the purchasing centre. The triplicate copy or 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 provisions of sub-rule (2).

Provided that if a number of *parchas* are presented together for payment, the receipt of the payee for the whole amount due to him may be taken only on the latest *parcha*; in such cases, the number of, or other references to, the other *parchas* covered by the receipt shall be given in the receipt, and the other *parchas* shall be cancelled.

(4) A manager and a purchasing agent shall maintain or cause to be maintained, at each purchasing centre, a register 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, authorized 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 cart or wagon, as the case may be,
- (f) the weight of the cart or wagon, as the case may be (tare),
- (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,
- (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,

SUGAR CANE

- (l) the amount of interest up to the date of recovery of the same,
- (m) the amount actually paid on account of the cane purchased,
- (n) the date of payment:

• Provided that where no loans are advanced the columns giving the particulars required 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) A manager and a purchasing agent shall maintain or cause to be maintained at each purchasing centre an inspection book in which Inspectors may record their remarks and instructions.

(7) The registers and records maintained and copies of counterfoil or *parchas* 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 open to inspection and check 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 a 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 or manager concerned for one year 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 fulfil the object of these sub-rules.

(10) The occupier or manager of a factory shall maintain a register showing the purchases of cane made from each cane-grower in a reserved area in a form approved by the Cane Commissioner.

(11) The occupier or manager 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.

Rule 23—Arbitration.

23.—(1) Any dispute touching an agreement referred to in section 18 (2) or section 19 (2) of the Act 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 a suit to arbitration, it shall be referred to a 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 accep-

table 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 or 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 Commissioner of the Division in which the factory is situated within one month of the date of the communication of the award and the Commissioner shall pass such order as he deems fit.

(7) The Commissioner'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 Commissioner's order in appeal against an award, shall be enforced by the Court as if such decision, award, or order in appeal were a decree of that Court.

Rule 24—Tribunal.

24.—(1) The tribunal referred to in section 26 (1) of the Act shall consist of an officer who is or has been a High Court or Chief Court Judge or a District Judge of at least 10 years standing as Chairman and two members appointed by Government, one from among occupiers of factories and the other to represent cane-growers.

(2) The tribunal shall have the power of a court of the summoning of parties, witnesses and records.

(3) The Chairman will decide the procedure to be followed by the tribunal.

Rule 25—Penalties.

25.—(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 which the Cane Commissioner or a Collector or an Inspector is authorized to pass or issue shall be punishable with fine which may extend to Rs. 750 :

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

SUGAR CANE

under the orders in writing of the occupier or manager or with his connivance and for his benefit, such occupier or manager shall also be liable to punishment under this rule.

(2) Where an occupier or manager or a purchasing agent is charged with an offence against these rules, he shall be entitled, subject to the discretion 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 if, after the commission of the offence has been proved, the occupier or manager or the purchasing agent as the case may be proves to the satisfaction of the Court—

(a) that he 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 person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager or the purchasing agent as the case may be and the occupier or manager 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 a prosecution—

(a) that an occupier or manager 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 manager or the purchasing agent as the case may be or in contravention of his orders, the Inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager or the purchasing agent and such person shall, if found guilty, be liable to get the punishment to which the occupier or manager 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 and in the case of prosecutions for a breach of the provisions of rule 20 (2) unless the complainant had made his demand in writing or the District Magistrate is satisfied that there is a general complaint of non-payment within the prescribed time.

(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 been committed.

(6) In the case of a first offence the Court may, instead of passing a sentence 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 Inspector, the occupier or manager of the factory concerned and the Collector of the district in which the factory is situated.

Rule 25-A—Collection of Cess.

(1) The occupier of every factory shall maintain a correct daily account in form 23, Appendix III, of the sugarcane entering the local area comprised in the factory.

(2) Within a fortnight of the close of each month, the occupier shall pay into the Treasury the amount due as cess on the quantity of sugarcane which has entered the local area during such month.

(3) Within a fortnight of the close of each month the occupier shall submit to the Collector a return, in form 24, Appendix III, showing the quantity of sugarcane that has entered the local area during such month and the amount of cess credited by him into the Treasury on account of that quantity of sugarcane, together with the Treasury chalan or receipt to show that the amount of the cess due has been duly credited into the Treasury.

(4) The Collector shall, on receipt of the return in form 24 verify that the amount of the cess has been correctly calculated and that the full amount thereof has been credited into the Treasury.

(5) All sums payable in accordance with sub-rule (3) shall be recoverable as an arrear of land revenue.

(6) If the occupier of a factory (a) fails to credit into the Treasury by the due date the full amount payable on account of the cess, or (b) credits an account less than the correct amount, or (c) fails to keep a correct daily account in form 23, or (d) fails to submit by the due date the monthly return in form 24, or (e) fails to send to the Collector with the monthly return the Treasury Chalan or receipt showing that the amount of cess has been duly credited into the Treasury he shall be punishable with fine which may extend to two thousand rupees.

Rule 26—Compensation.

26.—(1) The Court may order compensation to be paid to any person who has suffered any loss owing to the misconduct of the accused out of the fine imposed on the latter on conviction.

(2) The Collector may order the compensation due to any person on account of an award obtained under rule 23 to be paid by forfeiture of the security referred to in section 26 (3) of the Act.

Rule 27—Forfeiture of Security

27.—(1) The Collector may forfeit the whole or part of the security referred to in section 23 (3) of the Act after giving the licensee concerned an opportunity of explaining the charges against him and of producing evidence in his defence.

(2) The order of forfeiture shall be recorded in writing and an appeal against it may be preferred to the Commissioner of the division

SUGAR CANE

within one month of the date on which the order is communicated to the licensee concerned.

(3) The Collector, or the Commissioner in appeal, may order compensation to be paid out of the forfeited security to any person who has suffered loss owing to the misconduct of the licensee.

Rule 28—Protection to persons acting under these rules.

28.—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.

Rule 29—Power to exempt from rules.

29. 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 Act I of 1938.

Rule 30—Interpretation of rules.

30.—All matters connected with the interpretation of these rules shall be referred to the Cane Commissioner whose decision shall be final.

Rule 31—Repeal of old rules

31.—These rules shall supersede the rules framed under the Sugarcane Act, 1934, and the previous rules framed under Act I of 1938.

APPENDIX I

Rules of procedure at meetings of Advisory Committee.

1. All meetings of the Advisory Committee shall be held at the headquarters of the division or district unless for special reasons the Chairman otherwise directs.

2. Notice in writing of meetings of the Advisory Committee shall be circulated to all the members of the Advisory Committee not less than one week before the meeting. Notice of a resolution or motion to be moved at a meeting of the Advisory Committee shall be made available to the Chairman at least ten days before the meeting. The agenda shall be circulated at least one week before the meeting.

3. All meetings of the Advisory Committee shall be presided over by the Chairman; in the absence of the Chairman, the members present shall elect a Chairman, from among their own number.

4. At all meetings of the Advisory Committee, one-third of the members inclusive of the Chairman shall form a quorum.

5. No business other than that contained in the agenda shall be transacted at a meeting except with the consent of the Chairman.

6. No motion or amendment shall be discussed at a meeting unless it is seconded.

7 No member may speak for more than fifteen minutes when proposing a motion or moving an amendment or for more than ten minutes when seconding or speaking on a motion or amendment or when replying.

8. A motion or amendment may be withdrawn, by permission of the Chairman, by any member who has given notice of such motion or amendment.

9. Every question shall be decided by majority of votes of the members present. In case of votes being equally divided the Chairman shall have a second or casting vote.

10. The Chairman shall be the sole judge of any point of order, and may call any member to order and may, if necessary, dissolve the meeting or adjourn it to any other day.

11. If at any meeting of the Advisory Committee, there is no quorum the Chairman shall adjourn the meeting to any subsequent date and no quorum shall be necessary for such adjourned meeting.

12 In any case not provided by these rules, the procedure shall be in accordance with the ruling of the Chairman.

APPENDIX II.

Rules of procedure at meetings of Sugar Control Board.

1. All meetings of the Board shall be presided over by the Chairman. In the absence of the Chairman any member nominated by the Chairman or in the absence of any such nomination a Chairman elected by the members present shall preside.

2. At all meetings of the Board five members inclusive of the Chairman shall form a quorum.

3. Notice of a resolution or a motion to be moved at a meeting of the Board other than the first meeting shall be sent to the Secretary at least seven days before the date fixed for such meeting. The Secretary shall send to each member at least five days before the date fixed for a meeting a notice of the business to be brought forward at the meeting.

4. No business other than that contained in the agenda sent to members shall be transacted at a meeting except with the consent of the Chairman.

5. No motion or amendment shall be discussed at a meeting unless it is seconded.

6. Every question shall be decided by a majority of votes of the members present. In case of the votes being equally divided, the Chairman shall have a casting vote.

7. The Chairman shall be the sole judge of any point of order and may, if necessary, dissolve the meeting or adjourn it to any other day.

8. If at any meeting there is no quorum, the Chairman shall adjourn the meeting to any subsequent date and no quorum shall be necessary for such an adjourned meeting.

9. In any case not provided by these rules the procedure shall be in accordance with the ruling of the Chairman.

SUGAR CANE

APPENDIX III

FORM 1

Form of application for a licence to erect a Sugar Factory

[Section 9(1) of the Act]

1. (a) Name, parentage and residence, or in the case of a firm, name and principal place of business
- (b) In the case of a firm registered under the Indian Companies Act, the name of the Company and the address of the registered office, with the names and addresses of the Directors and of the Manager or Managing Agent, the Secretary and the Chief Executive Officer of the Company
2. Site of the Factory —
 - Village or Town
 - Thana
 - District
 - Nearest railway station
 - Distance from nearest existing factory
3. Daily crushing capacity of the proposed factory according to the sugar machinery manufacturers' rating ...
4. The capital proposed to be invested —
 - (a) Cost of machinery
 - (b) Cost of building
 - (c) Cost of land
 - (d) Share capital (Subscribed) ...
 - (e) Borrowed capital
5. Date by which construction of the factory —
 - (a) will be started
 - (b) is expected to be completed ...
6. Details of plant, including the proposed storage accommodation for sugar ...
7. Approximate quantity of cane (a) available and (b) likely to be available within a radius of 10 miles of the proposed factory, excluding the cane in the area reserved for another factory ...

*Signature of applicant, or Signature
of officer empowered to sign on be-
half of the Company.*

Dated.....

APPENDIX III

FORM 2

**Form of application for a licence for extension of the plant
of an existing factory***[Section 9 (1) of the Act]*

1. (a) Name, parentage and residence, or in the case of a firm, name and principal place of business of the applicant ...
 - (b) In the case of a firm registered under the Indian Companies Act, the name of the Company and the address of the registered office, with the names and addresses of the Directors and of the Manager or Managing Agent, the Secretary and the Chief Executive Officer of the Company ...
 2. Site of the factory—

Village or Town	...	...
Thana	...	...
District	...	...
Nearest railway station	...	...
 3. Year in which working was started ...
 4. Name of the machinery makers ...
 5. Clarification process ...
 6. Crushing capacity per day—

(a) Original	...	tons	...
(b) Present	...	tons	...
 7. Working figures for three preceding season ...
- | S. No. | Particulars | Season | Season | Season |
|--------|---|--------|--------|--------|
| (1) | Number of days in season | ... | ... | ... |
| (2) | Total cane crushed (Mds.) | ... | ... | ... |
| | Sugar produced (Mds.) | ... | ... | ... |
| | Molasses produced (Mds.) | ... | ... | ... |
| (3) | Cane crushed per 24 hours' operation (Mds.) | ... | ... | ... |
| (4) | Percentage of hours lost to total hours available | ... | ... | ... |
| (5) | Cane quality— | | | |
| | Sugar per cent. cane | ... | ... | ... |
| | Fibre per cent. cane | ... | ... | ... |
| | Purity Primary Juice | ... | ... | ... |
| (6) | Extraction— | | | |
| | Mill house | ... | ... | ... |
| | Boiling house | ... | ... | ... |
| | Overall | ... | ... | ... |

SUGAR CANE

- (7) Recovery —
 Sugar per cent. cane
 Molasses per cent. cane
8. Particulars of addition to plant applied for —
- | No. | Particulars of plant | Number size & capacity at present | Proposed addition or replacement |
|-----|--|-----------------------------------|----------------------------------|
| 9. | Reasons for the proposed extension with—
(a) estimated increase in daily crushing capacity;
(b) estimated increase in overall efficiency; and
(c) difficulties in the present working of the plant which are to be removed by the proposed alterations. | | |
| 10. | Approximate quantity of cane (a) available and (b) likely to be available within a radius of 10 miles of the factory excluding the cane in the area reserved for any other factory | ... .. | ... .. |

Dated.....

Signature of applicant or signature of officer empowered to sign on behalf of the Company.

*State name of the principal machinery makers of the original plant and also of the makers who carried out subsequent alterations, if any.

*Crushing capacity per 24 hours' operation should be given as (a) originally proposed by the makers and (b) as actually at present.

(i) Where numerous additions and alterations are to be made or where the crushing capacity of the plant is proposed to be increased the complete specifications of the plant together with a detailed list of the proposed additions should be given separately.

(ii) In column three it should also be stated against each item if the machinery to be added now is in replacement of similar machinery which has now become unserviceable or whether it is in addition to it.

APPENDIX III

FORM 3

Form of application for a licence to crush cane or for its renewal

[Sections 10 (2) and 10 (4) of the Act]

1. (a) Name, parentage and residence, or in the case of a firm, name and principal place of business of the applicant ...
- (b) In the case of a firm registered under the Indian Companies Act, the name of the Company and the address of the registered office, with the names and addresses of the Directors and of the Manager or Managing Agent, the Secretary and the Chief Executive Officer of the Company ...

SUGAR CANE

2. Site of the Factory—

Village or town	...	...
Thana	...	...
District	...	...
Nearest railway station	...	...
3. Quantity of cane crushed during each of the three previous crushing seasons ...
4. The number of days that the factory crushed cane during each of the three previous crushing seasons ...
5. Whether the prescribed fees have been deposited in the district or sub-divisional treasury of the area in which the factory is situated. (Receipted treasury chalan should accompany the application) ...
6. Whether the factory which the applicant represents is a member of the Indian Sugar Syndicate, Limited ...
7. The number and date of the licence to be renewed (in cases of applications for renewal) ...

*Signature of applicant or Signature
of officer empowered to sign on
behalf of the Company.*

Dated.....

APPENDIX III

FORM 4

GOVERNMENT OF THE UNITED PROVINCES

Licence for the construction of building for a sugar factory

[Section 9 (1) of the Act]

No. _____ Dated _____

_____ is hereby granted permission to construct a factory for the manufacture of sugar from sugarcane by the vacuum pan process at _____, thana _____, district _____, on condition that the construction of the said factory shall be commenced on or before _____ and completed before _____

This licence is valid till _____

*Secretary to Government,
United Provinces.*

SUGAR CANE

RENEWALS

No. _____ Dated _____

This licence is hereby renewed with effect from _____
for a period of _____Secretary to Government,
United Provinces.

No. _____ Dated _____

This licence is hereby renewed with effect from _____
for a period of _____Secretary to Government,
United Provinces.

APPENDIX III

FORM 5

GOVERNMENT OF THE UNITED PROVINCES

Licence for the extension of an existing sugar factory

[Section 9 (1) of the Act]

No. _____ Dated _____

_____ occupier of the
_____ factory situated at _____
thana _____, district _____is hereby granted permission to increase the daily crushing capacity
of the said factory from _____ tons to _____
tons, and to construct the necessary buildings and/or to instal the
machinery required for the purpose, on condition that the work of
construction or installation, is commenced on or before _____

This licence is valid till _____

Secretary to Government,
United Provinces.

RENEWALS

No. _____ Dated _____

This licence is hereby renewed with effect from _____
for a period of _____Secretary to Government,
United Provinces.

SUGAR CANE

No. _____

Dated _____

This licence is hereby renewed with effect from _____
for a period of _____

Secretary to Government
United Provinces.

APPENDIX III

FORM 6

GOVERNMENT OF THE UNITED PROVINCES

Licence for crushing cane

[Section 10 (3) of the Act]

No. _____

Dated _____

This is to certify that _____
occupier of _____
factory situated at _____ is hereby authorized
to crush cane in the said factory subject to the terms and conditions
hereinafter mentioned and to the provisions of the United Provinces
Sugar Factories Control Act, 1938, and the rules made thereunder :

(1) The licence shall, unless cancelled in accordance with the
Act, remain in force till 30th June 19 .

(2) The licensee shall continue to be a member of the Indian Sugar
Syndicate, Limited, throughout the period of this licence.

(3) The minimum quantity of cane that shall be purchased for,
being crushed at the said factory during the crushing season
shall be _____ maunds :

Provided that this condition may be relaxed by the Provincial Go-
vernment if they are satisfied that the failure to purchase the speci-
fied quantity of cane was due to the inability of the occupier of the
factory to crush the same on account of circumstances beyond his
control.

(4) Sugar produced in the said factory shall not be sold at a price
above or below such price, or in contravention of such terms, if any,
as may be notified by the Governor in this behalf.

(5) Sugar produced in the said factory shall be graded, marked,
packed or stored for sale in such manner, if any, as may be notified
by the Governor in this behalf.

(6) The licensee shall comply with such instructions as regards
the conditions of labour, if any, as may be notified by the Governor
in this behalf.

Secretary to Government,
United Provinces.

SUGAR CANE

RENEWALS

No. _____ Dated _____

This licence is hereby renewed with effect from _____
for a period of _____

Cane Commissioner,
United Provinces.

APPENDIX III

FORM 7

Form of notice for appointment of Manager

[Under section 13 of the Act]

I/We _____, hereby give
notice that I/We have nominated _____ to be
the manager of the _____ factory for the purpose of
the United Provinces Sugar Factories Control Act, 1938, and that
he has accepted the nomination as such, with effect from _____

(Signed) _____

(Manager)

(Signed) _____

(Occupier)

(Signed) _____

(Signed) _____

(Witness, name and designation (Witness, name and designation
of witness). of witness).

APPENDIX III

FORM 8

Form of estimate of quantity of cane required by a Factory

[Under section 14 (1) of the Act]

To be submitted to the Cane Commissioner, United Provinces.

1. Name of the factory
2. Average daily crushing capacity
3. Total quantity of cane crushed during
each of the preceding three crushing
seasons
4. Quantity of cane required by the factory
for crushing during the season 19 -19

Signature of applicant empowered
to sign on behalf of a factory.

Dated.....

SUGAR CANE

APPENDIX III

FORM 9

Form of survey of sugarcane

[Rule 14 (1)]

Name of village, pargana and district _____

Serial number	Name of cane grower with father's name and caste	Khasra numbers of plots under cane in his cultivation	Area under cane			
			Desi	Improved		Remarks
				Ratoon	Plant	
1	2	3	4	5	6	7

APPENDIX III

FORM 10

Form of application by a cane grower or a Cane Growers' Co-operative Society in a reserved area for supply of cane to the Factory

[Rule 15 (2)]

1. Name of Applicant with father's name
the Cane Growers' Co-operative Society
2. Village, pargana and district
3. Name of factory concerned
4. Total area of land in his cultivation fit for growing sugarcane (for individuals only)
5. Total area of land in his cultivation under cane in 19 the member's
6. Total area of land in his cultivation proposed to be put under cane in 19 the member's
7. Estimated yield
8. Quantity of cane estimated for sale

Signature of the cane-grower or
authorized representative of a
Cane Growers' Co-operative
Society.

SUGAR CANE

APPENDIX III

FORM 11

Form of Grower's Register to be maintained by a Factory

[Rule 14 (3)]

Name of village, pargana and district _____

Serial number.	Name of cane grower with father's name and caste	Khasra numbers of plots under cane in his cultivation	Area under cane			Amount of cane bonded	Remarks
			Desi	Improved			
				Ratoon	Plant		
1	2	3	4	5	6	7	8

APPENDIX III

FORM 12

Agreement Form [under section 18 (2) or section 19 (3) of the Act between a Cane Growers' Co-operative Society and the Occupier of a Factory]

We _____ the Cane Grower's Co operative Society, district _____ acting through its authorized representatives, hereinafter to be referred to as the first party and _____ the occupier of _____ factory, hereinafter referred to as the second party, hereby enter into an agreement about the sale and purchase of cane on the following terms :

1. The first party agrees to sell during the season 19 ____ -19 ____ the sugarcane crop of the members of the society standing on _____ acres as detailed below with an approximate yield of _____ maunds to the second party at the minimum price notified by Government subject to such deductions, if any, as may be notified by the Government from time to time, provided that the price payable by the second party to the first party shall not in any case be lower than that paid generally by the second party to other growers of the villages in which co-operative societies operate. The first party further undertakes to supply good cane free from leaves, tops and roots at the factory gate or at _____ purchasing centre in such quantities and on such dates as may be specified in the requisition slip issued by the occupier or manager of the factory in conformity with this agreement and the instructions issued by the Cane Commissioner.

2. The cane shall be taken by the second party in instalments equitably spread over the whole working period of the factory.

3. The second party shall pay to the first party commission at the rate of three pies per maund for the first five lakhs of maunds of cane supplied, two pies per maund for the next five lakhs of maunds of cane supplied and one pie per maund for all cane supplied in excess of ten lakhs of maunds. This commission shall ordinarily

be paid monthly and the last instalment shall be paid within one month of the close of the crushing season. If it is not so paid interest shall accrue at the rate of $7\frac{1}{2}$ per cent. per annum on all sums left unpaid.

4. In the event of wilful failure to supply at least eighty-five per cent. of the estimated yield of cane from the area the crop of which has been contracted to be sold, excluding the quantity needed for seed, the first party shall be liable to pay the second party compensation at a rate not exceeding one anna per maund on such deficit.

5. In case the first party wilfully fails for a fortnight to supply cane to the second party in accordance with the requisition made by the second party, the first party shall cease to have a claim to sell cane to the second party.

6. The second party shall ordinarily send his requisition for cane to the first party at least four days before the cane is required and will not make changes within this period without sufficient reasons.

7. In the event of the second party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accordance with this agreement, the second party shall be liable to pay to the first party the actual price of the quantity of such cane which he fails to purchase. In the event of the second party otherwise wilfully failing to purchase cane in accordance with this agreement he shall be liable to pay the first party compensation at a rate not exceeding one anna per maund for such quantity of cane as the second party fails to buy; provided that for any deficiency in the purchases in the instalments fixed for the period after 1st April, the second party shall be liable to pay compensation to the first party at a rate not exceeding two annas per maund.

8. In the event of a breakdown at the factory or of other circumstances due to natural causes, calamities or accidents beyond human control arising to show that the second party will not be able to purchase the cane he has agreed to purchase, the first party, after giving a week's notice to the second party and with the previous permission of the Cane Commissioner, shall have the option of making other arrangements for the disposal of the cane and in such case no compensation shall be payable by either party to the other.

9. No compensation for breach of this agreement shall be payable by either party when such breach is due to natural causes, calamities or accidents beyond human control.

10. Any dispute between the parties regarding the quality and condition of the cane, the place of delivery, the instalments and other matters pertaining to this agreement, shall be referred to arbitration in the manner provided for in the rules. No suit shall lie in a civil or revenue court in respect of any such dispute.

*Signature of the authorized representative
of Cane Growers' Co-operative Society, Ltd.*

*Signature of the occupier or his authorized
representative in token of his accepting the
above contract.*

Date.....

SUGAR CANE

Village	Area under sugarcane		Approximate yield in maunds	Remarks.
	Desi	Improved		
		Batona	Plant	
1	2	3	4	5

APPENDIX III

FORM 13

Agreement form between the occupier of a factory & a purchasing agent
[Under section 19 (3) of the Act]

I _____, son of _____, caste _____,
 _____, resident of _____, occupation _____
 hereinafter to be referred to as the first party and
 the occupier of the _____ factory, hereinafter to be referred
 to as the second party, hereby enter into an agreement about the
 supply and purchase of cane on the following terms :-

1. The first party agrees to sell during the season 19-19
 maunds of sugarcane from _____ purchasing centre to the second
 party at the minimum price notified by Government subject to such
 deductions, if any, as may be notified by the Government from time
 to time. The first party further undertakes to supply good cane
 free from leaves, tops and roots at _____ purchasing
 centre in such quantities and on such dates as may be specified in the
 requisition slip issued by the occupier or manager of the factory in
 conformity with this agreement and the instructions issued by the
 Cane Commissioner.

2. The cane shall be taken by the second party in instalment-
 equitably spread over the whole working period of the factory.

3. The second party shall pay to the first party commission
 at _____ per maund on the amount of cane supplied.

4. In the event of failure to supply at least 85 per cent. of the
 contracted quantity of cane the first party shall be liable to pay to
 the second party compensation at the rate not exceeding one anna
 per maund on such deficit.

5. In case the first party wilfully fails to supply cane to the
 second party for a fortnight according to the requisition made by the
 second party, the first party shall cease to have a claim to sell cane to
 the second party and shall be entitled to claim compensation.

6. In the event of a breakdown at the factory or of other circum-
 stances due to natural causes, calamities or accidents beyond human
 control, arising to show that the second party will not be able to pur-
 chase the cane he has agreed to purchase, the first party, after giving
 a week's notice to the second party and with previous permis-
 sion of the Cane Commissioner, shall have the option of making other

SUGAR CANE

APPENDIX III

FORM 14

Agreement form [under section 19 (4) of the Act] between a cane-grower and a purchasing agent

I _____, son of _____, caste _____, a cane-grower of village _____, pargana _____, district _____ hereinafter to be referred to as the first party, and _____, son of _____, the purchasing agent of _____ factory, hereinafter to be referred to as second party hereby enter into an agreement about the sale and purchase of cane on the following terms :

1. The first party agrees to sell during the season 19 ____-19 ____ his sugarcane crop standing on _____ acres as detailed below with an approximate yield of _____ maunds to the second party at the minimum price notified by Government subject to such deductions, if any, as may be notified by the Government from time to time. The first party further undertakes to supply good cane free from leaves, tops and roots at the factory gate or at _____ purchasing centre in such quantities and on such dates as may be specified in the requisition slip issued by the occupier or manager of the factory in conformity with this agreement and the instructions issued by the Cane Commissioner.

2. The cane shall be taken by the second party in instalments equitably spread over the whole working period of the factory.

3. In the event of wilful failure to supply at least 85 per cent. of the estimated yield of cane from the area whose crop has been contracted to be sold after excluding the quantity needed for seed, the first party shall be liable to pay to the second party compensation at a rate not exceeding one anna per maund on each deficit.

4. In case the first party wilfully fails to supply cane to the second party for a fortnight according to the requisition made by the second party, the first party shall cease to have a claim to sell cane to the second party.

5. In the event of a breakdown at the factory or of other circumstances due to natural causes, calamities or accidents beyond human control, arising to show that the second party will not be able to purchase the cane he has agreed to purchase, the first party, after giving a week's notice to the second party and with the previous permission of the Cane Commissioner, shall have the option of making other arrangements for the disposal of the cane and in such case no compensation shall be payable by either party to the other.

6. The second party shall ordinarily send his requisition for cane to the first party once a week and will not make changes within this period without sufficient reasons.

7. In the event of the second party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accor-

SUGAR CANE

dance with this agreement, the second party shall be liable to pay to the first party the actual price of the quantity of such cane which he fails to purchase. In the event of the second party otherwise wilfully failing to purchase cane in accordance with this agreement, he shall be liable to pay to the first party compensation at a rate not exceeding one anna per maund for such quantity of cane as the second party fails to buy. Provided that for any deficiency in the purchases in the instalments fixed for the period after 1st April, the second party shall be liable to pay compensation to the first party at a rate not exceeding two annas per maund.

8. No compensation for breach of this agreement shall be payable by either party when such breach is due to natural causes, calamities or accidents beyond human control.

9. Any dispute between the parties regarding the quality and condition of the cane, the place of delivery, the instalments and other matters pertaining to this agreement, shall be referred to arbitration in the manner provided for in the rules. No suit shall lie in a civil or revenue court in respect of any such dispute.

Signature or thumb impression of the grower.

Dated.....

Signature of purchasing agent.

Village	Area under sugarcane			Approximate yield in maunds	Remarks
	Desi	Improved			
		Plant	Ratoon		
1	2	3	4	5	6

APPENDIX III

FORM 15

Agreement form [under section 18 (2) or section 19 (3) of the Act]
between a cane grower and a factory.

I _____ son of _____ caste _____
a cane grower of village _____ pargana _____, district _____
hereinafter to be referred to as the first party and
the occupier of _____ factory hereinafter
to be referred to as the second party, hereby enter into an agreement
about the sale and purchase of cane on the following terms :

SUGAR CANE

1. The first party agrees to sell during the season 19 -19 his sugarcane crop standing on _____ acres as detailed below with an approximate yield of _____ maunds to the second party at the minimum price notified by Government subject to such deductions if any, as may be notified by the Government from time to time. The first party further undertakes to supply good cane free from leaves, tops and roots at the factory gate or at _____ purchasing centre in such quantities and on such dates as may be specified in the requisition slip issued by the occupier or manager of the factory in conformity with this agreement and the instructions issued by the Cane Commissioner.

2. The cane shall be taken by the second party in instalments equitably spread over the whole working period of the factory.

3. In the event of wilful failure to supply at least 85 per cent. of the estimated yield of cane from the area whose crop has been contracted to be sold after excluding the quantity needed for seed, the first party shall be liable to pay the second party compensation at a rate not exceeding one anna per maund on such deficit

4. In case the first party wilfully fails to supply cane to the second party on three consecutive occasions according to the requisition made by the second party, the first party shall cease to have a claim to sell cane to the second party.

5. In the event of the second party wilfully failing to take delivery of the cane which the first party is ready to deliver in accordance with this agreement, the second party shall be liable to pay to the first party the actual price of the quantity of such cane which he fails to purchase. In the event of the second party otherwise wilfully failing to purchase cane in accordance with this agreement, he shall be liable to pay the first party compensation at a rate not exceeding one anna per maund for such quantity of cane as the second party fails to buy, provided that for any deficiency in the purchases in the instalments fixed for the period after 1st April the second party shall be liable to pay compensation to the first party at a rate not exceeding two annas per maund.

6. In the event of breakdown at the factory or of other circumstances due to natural causes, calamities or accidents beyond human control, arising to show that the second party will not be able to purchase the cane he has agreed to purchase, the first party, after giving a week's notice to the second party and with the previous permission of the Cane Commissioner, shall have the option of making other arrangements for the disposal of the cane and in such case no compensation shall be payable by either party to the other.

7. No compensation for breach of this agreement shall be payable by either party when such breach is due to natural causes, calamities or accidents beyond human control.

8. Any dispute between the parties regarding the quality and condition of the cane, the place of delivery, the instalments and other matters pertaining to the agreement, shall be referred to arbitration in

SUGAR CANE

the manner provided for in the rules. No suit shall lie in a civil or revenue court in respect of any such dispute.

Signature of the cane-grower (or his thumb-impression).

Signature of the occupier or his authorized representative in token of his accepting the above contract.

Dated.....

Village	Area under sugarcane			Approximate yield in maunds	Remarks.
	Desi	Improved			
		Ratoon	Plant		
1	2	3	4	5	6

APPENDIX III

FORM 16

Form of application for a licence to Act as a Purchasing Agent.

[Under section 23 (1) of the Act]

I _____, son of _____ and resident of _____ having been selected by the occupier of the _____ factory for the purchase and supply of cane from purchasing centres _____ intended for use in the said factory, hereby apply for a licence under the United Provinces Sugar Factories Control Act, 1938, to work as a purchasing agent on behalf of the said factory.

I hereby agree to abide by the terms and conditions of the licence and declare that it shall be lawful for the Collector to realize any sum payable by me for cane purchased by me or on my behalf for which due payment has not been made by me or any penalty or any money due as compensation which I may be liable to pay under the conditions of the licence or under the United Provinces Sugar Factories Control Act, 1938, from the security which I have given under the Act or the Rules framed thereunder without prejudice and in addition to any other lawful remedy for the realization of such dues or penalty.

(Sd.) _____

(Purchasing Agent)

Dated _____

SUGAR CANE

FORM 17

Nomination to be made by the occupier or manager of a Factory.

[Section 23 (1) of the Act]

I _____ being the ^{Occupier}_{Manager} of the _____ factory hereby nominate _____ son of _____ for the purchase and supply of cane intended for use in the said factory and recommend that he may be given a licence to work as a purchasing agent at _____ purchasing centres on behalf of the said factory. I further declare that he is to the best of my knowledge a suitable person for the grant of such a licence.

(Sd) _____

*Occupier of Factory.
Manager*

Dated _____

APPENDIX III

FORM 18

Form of application for a licence to work on behalf of an occupier of a Factory or of a Purchasing Agent in connexion with any transaction for the purchase of cane.

[Under section 23 (2) of the Act]

I _____ son of _____ resident of _____ having been selected by the occupier of _____ factory or by _____ purchasing agent of _____ factory, to work as _____ in connexion with the transaction for the purchase of cane at _____ purchasing centres on behalf of the aforesaid occupier of the factory or the purchasing agent, hereby apply for a licence, under the United Provinces Sugar Factories Control Act, 1938, and the rules made thereunder.

I hereby agree to abide by the terms and conditions of the licence and declare that it shall be lawful for the Collector to realize any penalty or any money due as compensation or which I may become liable under the conditions of the licence or under the United Provinces Sugar Factories Control Act, 1938, and the rules made thereunder, from the security which I have given under the Act or the rules without prejudice and in addition to any other lawful remedy for the realization of such penalty.

(Sd.) _____

Applicant.

Dated _____

SUGAR CANE

APPENDIX III

FORM 19

Nomination to be made by the occupier or manager or Purchasing Agent of a Factory*[Under section 23 (2) of the Act]*

I _____ being the manager or occupier or purchasing agent of the _____ factory, hereby nominate _____ son of _____ as _____ to work on my behalf at _____ purchasing centre in connexion with the transaction for the purchase of cane. I further declare that he is to the best of my belief and knowledge a suitable person for the grant of such a licence.

Dated _____

(Sd.) _____

Occupier
Manager of a factory.

Purchasing Agent

APPENDIX III

FORM 20

Form of licence for an employee of a factory or of a Purchasing Agent*[Section 23 (2) of the Act]*

This is to certify that _____, resident of _____, is authorised to work as _____ at _____ purchasing centre on behalf of _____ factory or _____ purchasing agent of _____ factory in connexion with the transaction for the purchase of cane, subject to the terms and conditions hereinafter mentioned and to the provisions of the United Provinces Sugar Factories Control Act, 1938, and the rules made thereunder.

(1) The licence shall remain in force till the _____

(2) The licensee shall comply with the provisions of the Act and the rules made thereunder and shall obey all lawful directions which may be issued to him by the Inspector or the Collector.

(3) The licensee shall be responsible for the proper discharge of his duties, and shall not show favour or disfavour to any person, in connexion with any transaction for the purchase of cane on behalf of the aforesaid factory or the purchasing agent.

(4) The licence shall be liable to be suspended or cancelled by the Collector at his discretion without prejudice to and in addition to any penalty which the licensee may incur under the provisions of the Act and the rules made thereunder.

(5) The licensee shall be responsible for returning the licence to the Collector on expiry of the term thereof or in the event of the licence being suspended or cancelled, on such suspension or cancellation.

(Sd.) _____

Dated _____

Collector of the district.

SUGAR CANE

APPENDIX III

FORM 21

Form of licence for a Purchasing Agent

[Section 23 (1) of the Act]

This is to certify that _____, son of _____ and resident of _____ is authorized to purchase and supply cane intended for use in the _____ factory only, subject to the terms and conditions hereinafter mentioned and to the provisions of the United Provinces Sugar Factories Control Act (1 of 1938), and rules made thereunder.

(1) The licence shall, unless suspended or cancelled in accordance with the rules, remain in force till the date noted in column 2 of Statement I below.

(2) The licence shall, be valid only in the district of _____ unless endorsed for any other district in accordance with Statement II below.

(3) The licensee shall comply with the provisions of the Act and the rules made thereunder and the terms and conditions of this licence.

(4) The licensee shall obey all lawful directions which may be issued to him by an Inspector authorized to issue such directions.

(5) The licensee shall not purchase at more than _____ purchasing centres.

(6) The licence and the endorsement thereon in Statement II below shall be liable to be suspended or cancelled by the Collector who issued the same, acting in accordance with the rules, without prejudice to and in addition to any penalty which the licensee may incur under the provisions of the Act and the rules made thereunder.

(7) The licensee shall be responsible for returning the licence to the Collector who issued it on the expiry of the term thereof or, in the event of the licence being suspended or cancelled by the Collector, on such suspension or cancellation.

Statement I—Renewal of licence.

Date of issue or renewal	Date up to which licence is valid	Signature of Collector

SUGAR CANE

(FORM 22)

Statement II—Endorsement of licence

I hereby endorse this licence to be valid in the district mentioned below for the period for which the licence has been issued or is renewed.

Name of District	Signature of Collector

Statement III—Entry of warnings

FORM 23

[RULE 25-A (1)]

Local area.....

Date	Quantity which entered local area (maunds)					
	Carts	Lorries	Tram	Rail	Others	Total

FORM 24

[RULE 25-A (2)]

Return for the calendar month.....

Local area.....

Quantity of cane which entered local area	Amount of cess due and credited into Treasury			Number and date of Treasury chalan or receipt
	Rs.	a.	p.	

PART III

Sections

PAGES

PART III.

181-204

The Sugar Industry (Protection) Act, 1932

181-183

1. Short title	...	...	.. 181
2. Amendment of Schedule, Act VII of 1894	...	...	... 181
3. Statutory inquiry	...	...	... 181
4. Power to increase duty imposed by section 2	...	...	... 181
5. Power to make rules requiring returns	...	...	... 182
6. Power to make rules requiring notices of prices of Sugarcane to be posted up in sugar factories	...	...	... 182
Schedule	...	...	... 182-183
The United Provinces Sugar Industry (Protection) Rules, 1933	...	...	... 183-185

Rules

The Sugar Production Rules, 1935	...	...	... 185-202
1. Short title and commencement	...	...	... 185
2. Definitions	...	...	... 185-186
3. Owner of factory to give notice	...	...	... 186
4. Particulars of returns and period of submission	...	...	... 186
5. Authority to whom returns to be submitted	...	...	... 186
6. Confidential nature of returns	...	...	... 186
7. Information regarding data to be supplied	...	...	... 186
8. Allotment of number	...	...	... 186
9. Sending of Declaration	...	...	... 186
Schedule	...	...	... 187
Forms	...	...	... 187-202
The Sugar Industry Protection (Temporary extension) Act, XIV of 1938	...	...	... 203
The Sugar Industry (Protection) Act, 1939	...	...	... 204

THE SUGAR INDUSTRY (PROTECTION) ACT, 1932.

Received the assent of the Governor General on the 8th April 1932, and is published in the Gazette of India, dated the 16th April, 1932.

Act No. XIII of 1932.

Act to provide for the fostering and development of the sugar industry in British India.

Whereas it is expedient, in pursuance of the policy of discriminating protection of industries in British India with due regard to the well being of the community, to provide for the fostering and development of the industry for the period ending with the 31st March, 1946, by determining the extent of the protection to be conferred upto the 31st day of March 1938, and by making provision for the determination of the extent of the protection to be conferred for the remainder of the period; it is hereby enacted as follows:—

1. *Short title*—This Act may be called the Sugar Industry (Protection) Act, 1932.

NOTES.

This Act is enacted to give protection to the Indian Sugar Industry in accordance with the decisions announced by the Government of India in Resolution No. 127-T-29, dated the 30th January, 1932, on the Tariff Board's report on that industry.

2. *Amendment of Schedule, Act VII of 1894*—(1) In the second Schedule to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act.

(2) The amendments made by sub-section (1) shall have effect up to the 31st day of March, 1938.

3. *Statutory inquiry*—The Governor General in Council shall cause to be made, by such persons as he may appoint in this behalf, an inquiry to ascertain if the protection of the sugar industry during the period from the 31st day of March, 1938, to the 31st day of March, 1946, should be continued to the extent conferred by this Act, or to a greater or lesser extent, and shall, not later than the 31st day of March, (1939)1941[†], lay his proposals in this behalf before the Indian Legislature.

4. *Power to increase duty imposed by section 2*—If the Governor General in Council is satisfied, after such inquiry as he thinks fit, that sugar not manufactured in India is being imported into British India at such a price as is likely to render insufficient the benefits intended to be conferred upon the sugar industry by the duties imposed by section 2, he may, by notification in the Gazette of India, increase such duty to such extent as he thinks fit.

NOTES.

The Governor General under this section is empowered to increase duty on sugar imported in India, if he thinks it as, the measure for the protection of Indian Sugar.

5. *Power to make rules requiring returns*—The Governor General in Council may, by notification in the Gazette of India, make rules requiring the owners of sugar factories in British India to make such returns relating to the protection of sugar in their factories as the Governor General in Council may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

6. *Power to make rules requiring notices of prices of sugarcane to be posted up in sugar factories*—The Local Government may, by notification in the Local official Gazette, make rules requiring that there shall be affixed, in conspicuous places near the entrances to sugar factories, notices for the information of sellers of sugarcane, and such may prescribe the form and languages of such notices, and the particulars to be included therein relating to prices at which sugarcane is being bought at the factory.

(2) In making such rules the Local Government may provide that a contravention thereof shall be punishable with fine which may extend to five hundred rupees.

Explanation—In this section and in section 5 “factory” has the meaning assigned to it in clause (3) of section 2 of the Indian Factories Act, 1911.

*By Act XIV of 1938, the figure 1938 was replaced by 1939. For Act see in the last.

†By Act XX of 1939, the figure 1939 is changed to 1941. For Act see in the last.

THE SCHEDULE

(SEE SECTION 2)

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

1. In Part II—

(a) for the heading “Sugar” and item No. 34, the following heading and item shall be substituted, namely :

“Other Food and Drink.

34 Molasses Ad Valorem 25%”

(b) the heading saccharine above Item No. 34A shall be omitted and

(c) the heading “Other Food and Drink” above Item No. 35 shall be omitted.

2. In Part VII, after Item No. 156, the following heading and item shall be inserted, namely :

SUGAR

157	Sugar and sugar candle, excluding confectionery	Cwt.	Rs. A. 7 4
-----	---	------	---------------

SUGAR PROTECTION

3. Item No. 156A shall be renumbered as Item No. 158.

4. In part VII under the head "Miscellaneous,"—

(a) in the first column, the figures "157", "158" and "159" shall be omitted ;

(b) the heading "Matches, undipped Splints and Veneers" shall be numbered as item No. 159 ; and

(c) in the second column, the entries relating to "Matches" "Undipped Splints" and "Veneers" shall be lettered, respectively, as sub-items (a), (b) and (c) of Item No. 159

In supersession of notification No. 117/XVII-221 dated the 25th October 1933 and in exercise of the powers conferred by section 6 of the Sugar Industry (Protection) Act, 1932 (Act XIII of 1932), the Governor acting with his Ministers, is pleased to make the following rules to regulate the affixation of notices relating to prices at which sugarcane is bought at sugar factories :

RULES.

1. These rules may be called "The United Provinces Sugar Industry (Protection) Rules" and shall take effect from 1st Dec, 1933.

2. In these rules a "Sugar Factory" means a factory [as defined in clause (3) of section 2 of the Indian Factories Act, 1911] for the manufacturing of sugar from cane, jaggery, or any other raw material and working by the vacuum pan process.

3. Every person having control of a sugar factory whether as owner manager or occupier or otherwise purchasing sugarcane shall, unless exempted by the Local Government, post notices on the morning of the first and sixteenth days of every month during the cane purchasing season at each entrance to the factory and in such conspicuous places, if any, near any such entrance as the District Magistrate may in each case appoint. Such notices shall be kept posted throughout the cane purchasing season and the following information shall be correctly shown therein :

(i) the rates at which cane is being purchased (either by new contracts or under previous contracts) at the factory (including its several purchasing centres) together with transportation and other charges ;

(ii) the price of cane worked out according to the formula $C = S \times P/200$ where,

C = the price in annas per maund of cane delivered at the factory gate, including charges or allowances for transport, dryage, commission and supervision ;

S = a figure fixed by Government for each season for anticipated percentage of extraction of sugar which does not vary by more than 0.35 from the average percentage of extraction of sugar from cane for all sugar factories in the province during the three previous working seasons ;

SUGAR PROTECTION

P = the average fortnightly price in annas per maund as announced by the Director of Industries, United Provinces, Cawnpore, in the Local Government Gazette based on the average of the wholesale ex-factory price quotations for first grade white factory sugar, made in the United Provinces.

4. The Cane rate notices shall be in the form attached to these rules and entries in them shall be made legibly in both the Nagri and Urdu scripts. All the entries in this form shall be on one side of the paper

5. (i) Any contravention of the provisions of rule 3 shall be punishable with a fine which may extend to Rs 500/-

(ii) Any contravention of the provisions of rule 4 shall be punishable with a fine which may extend to Rs 50/-

FORM

(PRESCRIBED IN RULE 4)

CANE RATE NOTICE

(To be posted as prescribed in rule 3)

Name and particulars of the factory.....

It is hereby notified, under section 6 of the Sugar Industry (Protection) Act 1932 (Act XIII of 1932), and the rules framed by the Government of the United Provinces thereunder that the prices at which sugarcane is being bought at this factory and the other charges, incurred are as follows :

Serial Number.	Cultivators' cane delivered.	Price or if cane is purchased at different prices the lowest price	Cartage or Railway Freight to factory.	Other charges incurred upto factory	Total cost of cane delivered at factory	Remarks
1	2	3	4	5	6	7
		Annas and pies per maund	Annas and pies per maund	Annas and pies per maund	Annas and pies per maund	
1	By Cart					
	(a)					
	(b)					
	(c)					
	(d)					
2	At Railway Station					
	(a)					
	(b)					
	(c)					
	(d)					
3	On or by tramway line					
4	Other modes of transport					

SUGAR PROTECTION

2 The price of cane calculated according to the formula prescribed in rule 3 is.....annas.....pies per maund (including) transport charges, dryage, commission and supervision charges. This has been calculated for the period from.....to....

3. It is also hereby certified that prices and transport and other charges appearing in this notice are calculated on the basis of a maund of 82.3 lbs

NOTE—If any cane is being bought in pursuance of a forward contract entered previously, the time when the contract was entered, the advance (if any) made by the factory and any other particulars, which the factory considers necessary, shall be given in the remarks column.

Signature.....

Designation.....

In exercise of the powers conferred by rule 3 of the United Provinces Sugar Industry (Protection) Rules, which are being published with this department's notification No. 2464/XVIII-221 of date, the Governor, acting with his ministers, is pleased to exempt from the operation of those rules all factories which only refine gur and do not purchase sugarcane.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT

Simla S. W. the 9th September, 1935.

No. F. 350-33A. In exercise of the powers conferred by sections 5 of the Sugar Industry (protection) Act 1932 (XIII of 1932) the Governor General in Council is pleased to make the following rules:

1. Short title and commencement:

(i) These rules may be called "The Sugar Production Rules 1935".

(ii) They shall come into force on the 1st day of November, 1935.

Definitions—In these rules unless there is anything repugnant in the subject or context;

(a) "**Factory**"—"Factory" means a factory as defined in clause (j) of section 2 of the Factories Act, 1934.

(b) "**Sugar Factory**"—"Sugar Factory" means a factory for the manufacture of sugar from cane, gur, jaggery or any other raw material by any process.

(c) "**Central Sugar Factory**"—"Central Sugar Factory" means a sugar factory manufacturing sugar from cane or juice by the Vacuum Pan process.

SUGAR PROTECTION

(d) "*Refinery*"—"Refinery" means a sugar factory working with raw sugar, gur, rab or any raw material other than sugarcane or cane juice.

(e) "*Central Refinery*"—"Central Refinery" means a refinery working by the Vacuum Pan Process.

(f) "*Form*"—"Form" means a form appended to these rules.

(g) "*Owner*"—"Owner includes a Managing Agent or other person authorised to represent the owner.

(h) "*Director*"—"Director" means the Director of the Imperial Institute of sugar Technology Cawnpore.

(i) "*Mound*"—"Maund" means the standard Maund equal to 82½ lbs. avoirdupois.

3. Owner of Factory to give notice :

(i) The owner of every sugar factory shall submit annually before the 31st October or the date on which work commences for the season, whichever may be earlier a return in form "A".

(ii) Whenever another person is appointed as Manager of a sugar factory, the owner shall send a written Notice of the change within seven days from the date on which the new Manager assumes charge.

4. *Particulars of returns and period of submission*—The owner of a sugar factory specified in column 1 of the schedule shall submit the return specified in column 2 of that schedule in the form specified in column 3 within the period or by the date or dates indicated in each form.

5. *Authority to whom returns to be submitted*—The notices statements and returns required by these rules shall be submitted to the Director.

6. *Confidential nature of returns*—All information contained in the statements or returns required by these rules shall be treated as confidential; where the publication of any such information is necessary in the interests of the industry, care shall be taken that the names of individual factories are not divulged.

7. *Information regarding data to be supplied*—The Director may require the owner of a factory to supply information showing the date on which any return or statement required by these rules is based.

8. On receipt of a notice of occupation in form A the Director shall allot private number to each sugar factory and communicate it to the owner or person authorised to represent that owner. This private number shall appear in all future returns for the season and the names of the factory shall not be given. The list of private numbers shall be a confidential document.

9. The owner or manager of each factory shall send monthly to the Director throughout the season a declaration in the following form :

SUGAR PROTECTION

SCHEDULE
(SEE RULE 4)

1	2	3
Factory	Returns	Form
1 All sugar factories working with cane.	First and Final Sugar Production Forecast	R (i)
Do.	Monthly return of cane purchased	C
2 All refineries	First and Final Sugar Production Forecast	R (ii)
3. Central Sugar Factories	Monthly Manufacturing report	D (i)
Do.	Final Manufacturing Report	E (i)
Do.	Annual statement showing cost of production of sugar	F (i)
Do.	Schedule of Machinery	I (i)
4 Central refineries	Monthly Manufacturing Report	D (ii)
Do.	Final Manufacturing Report	E (ii)
Do.	Annual statement showing cost of production of sugar	F (ii)
Do.	Schedule of Machinery	I (ii)
5 Sugar factories other than central sugar factories and central refineries	Monthly Manufacturing Report	D (iii)
Do.	Final Manufacturing Report	E (iii)
Do.	Annual statement showing cost of production of sugar	F (iii)
Do.	Monthly statement of sugar production and stock	G (ii)
Do.	Schedule of Machinery	I (iii)
6. Central sugar factories and Central refineries	Fortnightly statement of sugar production and stocks	G (i)

FORM A

• NOTICE OF OCCUPATION

1. Name of owner
2. Name of factory and place where situated
3. Address to which letters for the owner are to be directed
4. Name of Managing Agent or other person, if any, authorized to represent the owner.

Date _____

Signature of owner or person authorized

NOTE—This notice must be forwarded to the Director on or before the date of starting work for each season or before 31st October in each year by factories which work throughout the year.

SUGAR PROTECTION

FORM B (1)

(For Sugar Factories Working with Cane)

Sugar production forecast for season 193 — 193

1st/Final Forecast

Register No of Factory

Serial No.	Particulars	This year (estimated)	Last year (actual)	Increase (+) or Decrease(—)
		Rs.	Rs.	Rs.
1	Estimated duration of season—			
	(a) Date of commencement ...			
	(b) Expected date of completion ...			
	(c) Gross number of days ...			
	(d) Number of working days .			
2	Estimated cane supply Mds.			
3	*Estimated cane juice supply ..			
4	Estimated production—			
	(a) Sugar Mds. ...			
	(b) Molasses			
	(c) Expected percentage of sugar to cane ...			
	(d) Expected percentage of Molasses to cane ...			
5	†Reasons for variations from corresponding forecast of previous season			

Date _____

NOTE.—This return must be forwarded so as to reach Director on or before the undermentioned dates;

1st Forecast _____ 15th December

Final Forecast _____ 15th March.

*To be filled in only where cane juice is used as raw material.

†To be filled in for the Final Forecast only.

SUGAR PROTECTION

FORM B (ii)

(FOR REFINERIES)

Sugar produced forecast for the season 193 — 193

1st or Final Forecast.

Register No of Factory

Serial No.	Particulars	This year (estimated)	Last year (actual)	Increase (+) or Decrease (—)
		Rs.	Rs.	Rs.
1	Estimated duration of season—			
	(a) Date of commencement	...		
	(b) Expected date of completion	...		
	(c) Gross number of days	...		
	(d) Number of working days	...		
2	Estimated total supply of—			
	(a) Gur Mds.	...		
	(b) Rab "	...		
	(c) Other raw material "	...		
	(d) Total "	...		
3	Estimated production—			
	(a) Sugar Mds.	...		
	(b) Molasses "	...		
	(c) Expected percentage of sugar to gur melted	...		
	(d) Expected percentage of Molasses to gur melted	...		
	(e) Expected percentage of sugar to rab treated	...		
	(f) Expected percentage of molasses to rab treated	...		
4	† Reasons for variations from corres- ponding forecast of previous season.			

Date _____

NOTE.—This return must be forwarded so as to reach Director on or before the undermentioned dates;

1st Forecast _____ 15th February

Final Forecast _____ 15th July

*State what "other raw material" represents.

†To be filled in only in the case of the Final Forecast.

SUGAR PROTECTION

FORM C.

(FOR SUGAR FACTORIES WORKING WITH CANE)

Monthly cane return

Season 193 — 133

Period for the month of.....

Return No.

Register No. of Factory.

Serial No.	Particulars	For the month	Since beginning of season
1	Cane purchased at factory gate—		
	(i) Quantity Mds. ...		
	(ii) Average net price As per md...		
	(iii) Total price of cane delivered at the factory As per md...		
2	Out station cane —		
	(i) Quantity Mds. ...		
	(ii) Average net price As per md...		
	(iii) Total price of cane delivered at the factory As per md...		
3	Own estate cane—		
	(i) Quantity Mds. ...		
	(ii) Total price of cane delivered at the factory As per md...		
4	Total cane supplies—		
	(i) Quantity Mds. ...		
	(ii) Total price of cane delivered at the factory As per md...		

Date _____

NOTE—Returns in this form must be prepared for each month throughout the working season of the factory and must be submitted to the Director before the 10th of the following month.

SUGAR PROTECTION

191

FORM D (i) (For Central Sugar Factories) Monthly manufacturing report.

Season 193 - 193

Period for the month of

Report No.

Register No. of Factory

Classification process used.

Serial No.	Particulars	For the month	Since beginning of Season
1	Cane crushing— Date and time of commencement of season ... Duration of run days ... Total number of hours in duration of run ... Number of hours actual crushing ... Total cane milled Mds. ...		
2	Juice and added water— Average mixed juice per 100 cane% ... Average added water per 100 cane% ...		
3	Sugar made— Total sugar bagged grade I Mds. ... Total sugar bagged grade II " ... Total sugar bagged grade III " ... Quantity of sugar in process (calculated), ...		
4	Molasses made— Total molasses sent out " ... Quantity of molasses in process " ...		
5	Recovery— Average recovery of marketable sugar per 100 cane ... Average production of final molasses (calculated) per 100 cane ...		
6	By products— Bagasse (calculated) Md. % cane ... Presscake (calculated) " ...		
7	Analyses— Cane Sugar percent Fibre percent Primary Juice Sugar percent Brix percent Purity. Mixed Juice Sugar percent Brix percent Purity Last juice Sugar percent Brix percent Purity. Syrup ditto. Sugar I Sucrose Moisture		

SUGAR PROTECTION

FORM D (i) *Continued*

Serial No.	Particulars.	For the month	Since beginning of season
8	Sugar II	Moisture	
	Sugar III	ditto.	
	Final molasses	Sugar percent	
		Brix percent	
		Purity.	
	Bagasse	Sugar percent	
		Water percent	
		Fibre percent	
	Presscake	Sugar percent	
	Lime Kiln gas	Co ₂ percent.	
	Classification control—		
	Hydrogen ion concentration (PH) of raw juice (average)	...	
	Hydrogen ion concentration (PH) of limed juice (average)	...	
	Hydrogen ion concentration (PH) of unsulphured syrup (average)	...	
	Hydrogen ion concentration (PH) of sulphured syrup (average)	...	
	Milk of lime 15° Baume per 1,000 juice (average)	...	
	(a) For sulphitation process—		
	Hydrogen ion concentration (PH) of sulphured juice (average)	...	
	Hydrogen ion concentration (PH) of Muddy juice	...	
	(b) For carbonation process—		
	Hydrogen ion concentration (PH) of first carbonated juice (average)	...	
	Hydrogen ion concentration (PH) of second carbonated juice (average)	...	
	Analyses of other raw materials used—		
	Sugar percent	...	
	Purity	...	
	Net Rendement	...	

Date _____

NOTE — Returns in this form must be prepared for each calendar month throughout the working season of the factory and must be submitted to the Director before the 10th day of the following month.

*The methods followed for making these determinations should be communicated to the Director, with the first report and any subsequent changes intimated to him immediately. (Details are not required).

Explanation—(a) The following particulars may be omitted if desired:

Serial No. 1. Duration of run and number of hours lost.

Serial No. 6. By products.

SUGAR PROTECTION

(b) Particulars under Serial No. 2 will be given with such accuracy as the factory records permit.

(c) The figures for quantity of sugar and molasses in process and for molasses sent out may be approximate but should relate to the end of the month

(d) Figures for recovery under Serial No. 3 may relate to the most recent stock-taking instead of the calendar month, provided the date is given.

(e) The particulars under Serial Nos. 7 and 8 should follow the form as closely as the factory records permit, those which are not recorded may be omitted.

(f) The particulars under Serial No 9 are only to be furnished by central sugar factories which use other raw materials in addition to cane.

†To be filled up only in the first report of season.

FORM D (ii)

(FOR CENTRAL REFINERIES)

Monthly Manufacturing Report.

Season 193 - 193.

Report No.

Period For the Month of.....

Register No. of Factory

Clarification Process used.

Serial No.	Particulars.	For the month.	Since beginning of season.
1	Gur Melted— Number of days actual melting Day Weight of gur melted Mds. Weight of drainings melted " Total melted "	... ... ... ...	... ... ... ...
2	Sugar— Total sugar bagged Mds. Quantity of sugar in process "	... ... ...	... ... ...
3	Molasses and drainings— Total molasses sent out Mds. Quantity of molasses in process " Total drainings sent out "	... ... ... ...	... ... ... ...
4	By products— Presscake Percent melt Chips Do.	... ... ...	... ... ...
5	Analyses— Gur Sugar percent Brix percent Purity Invert sugar percent Ash percent Net rendement	... ... ... ... ... ... ...	... ... ... ... ... ... ...

SUGAR PROTECTION

FORM D (ii) *Continued*

Serial No.	Particulars.	For the month	Since beginning of season
6	Draining melted	Sugar percent Brix percent Purity Invert Sugar percent Ash percent Net rendement	
	Raw liquor	Sugar percent Brix percent Purity	
	Clarified liquor	Sugar percent Brix percent Purity	
	Sugar I	Sucrose Moisture	
	Sugar II	Sucrose Moisture	
	Sugar III	Sucrose Moisture	
	Final molasses	Sugar percent Brix percent Purity	
	Press cake	Sugar percent	
	Chips	Sugar percent	
	Clarification control—		
	Hydrogen ion concentration (PH) of raw limed liquor (average)	...	
	Hydrogen ion concentration (PH) of sulphured liquor (average)	...	
	Hydrogen ion concentration (PH) of muddy liquor (average)	...	
	Hydrogen ion concentration (PH) of clarified liquor (average)	...	

Dated _____

NOTE.—Returns in this form must be prepared for each calendar month throughout the working season for the factory and must be submitted to the Director before the 10th day of the following month.

Explanation—(a) Particulars of sugar and Molasses in process may be approximate but should relate to the end of the month.

(b) Particulars under Serial No. 4 "By Products" may be omitted if records are not maintained.

(c) Particulars Serial Nos. 5 and 6 will only be given as completely as the factory records permit.

SUGAR PROTECTION

FORM D (iii)

(For Sugar Factories other than central Sugar Factories and central Refineries)

Season 193 - 193

Period for the month of

Report No

Register No. of Factory

Serial No.	Particulars	For the month
1	Working Period— Days actual workings.	
2	Total raw material treated	Mds
	Cane milled	"
	*Juice treated	"
	†Rab treated	"
3	Products—	
	‡Rab produced	Mds.
	Sugar bagged, grade I	"
	Sugar bagged, grade II	"
	Gur (Jaggery) made (from juice only.)	"
	Gur (Jaggery) made (from juice and molasses mixed)	"
	Final Molasses made	"

Date

NOTE — Returns in this form be prepared for each calendar month throughout the working season of the factory and must be submitted to the Director before the 10th day of the following month.

*To be filled in where juice from outside is treated as raw material.

†To be filled in where rab from outside is treated as raw material.

‡To be filled in where rab is the finished product.

FORM E (i)

(For Central Sugar Factories working with cane)

(Final Manufacturing Report for season 193 - 193)

Register No. of Factory.

Clarification process used.

Serial No.	Particulars	This season	Last season
1	Cane crushing—		
	Date start	...	...
	Date finish	...	...
	Duration of season	Days	...
	Total hours actual crushing	...	...
	Total cane milled	Mds	...

SUGAR PROTECTION

FORM E (i) *Contd.*

Serial No.	Particulars.	This season	Last season
2	Juice and added water—		
	Average mixed juice per 100 cane	...	
	Average added water per 100 cane	...	
3	Sugar made—		
	Grade I Mds	...	
	Grade II ..	...	
	Grade III ..	...	
4	Molasses made Mds.	..	
5	Recovery—	...	
	Average recovery of marketable sugar per 100 cane	...	
	Average production of final molasses per 100 cane	...	
6	By products—		
	Bagasse Mds. per cent cane		
	Press Cake " " " "		
7	Stores—		
	Coal " " " "		
	Firewood " " " "		
	Other fuel " " " "		
	Total fuel in terms of coal " " " "		
	Lime " " " "		
	Lime stone " " " "		
	Coke " " " "		
	Sulphur " " " "		
	Lubricants gallons per 100 mds. cane	...	
	Filter cloth sq yds. per 100 mds. cane	...	
	Gunny bags for sugar number 100 mds. cane	...	
	Analysis—		
	Cane Sugar percent	...	
	Fibre percent	..	
	Primary juice Sugar percent	...	
	Brix percent	...	
	Purity	...	
	Mixed Juice Sugar percent	...	
	Brix percent	...	
	Purity	...	
	Last Juice Sugar percent	...	
	Brix percent	...	
	Purity	...	
	Massequite I Purity	...	
	Massequite II Purity	...	
	Massequite III Purity	...	

SUGAR PROTECTION

FORM E (i) *Continued.*

Serial No.	Particulars	This season	Last season
	Sugar	Sucrose percent	
		Moisture percent	
	Sugar II	Sucrose percent	
		Moisture percent	
	Sugar III	Sucrose percent	
		Moisture percent	
	Final Molasses	Sugar percent	
		Brix percent	
		Purity	
	Bagasse	Sugar percent	
		Water percent	
		Fibre percent	
	Press cake	Sugar percent	
	Lime Kiln gas	Co ₂ percent	

Date _____

NOTE.—Return in this form must be prepared for the entire working season of the factory and must be submitted so as to reach the Director, not later than thirty days after the date on which the working season closes.

NOTE.—Particulars under Serial Nos. 2, 4, and 6 may be omitted by sugar factories in which these records are not maintained, and the particulars under Serial No. 8 will only include those items for which records are maintained at the factory.

FORM E (ii)

(For refineries working by the Vacuum Pan process)

Final Manufacturing Report for season 193 —193

Register No. of factory. _____

Clarification Process. _____

Serial No.	Particulars.	This season	Last season
1	Gur Melting—		
	Date start	...	
	Date finish	...	
	Duration of season	Days	...
	Total days actual melting	...	
	Gur melted	Mds.	...
	Drainings melted	"	...
	Total melt	"	...
2	Sugar made	"	...
3	Molasses and Drainings—		
	Molasses	Mds.	...
	Drainings	"	...

SUGAR PROTECTION

FORM E (ii) *Continued.*

Serial No.	Particulars.	This season	Last season
4	Recovery—		
	Marketable sugar per 100 Gur.	...	
	Marketable sugar per 100 melt	...	
	Final Molasses per 100 Gur	...	
	Final Molasses per 100 melt	...	
5	By Products and stores—		
	Press cake	Percent melt	
	Chips	Ditto	...
6	Stores—		
	Coal	Percent melt	
	Other fuel (give name)	Ditto	...
	Total fuel in terms of Coal	Ditto	...
	Lime	Ditto	...
	Sulphur	Ditto	...
	Lubricants	Gallons per 100 mds. melt	
	Filter cloth	Sq. Yds. per 100 mds. melt	
	Filter bags	No. per 100 mds. melt	
	Gunny bags for Sugar	No. per 100 mds. melt	
7	Analyses—		
	Gur	Sugar percent	...
		Brix percent	...
		Purity	...
		Invert sugar percent	...
		Ash percent	...
		Net rendement	...
	Drainings melted	Sugar percent	...
		Brix percent	...
		Purity	...
		Invert sugar percent	...
		Ash percent	...
		Net rendement	...
	Raw material	Sugar percent	...
		Brix percent	...
		Purity	...
	Clarified Liquor	Sugar percent	...
		Brix percent	...
		Purity	...
	Massequite I	Purity	...
	Massequite II	Purity	...
	Massequite III	Purity	...

SUGAR PROTECTION

FORM E (ii) *Continued.*

Serial No.	Particulars	This season	Last season
	Sugar I	Sucrose percent ...	
		Moisture ...	
	Sugar II	Sucrose percent ...	
		Moisture ...	
	Sugar III	Sucrose percent ...	
		Moisture ...	
	Final Molasses	Sugar percent ...	
		Brix percent ...	
		Purity ...	
	Press cake	Sugar percent ...	
	Chips	Sugar percent ...	

Date

NOTE.—Return in this form must be prepared for the entire working season of the factory and must be submitted so as to reach the Director not later than thirty days after the date on which the working season closes.

NOTE.—Particulars under 'Molasses and Drainings' and 'By-product' and 'Stores' may be omitted by sugar factories in which these records are not maintained and the particulars under serial No. 7 will only include those items for which records are maintained at the factory

FORM E (iii)

(For Sugar Factories other than Modern Sugar Factories and Central Refineries).

Final Manufacturing Report for season 193 — 193

Register No. of factory.

Serial No.	Particulars.	This season	Last season
1	Working period—		
	Date start	...	
	Date finish	...	
	Duration of season	...	
	Days actual working	...	
2	Raw material treated—		
	Cane milled	Mds ...	
	Juice treated	" ...	
	†Rab treated	" ...	
3	Products—		
	†Rab produced	Mds ...	
	Sugar grade I	" ...	
	Sugar grade II	" ...	
	Gur (Jaggery) made (from juice only)	" ...	
	Gur (Jaggery) made (from juice and Molasses mixed)	" ...	
	Final Molasses made	" ...	

SUGAR PROTECTION

FORM E (iii) *Continued.*

Date _____

NOTE.—Return in this form must be prepared for the entire working season of the factory and must be submitted so as to reach the Director not later than thirty days after the date on which the working season closes.

*To be filled in where juice from outside treated as raw material.

†To be filled in where Rab from outside is treated as the raw material.

‡To be filled in where Rab is the finished product.

FORM F (i)

(For Central Sugar Factories working with cane)

Annual statement showing cost of production of sugar.

Register No. of Factory.

Serial No.	Particulars	Amount		Per md. sugar	
		Item	Total	Item	Total
		Rs.	Rs.	Rs.	Rs.
1	Cane—				
	Total price of cane delivered at factory ...				
2	Other raw materials, if any (Viz Gur, Rab, Juice, Raw Sugar, etc), delivered at factory ...				
3	Power, fuel and stores ...				
4	Salaries and Wages ...				
5	Packing (i.e., Sacks, etc) ...				
6	Repairs and renewals ...				
7	Depreciation ...				
8	Interest on Working Capital ...				
9	Miscellaneous (including insurance, brokerage, Managing Agents' charges, etc.) ...				
	Total ...				
	Deduct value of molasses ...				
	Net cost of sugar ...				

Date _____

NOTE—A return in this form is to be prepared for the entire working season and submitted so as to reach the Director not later than 4 months after the date on which the working season closes.

SUGAR PROTECTION

FORM F (ii)

(For Refineries working by the Vacuum Pan Process)

Annual statement showing cost of production of sugar.

Register No. of Factory.

Serial No.	Particulars	Amount		Per md. sugar	
		Item	Total	Item	Total
		Ra.	Ra.	Ra.	Ra.
1	Gur—				
	Total price of gur delivered at the factory				
2	Total price of other raw materials, if any ...				
3	Power, fuel and stores ...				
4	Salaries and Wages ...				
5	Packing (i.e. Sacks, etc.) ...				
6	Repairs and renewals ...				
7	Depreciation ...				
8	Interest on working Capital ...				
9	Miscellaneous (including insurance, brokerage, Managing Agents charges, etc.)				
	Total ...				
	Deduct value of Molasses and drainings ...				
	Net cost of sugar ...				

Date _____

NOTE.—Return in this form must be prepared for the entire working season of the factory and must be submitted so as to reach the Director not later than 4 months after the date on which the working season closes.

SUGAR PROTECTION

FORM F (iii)

(For Sugar Factories other than Central, Sugar Factories and Central Refineries)

Annual statement showing cost of production of sugar.

Name of Register No. of Factory.

Serial No.	Particulars.	Amount		Per md. sugar	
		Item	Total	Item	Total
		Rs.	Rs.	Rs.	Rs.
1	Total prices of cane, gur, and other raw material delivered at the factory ...				
2	Power, fuel and stores ...				
3	Salaries and wages ...				
4	Packing (i.e., sacks, etc.) ...				
5	Interest on working capital ...				
6	Depreciation ...				
7	Miscellaneous ...				
	Total ...				
	Deduct value of molasses ...				
	Net cost of sugar ...				

Date _____

NOTE.—Return in this form must be prepared for the entire working season of the factory and must be submitted so as to reach the Director not later than 4 months after the date on which the working season closes.

For FORM G (i)

See "Gazette of India" dated the 4th September 1937.

For FORM G (ii)

See "Gazette of India" dated 21st November, 1935.

Form H.

I hereby declare that the figures given in the returns for the sugar factory called (Name of factory) for the ^{month}_{season} during..... are true to the best of my knowledge and belief.

NOTE.—This form duly filled in and signed must be forwarded so as to reach the Director not later than the 10th day of the following month throughout the year

For MORE FORMS

See "Gazette of India". 1937 Part I, Page 1346.

SUGAR PROTECTION

**THE SUGAR INDUSTRY PROTECTION (TEMPORARY EXTENSION)
ACT , XIV OF 1938.**

An Act to provide for the temporary continuance of the existing protection conferred on the sugar industry in British India.

Whereas it is expedient to provide for the continuance for a period of one year of the existing protection conferred on the sugar industry in British India and to extend the date before which the Central Government is required under section 3 of the Sugar Industry (Protection) Act, 1932, to lay before the Indian Legislature the proposals referred to in the said section; it is hereby enacted as follows:

1, *Short title*—This section may be called the Sugar Industry Protection (Temporary Extension) Act, 1938.

2. In section 3 of the Sugar Industry (Protection) Act, 1932, for the figures "1938", where they occur for the second time, the figures "1939" shall be substituted.

3. In the First Schedule to the Indian Tariff Act, 1934 for item No. 17 the following shall be substituted namely:

"17 Sugar excluding confectionery.	Protective	The rate at which excise duty is for the time being leviable on sugar, other than Khandari or palmyra sugar produced in British India plus Rs 7-4-0 per cwt.	March 31st 1939.
------------------------------------	------------	--	------------------

The Sugar Industry (Protection) Act 1939.

Received the assent of the Governor General on the 21st April, 1939 and is published in the "*Gazette of India*" dated the 29th April 1939.

Act No. XX of 1939.

An Act to provide for the continuance for a further period of the protection conferred on the sugar industry in British India.

WHEREAS it is expedient to provide for the continuance for a further period of the protection conferred on the Sugar industry in British India, and to extend the date before which the Central Government is required under section 3 of the Sugar Industry (Protection) Act, 1932, to lay before the Indian Legislature the proposals referred to in the said section;

It is hereby enacted as follows:—

1. *Short title.*—This Act may be called the Sugar Industry (Protection) Act, 1939.

Notes.

Objects.—The object of this Bill is to continue the protective import duty on Sugar for a period of two years at a slightly reduced rate pending a further enquiry into the industry in 1940 as announced in the Government of India, Commerce Department, Resolution No. 127. T (2)-38, dated the 30th March, 1939." [Vide Statement of Objects and Reasons, Gazette of India, 1939. Pt. V, page 118.]

2. *Amendment of section 3 of Act XIII of 1932.*—In section 3 of the Sugar Industry (Protection) Act, 1932, for the figure "1939" the figure "1939" shall be substituted.

3. *Amendment of First Schedule to Act XXXII of 1934*—In Item No. 17 of the First Schedule to the Indian Tariff Act, 1934—

(a) in the fourth column, for the words and figures "plus Rs. 7-4-0 per cwt." the words and figures "plus Rs. 6-12-0 per cwt." shall be substituted;

(b) in the last column, for figure "1939" the figure "1941" shall be substituted.



APPENDIX.

CONTENTS.

RULES		PAGES.
APPENDIX	...	(i) (xxx)
The Bihar Sugar Factories Control Rules, 1938	(i)	(xxxviii)
<i>Chapter I</i>	...	(i)
1. Short title, extents and Commencements	...	(i)
2. Definitions	...	(i)
<i>Chapter II</i>	...	(i) — (iv)
3 to 6. Advisory Committees	...	(i) — (ii)
7 to 8. Sugar Control Board	...	(ii) — (iii)
9. Inspectors	...	(iii)
10. Powers of Inspectors	...	(iii)— (iv)
<i>Chapter III</i>	...	(iv)— (vi)
11 to 13. License for the construction of new factories	...	(iv)— (v)
14 to 16. License for the extension of existing factories	...	(v)
17 to 20. License for crushing Cane	...	(v) — (vi)
21. Appointment of Manager	...	(vi)
<i>Chapter IV</i>	...	(vi) — (ix)
22 to 23. Estimate of quantity of Cane required by factory	...	(vi) — (vii)
24. Declaration of reserved area	...	(vii)
25 to 28. Purchase of cane in a reserved area	...	(viii)
29 to 30. Declaration of assigned areas and purchase of cane therein,	...	(viii) — (ix)
<i>Chapter V</i>	...	(ix) — (xvii)
31. Deductions from minimum price fixed	...	(ix)
32 to 34. Licensing of purchasing agents and employers.	...	(ix) — (xi)
35. Duties of managers or purchasing agents	...	(xi)
36. Duties of persons incharge of Weighments and payments	...	(xi) — (xii)
37. Notices	...	(xii)
38. Records	...	(xii) — (xiii)
39. Receipts	...	(xiii) — (xiv)
40. Weighments etc.	...	(xiv) — (xv)
41. Payments	...	(xv) — (xvi)
42. Tribunal	...	(xvi)
43 to 45. Penalties	...	(xvi)— (xvii)
46. Forfeiture of security	...	(xvii)
47. Protection to persons acting under these rules	...	(xvii)

RULES	PAGES.
49. Supersession of the previous rules under the Bihar Sugar Factories Control Act, 1937 ...	(xvii)
Appendix I ..	(xvii) — (xviii)
Appendix II	(xviii) — (xix)
Appendix III. Forms. ..	(xix) — (xxxviii)

Sections.

The Sugar Cane Act, 1934 ..	(xxxix) — (xxxx)
1. Short title, extent and Commencement ..	(xxxix)
2. Definitions ..	(xxxix)
3. Declaration of controlled areas, and fixing of prices. (xxxix) — (xxxx)	
4. Previous publication of notifications under Section 3. (xxxx)	
5. Penalty for purchase of Sugar Cane in Contravention of notification under section 3. ...	(xxxx)
6. Sanction for prosecution under this Act. ...	(xxxx)
7. Power of Local Government to make rules. ...	(xxxx)
8. Power of Governor General in Council to make rules. (xxxx)	

The 2nd July 1938.

NO. 1295-D.—In exercise of the powers conferred by section 30 of the Bihar Sugar Factories Control Act (Bihar Act VII of 1937), the Governor of Bihar is pleased to make the following rules for the purpose of carrying out the provisions of the said Act.

THE BIHAR SUGAR FACTORIES CONTROL RULES, 1938.

CHAPTER I

Short title, extents and commencement.—(1) These rules may be called the Bihar Sugar Factories Control Rules, 1938.

(2) They shall come into force on the 15th June, 1938.

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

- (a) "the Act" means the Bihar Sugar Factories Control Act" 1937 (Bihar Act VII of 1937);
- (b) "Inspector" means any person appointed under section 8 of the Act;
- (c) "manager" means any person appointed as the manager or acting as the manager or deemed to be the manager of a factory under section 13 of the Act;
- (d) "notification" means a notification published in the *Bihar Gazette*;
- (e) "weigh-bridge" means any mechanism used to weigh cane intended for use in a factory and includes any weigh-bridge maintained or used by the occupier, manager or purchasing agent or by any person acting on behalf of the occupier, manager or purchasing agent;
- (f) "form" means a form in Appendix III appended to these rules;
- (g) "ensuing crushing season" when used with reference to any crop of cane means the crushing season in which such crop shall be crushed;
- (h) "purchasing centre" means any place at which cane is purchased, supplied, delivered, weighed or paid for and includes such portion of the premises of the factory at which any of these operations take place.

CHAPTER II.

3. Advisory Committees—(1) When an Advisory Committee is established for any area under section 3 of the Act, the Governor shall, by notification, appoint the Chairman and the Secretary thereof. The Governor may also appoint other persons, not being growers or persons interested in factories to be members or *ex-officio* members. The Governor

II

BIHAR SUGAR FACTORIES CONTROL RULES.

shall, in addition, appoint as members an equal number of representatives of growers and factories, who shall ordinarily be resident of the area in respect of which the Advisory Committee is established.

(2) It shall be the duty of each Advisory Committee—

- (a) to recommend ways and means of maintaining healthy relations between factories and growers;
- (b) to make suggestions to regulate the purchase of cane;
- (c) to bring to the notice of the Collector cases of breach of any of the provisions of the Act and of the rules made thereunder;
- (d) to advise the Cane Commissioner with regard to the cane estimates submitted to the Cane Commissioner under section 14 of the Act and the declaration of any proposed reserved and assigned areas under sections 15 and 19 of the Act;
- (e) to advise the Divisional Commissioner or the Collector of the district on any matter which may be referred by them to the Committee for its advice; and
- (f) to advise the Chairman and the Provincial Government on any matter which may be referred to the Committee for its advice.

(3) If any local enquiry by the Advisory Committee is necessary in respect of any matter referred to it for advice, it shall be made by a sub-committee consisting of an equal number of representatives of factories and growers, and one or more persons, who shall neither be growers nor persons interested in any factory, specially nominated on each occasion in this behalf by the Advisory Committee.

4. The Secretary may, subject to the control of the Chairman, convene meetings of the Advisory Committee as often as may be necessary and he shall do so when so required by not less than one-third of the members. The Secretary shall circulate agenda, keep minutes of the meetings, carry on correspondence on behalf of the Advisory Committee and discharge such other functions as may be necessary for the proper performance of his duties. He shall forward a copy of the minutes of each meeting to the Cane Commissioner.

5. The procedure prescribed in Appendix I to these rules shall be followed at meetings of an Advisory Committee.

6. (1) The term of appointment of an Advisory Committee shall be for one year, or for such shorter period as may be prescribed by notification.

(2) When the place of a member of an Advisory Committee becomes vacant by the resignation or death of such member, the Governor may appoint a new member to fill the vacancy and such new member shall hold office for the unexpired residue of the term of office of the member in whose place he has been appointed.

7. **Sugar Control Board.**—(1) The Board shall consist of fifteen members.

(2) The Minister-in-charge of the Education and Development Department of the Government of Bihar and the Secretary to the Government of Bihar in the said Department shall be *ex-officio* members of the Board.

(3) The remaining members shall be nominated by the Provincial Government and shall include an equal number of representatives of factories and of cane-growers.

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

(5) The Governor shall, by notification, appoint the Chairman and the Secretary of the board.

(6) The first meeting of the Board shall be held on the date, and at the place and time appointed by the Governor.

(7) The second and all subsequent meetings of the Board shall be held at the headquarters of the province unless the Chairman otherwise directs.

(8) Notice in writing of all meetings shall be circulated by the Secretary to all members not less than two weeks before the date fixed for the meeting, provided that in urgent cases a shorter notice shall be deemed to be sufficient.

(9) The term of appointment of the Board shall be for one year.

(10) When the place of a member nominated to the Board becomes vacant by the resignation or death of such member, the Provincial Government shall nominate a new member to fill the vacancy, subject to the provisions of sub-rule 3, and such new member shall hold office for the unexpired residue of the term of office of the member in whose place he has been nominated.

8. The procedure prescribed in Appendix II to these rules shall be followed at the meetings of the Board.

9. Inspectors.—(1) The Cane Commissioner shall be *ex-officio* Inspector for the whole province.

(2) The Divisional Commissioner, the Collector of the district and the Subdivisional Officer shall be *ex-officio* Inspectors within their respective jurisdictions.

All the Inspectors within a district shall be subordinate to the Collector of the district and all Inspectors within a division shall be subordinate to the Divisional Commissioner.

10. Powers of Inspectors.—An Inspector may, within the local limits of his jurisdiction,—

- (a) enter any place which is, or which he has reason to believe to be, used as a factory or any place where cane weighed or payment is made therefor, and make such examination

of the weigh-bridges any records, registers and accounts maintained in connection with the purchase of cane,

- (b) cause carts or wagons carrying cane or consignments of cane to be weighed or re-weighed in his own presence;

Provided that cane loaded in wagons may not be required to be unloaded for the purposes of re-weighment;

- (c) record the statement of any person whom he may deem necessary to examine for the proper discharge of his duties;
- (d) call for from the occupier or manager of a factory any information relating to the production, supply and crushing of cane, the manufacture of sugar, and the quantity of sugar produced, issued and in stock;
- (e) call for from a purchasing agent, a cane-grower or a cane-growers' Co-operative Society any information relating to the production, cultivation and supply of cane;
- (f) issue from time to time such instructions as may be necessary to ensure equitable purchase of cane; and
- (g) exercise such other powers as may be reasonably necessary for carrying out the purposes of the Act or of the rules made thereunder.

CHAPTER III

11. License for the construction of new factories.—(1) An application for a license to commence the construction of any building intended to be used as a factory shall be made in Form I to the Cane Commissioner, who shall forward it with his report to the Provincial Government. The Provincial Government shall publish a notice of the receipt of such application in the *Bihar Gazette* and such notice shall specify the date on or after which the application will be taken into consideration.

(2) The Provincial Government may consult the Sugar Control Board with regard to the application and the objections received thereto before disposing of the application.

N.B. For the purpose of rule 11 any alterations to an existing building with a view to use the same as a factory shall be treated as the construction of a building intended to be used as a factory.

12. No license shall be granted for the construction of any building intended to be used as a factory unless—

- (a) The site of the proposed factory is at a distance of not less than 10 miles from any existing factory;
- (b) The quantity of cane available or likely to be available within a radius of 10 miles of the proposed site, excluding the cane in the area reserved for another factory, is not less than 60 per cent of the estimated cane requirement of the proposed factory. The estimated cane requirement shall be calculated at 120 times the daily crushing capacity of the proposed factory;
- (c) The applicant undertakes to build storage accommodation for at least one-third of the estimated annual production of

sugar at the factory. The annual production of sugar shall be calculated at 9 per cent of estimated cane requirement determined under clause (b) above; and

- (d) The additional production of sugar is not likely to affect adversely the interests of the sugar industry:

Provided that a license for the construction of a building at a new site for a factory already existing in the province shall be granted if conditions (a), (b) and (c) above are fulfilled.

18. A license for the construction of any building intended to be used as a factory shall be granted in form III and shall be valid for one year and may be renewed by the Provincial Government from time to time until the construction of the factory is completed.

14. **License for the extension of existing factories.**—An application for a license for any extension of the plant of an existing factory, which is likely to increase its capacity for crushing cane, shall be made in form II to the Cane Commissioner who shall forward it with his report to the Provincial Government within one month of the receipt of the same.

15. No such application shall be granted unless *inter alia* the Provincial Government are satisfied, after consulting the Board, that the additional cane required by the factory is available or likely to be available within a radius of ten miles of the factory excluding the area reserved for any other factory.

16. A license for any extension of the plant of an existing factory, which is likely to increase its capacity for crushing cane, shall be granted in form IV and shall be valid for one year, and may be renewed by the Provincial Government from time to time until such extension is completed.

17. **License for crushing cane.**—An application for a license for crushing cane shall be submitted to the Provincial Government in form V through the Cane Commissioner on or before the 1st September immediately preceding each crushing season.

18. (1) A license granted under section 10 (3) of the Act shall be in form VII and shall, among others, be subject to the following conditions:—

- (a) That the factory shall be a member of the Indian Sugar Syndicate, Limited, registered under the Indian Companies Act which has been recognised by the Provincial Government under section 11 (a) of the Act; and
- (b) That the minimum quantity of cane which the factory will crush during the crushing season for which license is granted shall be 120 times its average daily crushing capacity:

Provided that condition (b) may be relaxed by the Provincial Government if they are satisfied that the inability to crush the specified quantity of cane was due to circumstances beyond the control of the occupier of the factory.

(2) The average daily crushing capacity for the purpose of clause (b) of sub-rule (1) shall be determined by the Cane Commissioner, after taking into consideration—

VI

BIHAR SUGAR FACTORIES CONTROL RULES

- (a) the total quantity of cane crushed by the factory during each of the three previous crushing seasons.
- (b) the number of days that the factory worked during each of the three previous crushing seasons, and
- (c) any extension of the plant of the the factory since the last crushing season.

(3) Any person aggrieved by an order of the Cane Commissioner determining the crushing capacity of the factory under clause (b) of sub-rule (1) may within one month from the date of such order appeal to the Provincial Government.

19. An application for the renewal of a license for crushing cane under section 10 (4) of the Act shall be filed in Form VI before the Cane Commissioner on or before the 1st September immediately preceding each crushing season. The Cane Commissioner shall thereupon renew such license in Form VIII unless the occupier of the factory has committed a breach of the conditions of the license for which penalty has been imposed, in which case he shall refer the matter to the Provincial Government for orders.

20. (1) The fee payable for a license for the construction or extension of a factory, or for the renewal of such license, shall be Rs. 75.

(2) The fee payable for a license to crush cane, or for its annual renewal, shall be as follows:—

<i>Average daily crushing capacity.</i>	<i>Fee</i> Rs
Less than 500 tons	... 15
500 tons or more but less than 600 tons	.. 25
600 tons or more but less than 700 tons	.. 30
700 tons or more but less than 800 tons	... 35
800 tons or more but less than 900 tons	... 40
900 tons or more but less than 1000 tons	... 45
1000 tons or more	... 50

21. **Appointment of Manager.**—(1) The occupier of a factory shall give notice before the factory commences to crush cane to the Collector in Form IX appointing a person to be the manager of the factory under section 13 (1) of the Act.

(2) A person appointed as manager under sub-section (1) of section 13 of the Act shall deposit as security with the Collector rupees one thousand in cash or Government promissory note, within fourteen days of the date of the notice under sub-rule (1).

CHAPTER IV

22. **Estimate of quantity of cane required by factory.**—The occupier of a factory shall submit to the Cane Commissioner on or before the 1st May each year in Form X an estimate of the quantity of cane which will be required by the factory during the ensuing crushing season. The Cane Commissioner after examining the estimate and consulting the Advisory Committee, within whose jurisdiction the factory is situated, shall publish the same, with such modification as may be

necessary, within one month of the receipt of the estimate, in the *Bihar Gazette*, in the office of the Collector of the district and that of the Subdivisional Officer in whose jurisdiction the factory is situated, as well as at the gate of the factory.

23. Within a month of the publication of the estimate of the cane requirements under section 14 (2) of the Act, in the *Bihar Gazette*, an application for revision may be filed before the Provincial Government. Subject to the orders of the Provincial Government, the orders of the Cane Commissioner shall be final.

24. **Declaration of reserved area.**—(1) The Cane Commissioner may, after consulting the occupier of the factory and publishing a notice in the offices of the Collectors and Subdivisional officers having jurisdiction over the area concerned and issuing copies thereof to the factories operating in such area, and after consulting the Advisory Committee or Committees, if any, of the area concerned and considering any objections that may be raised, issue an order under section 15 (1) of the Act, declaring any area to be a reserved area for the purpose of supply of cane to a particular factory during the ensuing crushing season, if he is satisfied that—

- (a) the area so reserved is not likely to supply more than 50 per cent of the quantity of cane required by the factory as estimated under section 14 of the Act;
- (b) the area reserved together with any area that may be assigned to the same factory under section 14 of the Act does not supply more than 65 per cent of the estimated quantity of cane required by the factory under section 14 of the Act; and
- (c) the area reserved is economically most suitable for the factory to purchase cane from.

(2) The Cane Commissioner in deciding that an area is economically most suitable for reservation for a particular factory may take into consideration—

- (a) the distance of the factory from the area proposed to be reserved;
- (b) facilities for transport of cane to the factory from the area proposed to be reserved;
- (c) whether the area has previously supplied cane to that particular factory; and
- (d) any already existing private zoning arrangements among the factories.

(3) An order of the Cane Commissioner declaring any area to be reserved for a particular factory or altering the boundaries of an area already reserved or cancelling any previous order declaring an area to be reserved shall be published in the *Bihar Gazette*. A copy of the order shall be communicated to the factory concerned.

(4) The Provincial Government shall be the authority to which an appeal may be made against any order of the Cane Commissioner under section 15 (1) of the Act, within one month of the publication of any such order in the *Bihar Gazette*.

25 Purchase of cane in a reserved area.—A cane-grower or a Cane-growers' Co-operative Society in a reserved area may offer in Form XI on or before the 1st August each year to supply during the ensuing crushing season to the occupier of the factory, for which the area is reserved, cane not exceeding the quantity produced in one-third of the area of land suitable for cane cultivation, estimating the yield at a rate not exceeding 250 maunds per acre for North Bihar and 350 maunds per acre for South Bihar or at such rate or rates as the Cane Commissioner may fix in any particular year for such reserved area :

Provided that for the crushing seasons 1938-39 and 1939-40, a cane-grower or a Cane-growers' Co-operative Society may offer such cane for supply to the occupier of a factory, for which an area is reserved, in the form referred to above, on or before the 1st September 1938.

26. The register mentioned in section 17 of the Act shall be maintained in Form XII. For the crushing season 1938-39 it shall be completed by the 1st October 1938, and for each subsequent crushing season it shall be completed by the 1st November following the date of reservation. The register shall always be written in ink and pages shall be serially numbered.

27. After the register is completed in accordance with rule 26, and in the event of dispute, any corrections or additions will be made only under the written orders of the Subdivisional Officer within whose jurisdiction the land in question is situated. All applications filed before the Sub-divisional Officer for correction or addition of entries shall bear court-fee stamp worth annas two.

The occupier or manager of a factory shall supply to any applicant copies of entries in the register on payment of a fee of one anna for each copy of any single entry.

28. The occupier or manager of a factory for which an area is reserved shall enter into agreement in Form XIII which each cane-grower or Cane-growers' Co-operative Society to purchase the cane offered by him or it, in accordance with Rule 25, on or before the 15th November 1938 for the crushing season 1938-39, and on or before the 1st June each year for any subsequent crushing seasons.

29. Declaration of assigned areas and purchase of cane therein.—

(1) The Cane Commissioner may, after consulting the Advisory Committee or Committees of the area concerned and the occupier of the factory and after considering any objections that may be raised, and subject to the provision of clause (b) of sub-rule (1) of rule 24, issue an order declaring any area to be an assigned area for the purposes of the supply of cane to particular factory and publish the same in the *Bihar Gazette*, at the office of the Collector and at the gate of the factory.

(2) The occupier or a manager of a factory, for which an area has been assigned, shall under section 19 (3) of the Act, on or before the 1st September 1938 for the crushing season 1938-39 and on or before the 1st July each year for any subsequent crushing season, enter into agreements in Form XIV or XV, as the case may be, with cane-growers,

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.

(3) If such an agreement is entered into with a purchasing agent he shall under section 19 (4) of the Act, on or before the 1st October 1938 for crushing season 1938-39 and on or before the 15th August each year for any subsequent crushing season, enter into similar agreements in form XVI with cane-growers or Cane-growers' Co-operative Societies in the assigned area in receipt of all the cane which he has been undertaken to supply to the occupier of the factory.

(4) If the cane-growers or Cane-growers' Co-operative Societies in the assigned area are not willing to enter into agreements to supply, or fail to supply, the requisite quantity of cane, the occupier or manager of the factory or the purchasing agent may, after giving a fort-night's notice to the Collector having jurisdiction over the area concerned, purchase the balance of the cane required from outside the assigned area unless otherwise directed by the Collector.

(5) After the expiry of the date fixed under sub-rule (3) or after the occupier or manager of a factory is permitted under sub-rule (4) to purchase cane from outside the area assigned to the factory, the occupier or manager of any factory other than the one for which the area is assigned may, with the previous permission of the Cane Commissioner, enter into agreements with cane-growers, Cane-growers' Co-operative Societies or purchasing agents for the purchase in the assigned area of such cane in respect of which no previous agreement has been entered into.

30. And person aggrieved by an order of the Cane-Commissioner passed under sub-rule (1) or sub-rule (2) of rule 29 may within one month of the date of the publication of such order in the Gazette appeal to the Provincial Government.

CHAPTER V

31. **Deductions from minimum price fixed.** The occupier of a factory or a purchasing agent shall not make any deductions from the amount due for cane sold to him by a cane-grower or cane-growers' Co-operative Society except for any advances made in cash or kind for any purpose connected with the cultivation of cane within three years prior to the date of such purchase. The deductions on account of such advances shall be subject to the following conditions:—

- (a) No interest shall be charged on such advances; and
- (b) such advances may be deducted in not less than three equal instalments spread over the whole crushing season.

32. **Licensing of purchasing agents and employees.** (1) Application for a license to act as a purchasing agent under the Act shall be made in form XVII to the Collector of the district in which the applicant wishes to purchase cane. Such application shall be accompanied by—

- (a) a treasury receipt showing that the license fee prescribed under sub-rule 3 of rule 32 has been duly paid; and
- (b) a nomination from the occupier or manager of the factory concerned in Form XVIII

(2) On receipt of such application, the Collector may issue a license in Form XIX. The license shall be valid only for the purchasing centres specified in the license within the limits of the district in which it has been granted and shall be in force for one crushing season only.

(3) The license fee for each license of a purchasing agent shall be five rupees for each crushing season or part thereof, and shall be deposited in the local Government treasury.

(4) Every applicant for a purchasing agent's license shall furnish security to the extent of five hundred rupees in cash or Government promissory notes for the due observance of the conditions of the license and no license shall be issued to a purchasing agent until such security is furnished.

(5) A purchasing agent may supply cane to more than one factory provided that as prescribed in rules 37, 38 and 39 separate notices are posted, separate records are maintained and separate receipts are given, in respect of each factory, and in the event of a purchasing agent supplying cane to such factories from more than one district, he shall take a license from the Collector of each such district.

33. (1) After the issue of a notification under sub-section (2) of section 23 of the Act in respect of any area, no person shall be employed in such area by an occupier of a factory or by a purchasing agent in connection with any transaction for the purchase of cane, including survey and preparation of list of cane-growers or allotment and distribution of cane *purxi*, unless he has been licensed by the Collector of the district in which such transaction takes place. The license fee for each such license shall be Rs. 2 and it shall be in force for a period of one year from the date of issue.

(2) Application for a license under sub-rule (1) shall be made in Form XX to the Collector of the district in which the applicant wishes to carry on the transaction in connection with the purchase of cane. Such application shall be accompanied by—

(a) a treasury receipt showing that the licence fee prescribed under sub-rule (1) has been paid; and

(b) a nomination from the occupier or manager of the factory or the purchasing agent concerned in Form XXI.

(3) On receipt of such application, the Collector may issue a licence in Form XXII. Before granting a licence under this rule, the Collector may demand a security not exceeding Rs. 100 in cash or Government promissory notes for the due observance of the conditions of the licence.

34. (1) The securities prescribed in rules 32 and 33 shall be deposited with the Collector of the district throughout the period the licensees perform the duties laid down in such licenses and for six months thereafter.

(2) The Collector or the Cane-Commissioner shall have power to suspend or cancel a license issued under rule 32 or rule 33 for breach of any provision of the Act or of the rules made thereunder or of the conditions of the license, without prejudice and in addition to any other

penalty which the licensee may have incurred under the Act or the rules made thereunder.

Provided that no license shall be suspended or cancelled without giving the licensee, and the manager of the factory or the purchasing agent, who has nominated him, an opportunity of being heard.

(3) The order of the Collector or the Cane-Commissioner refusing, suspending or cancelling a license shall be final subject to an appeal to the Divisional Commissioner when the order is passed by the Collector and to the Provincial Government when the order is passed by the Cane-Commissioner. Such appeal, if any, shall be filed within a month of the date of the order.

35 Duties of managers or purchasing agents.—(1) The manager of every factory and every purchasing agent shall notify to the Collector of the district a fortnight before the commencement of the crushing season each year the location of each weighbridge, established under his control, and the names of the persons responsible for weighments of, and for payments for, cane at each such weighbridge,

(2) The Collector of the district may, after consulting the Advisory Committee, call upon the manager of a factory or a purchasing agent to change the location of a weighbridge under his control or to instal a weighbridge at a particular place for the supply of cane to the factory concerned.

(3) The manager or purchasing agent as the case may be shall within two days of the installation of a new weighbridge or the occurrence of a change in the location of an existing weighbridge or in the list of persons responsible for weighments and payments, notify such change to the Cane-Commissioner, the Inspector and the Collector of the district.

(4) The manager or purchasing agent, as the case may be, shall cause a list to be put up at each weighment and payment centre showing the names of persons responsible for weighments and payments made at that centre and shall cause such lists to be maintained up to date.

36. Duties of persons in charge of weighments and payments—

(1) The person in charge of weighments at each weighbridge shall be responsible for—

- (a) keeping the list of persons in charge of the weighbridge up-to-date in accordance with sub-rule (4) of rule 35 ;
- (b) posting up the notices as required by sub-rule (1) of rule 37 and a copy of these rules in accordance with sub-rule (2) of rule 37 ;
- (c) maintaining and keeping up-to-date records in accordance with rule 38 so far as entries relating to weighments are concerned ;
- (d) making over to the person supplying cane, a gross weight slip and a net weight receipt in accordance with sub-rules (1) and (2) of rule 39 ; and

(e) making weighments in accordance with rule 40.

(2) The person in charge of payments at each payment-centre shall be responsible for—

(a) maintaining and keeping up-to-date records in accordance with rule 38 so far as entries relating to payments are concerned ;

(b) making over to the person as soon as the payment is made a copy of cane payment receipt with all the columns filled up in accordance with sub-rule (3) of rule 39 ; and

(c) making payments in accordance with rule 41.

37. Notices—The manager or purchasing agent, as the case may be, shall cause to be posted on a notice-board at each weighment centre throughout the cane purchasing season notices showing the rates at which cane is being purchased at that particular centre and also the minimum price for cane, if any, fixed by Government. Such notices shall be legibly written or printed only on one side of the paper in both the Nagri and Urdu scripts.

(2) The manager, or purchasing agent, as the case may be, shall similarly cause a copy of these rules to be posted on notice-board at a conspicuous place at each weighment centre and also at each payment centre.

(3) Notices in Nagri and Urdu intimating the closure of any purchasing centre shall be published at each centre seven days before the date of such closure and a copy of the same shall simultaneously be sent to the Cane Commissioner, the Inspector and the Collector of the district for information.

38. Records.—(1) The manager or purchasing agent, as the case may be, shall cause to be maintained and any person made responsible by the manager or purchasing agent in this behalf shall duly maintain clear and accurate records of all purchases made on his behalf. Such records shall show the following particulars:—

(a) the name, parentage and full address of the person from whom cane is purchased ;

(b) the name, parentage and full address of the person who actually delivers the cane ;

(c) the gross weight of the cane including the weight of the cart;

(d) the weight of the cart (tare);

(e) the net weight of the cane purchased ;

(f) the rate at which the cane is purchased ;

(g) the date of purchase ;

(h) the amount of loan advanced to the person from whom the cane is purchased ;

(i) the date on which the loan was advanced ;

(j) the calculated price that has to be paid for the cane purchased;

(k) the amount actually paid on account of the cane purchased ;

(l) the date of payment ; and

(m) the deductions made on account of advances if any.

(2) Items (a) to (g) shall be recorded at the weighment centre in the order in which carts are weighed, and so far as the entry under item (c) is concerned it shall be made in presence of the person who actually delivers the cane while the cart is still standing on the weighbridge, and entries under items (h) to (m) shall be made at the payment centre.

(3) The manager or purchasing agent, as the case may be, shall preserve or cause to be preserved such records for one year from the date of the last transaction entered therein. Such records shall be available in the office of the factory for inspection by an Inspector whenever required by him.

39. Receipts.—(1) A slip showing the gross weight of cane including the weight of cart shall, while the cart is still standing on the weighbridge be issued to the person delivering cane by the manager or the purchasing agent to whom such cane is supplied or by some person employed by such manager or purchasing agent. The gross weight slip shall show the following particulars :—

- (a) the date of purchase ;
- (b) the number of the cane *purci* in accordance with which the cane is being delivered ;
- (c) the gross weight of cane including the weight of the cart; and
- (d) the signature of the person receiving delivery of the cane.

(2) A receipt showing the net weight of cane purchased shall, immediately after the weighment is completed, be prepared and handed over to the person delivering cane by the manager of the factory or the purchasing agent to whom such cane is supplied or by some person employed by such manager or purchasing agent. The net weight receipt shall show the following particulars:—

- (a) the date of purchase ;
- (b) the name of the person from whom the cane is purchased;
- (c) the gross, tare and net weights of the cane purchased ;
- (d) the rate at which the cane is purchased and the total price of the cane purchased ; and
- (e) the signature of the person receiving delivery of cane.

(3) At the time when payment is made the person in charge of payments shall prepare and hand over to the person to whom the payment is made a cane payment receipt. Such cane payment receipt shall show the following particulars:—

- (a) the date of purchase ;
- (b) name of person from whom the cane is purchased ;
- (c) the net weight of cane purchased ;
- (d) the rate at which the cane is purchased ;
- (e) the amount of actual payment made for the cane purchased ;
- (f) the name of the person to whom payment is made ;
- (g) the date of payment ;

- (h) the deductions made on account of advances if any ; and
- (i) the signature of the person making the payment ;

Where the payment made refers to more than one net weight receipt, the entries in respect of items (a) to (d) need not be filled in ; but a reference shall be given against these items to the various net weight receipts of which the payment is made.

N.B The receipt under sub-rules (2) and (3) need not necessarily be separate, provided all the required information is given.

(4) The manager or purchasing agent, as the case may be, shall preserve or cause to be preserved duplicates of all net weight receipts and cane payment receipts for one calender year from the date on which the payment is effected in respect of such receipts. Such duplicate receipts shall be available for inspection to an Inspector whenever required by him.

40. Weighments, etc.—The manager or the purchasing agent, as the case may be, and all persons working under him shall comply with or cause to be complied with the following conditions:—

(1) All dealings and contracts in connection with the purchase and supply of cane shall be had and made according to the standard maund of 82½ lbs. avoirdupois and multiples or sub-multiples thereof, and all weighments shall be made by means of a weighbridge and recorded correctly to the nearest quarter maund.

(2) No scales or weights shall be used, kept or possessed by or on behalf of a manager or purchasing agent which are inaccurate and which do not permit of the easy reading of the recorded weight according to the standard maund and multiples or sub-multiples thereof to the nearest quarter maund ;

Provided that a margin of error up to 2 per cent may be condoned so far as weighments are concerned.

(3) Scales which are inaccurate or which have gone out of order shall either be removed from the weighbridge premises or sealed up or rendered incapable of use for weighing cane.

(4) No scales or weights shall be used, kept or possessed by or on behalf of a manager or purchasing agent which, in addition to readings according to the standard weight, show any alternate readings unless such alternate readings are effectively effaced or blocked out to the satisfaction of the Inspector.

(5) All scales and weights, used kept or possessed by or on behalf of the manager or purchasing agent shall be open to inspection, examination and test by the Inspector at all reasonable times without notice and shall be made available for such inspection, examination or test whenever required by him. To facilitate such inspection the manager or purchasing agent shall keep two standard weights of one maund each at each weighment centre in the custody of the person in charge of weighments.

(6) (a) No cane shall be extracted from carts for any form of charity.

(b) No deductions shall be made from the net weight of cane on the ground of dryage, improper stripping or for any other reason,

(7) The weighbridge at a factory intended for taking gross weight of cane, including the weight of cart, shall not be situated at less than 50 yards from the cane carrier.

(8) Scales, weights and readings shall be kept in full view of persons supplying cane. The readings of the scale arms should be marked in Hindi on the side facing the cart to be weighed.

(9) Weighments of cane shall not be made more than half an hour after sunset unless adequate lighting arrangements are made at the weighbridge.

(10) Adequate facilities to the satisfaction of the Collector shall be provided at all weighment centres for weighments and for regulating the entry and parking of carts to avoid congestion and undue delay in the weighment of cane brought to such centres.

(11) There shall be no detention of cane carts for more than 10, hours without adequate cause.

(12) An occupier of a factory shall provide satisfactory roads and approaches to the weighbridges as ordered by the Collector, and all such roads and approaches shall be kept in good condition during the crushing season.

(13) Sufficient parking grounds, cattle sheds and cattle troughs shall be provided at the factory gate and at other weighment centres to the satisfaction of the Collector.

(14) Any representative of growers if authorised by the Collector shall be allowed to be present at the time of weighment of cane at any weighbridge.

41. Payment.—(1) Payment for cane shall be made within a fortnight of the date of weighment ;

Provided that if the person supplying cane does not appear in person to receive payment within a fortnight of the date of weighment the payment shall be made within a week of demand subsequently made by the person supplying cane.

(2) Payments may either be made by the day or the week or in any other manner according to the convenience of the manager or purchasing agent, as the case may be. The dates, the hours and the centres at which payments will be made shall, from time to time, be exhibited on a notice-board at each weighment centre throughout the cane crushing season and shall also be notified to the Inspector in whose jurisdiction the centre lies.

(3) Payments shall be made on the recorded weight of cane at the purchasing centre and no deduction shall be made by way of fine or otherwise from the calculated price by the occupier or manager of a factory or a purchasing agent, except as provided in rule 31.

(4) An occupier or manager or a 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 payments for cane purchased by him for a factory, the occupier or manager of such factory shall be responsible for making such payments.

42. Tribunal.—The tribunal referred to in sub-section (1) of section 26 of the Act shall be constituted by the Provincial Government and shall consist of three members including the Chairman, who shall be an officer of the status of a District and Sessions Judge.

43. Penalties.—Any person who—

- (a) fails to comply with or contravenes any of the provisions of rule 35 or 36 ;
- (b) fails to put up notices as required by sub-rule (1) of rule 37 or puts up notices which are incorrect in respect of any material-particulars ;
- (c) fails to cause a copy of rules to be posted as required by sub-rule (2) of rule 37 ;
- (d) fails to publish notices and send a copy thereof as required by sub-rule (3) of rule 37 ;
- (e) fails to maintain records as required by rule 38 ;
- (f) fails to cause slips and receipts to be prepared and handed over to the persons concerned as required by rule 39; or
- (g) fails to comply with or contravenes any of the provisions of rule 40 or 41;

shall be liable, on conviction, to a fine which may extend to five hundred rupees, and if it is shown that such person was acting on behalf of any occupier, manager or purchasing agent of a factory, such occupier, manager or purchasing agent of a factory, as the case may be, shall be similarly liable, either in addition or alternatively to the actual offender, unless he can show that he had used all due diligence to enforce the observance of these rules and that the offence was committed without his knowledge or consent.

44. Any person who—

- (a) fails to make available for examination, inspection or test by the Inspector on demand any scales or weights used, kept or possessed by him ;
- (b) fails to produce any records or receipts before the Inspector on demand or destroys such records or receipts before the expiry of one year from the date of the last entry made therein ;
- (c) fails to furnish any information required by the Inspector under clauses (d) and (e) of rule 10 ;
- (d) fails to comply with any instructions issued by the Inspector under clause (f) of rule 10; or
- (e) obstructs the inspector in the lawful discharge of his duties under these rules ;

shall be liable, on conviction, to a fine which may extend to seven hundred and fifty rupees.

45. The occupier or manager of a factory or a purchasing agent, who contravenes the provisions of sub-rule (5) of rule 29, shall be liable, on conviction, to a fine which may extend to one thousand rupees.

46. Forfeiture of security.—When a person has deposited a security under sub-rule (2) of rule 21, or sub-rule (4) of rule 32, or sub-rule (3) of rule 33, the Collector may, in the event of his contravening the provisions of the Act or the rules or infringing the terms and conditions of the security, call upon him to show cause why such security shall not be forfeited to the Crown or the whole or any portion of such security shall not be paid to a person or persons who have suffered any loss owing to the misconduct of the person who furnished such security or of any person acting on his behalf. After considering the cause shown, if any, the Collector may pass an order forfeiting the whole or any portion of the security to the Crown or for the payment of the whole or any portion of the security to the person or persons who have suffered the loss in question.

47. 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.

48. Power 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 provisions of these rules.

49. Supersession of the previous rules under the Bihar Sugar Factories Control Act, 1937.—These rules shall supersede the rules published in notifications no. 34-D., dated the 4th January 1938, and no. 210-D., dated the 27th January 1938. All actions taken, appointment made and licenses issued under the latter rules shall be treated as issued under these rules.

APPENDIX I.

Rules of procedure at meetings of an Advisory Committee.

1. All meetings of the Advisory Committee shall be held at the headquarters of the division or district unless for special reasons the Chairman otherwise directs.

2. Notice in writing of meetings of the Advisory Committee shall be circulated to all the members of the Advisory Committee not less than one week before the meeting. Notice of resolution or motion to be moved at a meeting of the Advisory Committee shall be made available to the Chairman at least ten days before the meeting. The agenda shall be circulated at least one week before the meeting.

3. All meetings of the Advisory Committee, shall be presided over by the Chairman, in the absence of the Chairman, the members present shall elect a Chairman, from among their own number.

4. At all meetings of the Advisory Committee, one-third of the members inclusive of the Chairman shall form a quorum.

5. No business other than that contained in the agenda shall be transacted at meeting except with the consent of the Chairman.

6. No motion or amendment shall be discussed at a meeting unless it is seconded.

7. No member may speak for more than fifteen minutes when proposing a motion or, moving an amendment or for more than ten minutes when seconding or speaking on a motion or amendment or when replying.

8. A motion or amendment may be withdrawn, by permission of the Chairman, by any member who has given notice of such motion or amendment.

9. Every question shall be decided by a majority of votes of the members present. In case of votes being equally divided the Chairman shall have a second or casting vote.

10. The Chairman shall be the sole judge of any point of order, and may call any member to order, and may, if necessary, dissolve the meeting or adjourn it to any other day.

11. If at any meeting of the Advisory Committee, there is no quorum the Chairman shall adjourn the meeting to any subsequent date and no quorum shall be necessary for such adjourned meeting.

12. In any case not provided by these rules, the Chairman shall be entitled to give his own ruling as to procedure.

APPENDIX II.

Rules of procedure at meetings of the Sugar Control Board

1. All meetings of the Board shall be presided over by the Chairman. In the absence of the Chairman any member nominated by the Chairman or in the absence of any such nomination a Chairman elected by the members present shall preside.

2. At all meetings of the Board five members inclusive of the Chairman shall form a quorum.

3. Notice of a resolution or a motion to be moved at a meeting of the Board other than the first meeting shall be sent to the Secretary at least seven days before the date fixed for such meeting. The Secretary shall send to each member at least five days before the date fixed for a meeting a notice of the business to be brought forward at the meeting.

4. No business other than that contained in the agenda sent to members shall be transacted at meeting except with the consent of the Chairman.

5. No motion or amendment shall be discussed at a meeting unless it is seconded.

6. Every question shall be decided by a majority of votes of the members present. In case of the votes being equally divided, the Chairman shall have a casting vote.

7. The Chairman shall be the sole judge of any point of order and may, if necessary, dissolve the meeting or adjourn it to any other day.

8. If at any meeting there is no quorum, the Chairman shall adjourn the meeting to any subsequent date and no quorum shall be necessary for such an adjourned meeting.

9. In any case not provided by these rules the Chairman shall be entitled to give his own ruling as to procedure.

APPENDIX III.

FORM I.

FORM OF APPLICATION FOR A LICENCE TO ERECT A SUGAR FACTORY.

[Section 9(1) of the Act]

1. (a) Name, parentage and residence, or in case of a firm, name and principal place of business.
- (b) In the case of a firm registered under the Indian Companies Act, the names of the Company and the address of the registered office, with the name and addresses of the Directors and of the Manager or Managing Agent, the Secretary and the Chief Executive Officer of the Company.
2. Site of the factory—

Village or town	...	...
Thana	...	...
District	...	...
Nearest railway station.	...	
Distance from nearest existing	factory ...	
3. Daily crushing capacity of the proposed factory according to the sugar machinery manufacturers' rating.
4. Name of the machinery makers ...
5. Clarification process ...
6. The capital proposed to be invested —
 - (a) Cost of machinery, including freight, insurance, erection, etc.
 - (b) Cost of building ...
 - (c) Cost of land ...

APPENDIX III—*contd.*FORM I—*contd.*

- (d) Share capital (subscribed) ...
- (e) Borrowed capital ...
7. Date by which the construction of the factory—
- (a) will be started ...
- (b) is expected to be completed ...
8. Details and specification of the plant, including the proposed storage accommodation for sugar.
9. Approximate quantity of cane available and likely to be available within a radius of 10 miles of the proposed factory, excluding the cane in the area reserved for another factory.

.....

*Signature of applicant or signature
of officer empowered on behalf of
the Company.*

Date.....

FORM II.

FORM OF APPLICATION FOR LICENSE FOR EXTENSION OF THE PLANT
OF AN EXISTING FACTORY.

[Section 9(1) of the Act.]

1. (a) Name, parentage and residence, or in the case of a firm, name and principal place of business of the applicant.
- (b) In the case of a firm registered under the Indian Companies Act, the name of the Company and the address of the registered office, with the names and addresses of the Directors and the Manager or Managing Agent, the Secretary and the Chief Executive Officer of the Company.
2. Site of the factory—

Village or town.

Thana.

District.

Nearest railway station.
3. Year in which working was started.

APPENDIX III—*contd.*FORM II—*concl'd.*

4. *Name of the machinery makers.
5. Clarification process.
6. †Crushing capacity per day—
 - (a) original..... tons.
 - (b) present tons.
7. Working figures for three preceding seasons—

S. no.	Particulars.	Season.	Season.	Season.
1.	No. of days in season ...			
2.	Total cane crushed (Mds.) Sugar produced (Mds.) Molasses produced (Mds.)			
3.	Cane crushed per 24 hours' operation (Mds.)			
4.	Percentage of hours lost to total hours available.			
5.	Cane quality— Sugar per cent cane. Fibre per cent cane. Purity Primary Juice.			
6.	Extraction— Mill house. Boiling house. Overall.			
7.	Recovery— Sugar per cent cane. Molasses per cent cane.			

8. †Particulars of addition to plant applied for—

Serial no.	Particulars of plant.	Number, size and capacity.	
		At present	Proposed addition or replacement.

*State name of the principal machinery makers of the original plant and also of the makers who carried out subsequent alterations, if any.

†Crushing capacity per 24 hours' operation should be given as (a) originally proposed by the makers and (b) as actually at present

†[i] Where numerous additions and alterations are to be made or where the crushing capacity of the plant is proposed to be increased, the complete specifications of the plant together with a detailed list of the proposed additions should be given separately.

[ii] In column three it should also be stated against each item if the machinery to be added now is in replacement of similar machinery which has now become unserviceable or whether it is in addition to it

APPENDIX III—*contd.*FORM II—*concl'd.*

9. State reasons for the proposed extension, giving—
- (a) estimated increase in daily crushing capacity ;
 - (b) estimated increase in overall efficiency ; and
 - (c) difficulties in the present working of the plant which are to be removed by the proposed alterations.
10. Approximate quantity of cane (a) available and (b) likely to be available within a radius of 10 miles of the factory, excluding the cane in the area reserved for any other factory.

.....
*Signature of applicant or signature
 of officer empowered to sign on
 behalf of the Company.*

Dated,

APPENDIX III—*contd.*

FORM III

GOVERNMENT OF BIHAR

LICENCE FOR THE CONSTRUCTION OF A SUGAR FACTORY UNDER SECTION 9(1) OF THE BIHAR SUGAR FACTORIES CONTROL ACT, 1937.

No.....

Dated

..... is hereby granted permission to construct a factory for the manufacture of sugar from sugarcane by means of vacuum pan process at ^{village}..... ^{town}..... thana district..... on condition that the construction of the said factory shall be commenced on or before and completed before.....

This licence is valid till

.....
Secretary to Government, Bihar.

APPENDIX III—contd.

FORM III contd

Renewals.

No..... Dated.....

This licence is hereby renewed with effect from.....
for a period of

.....
Secretary to Government, Bihar

This licence is hereby renewed with effect from.....
for a period of

.....
Secretary to Government Bihar

FORM IV

GOVERNMENT OF BIHAR

**LICENCE FOR THE EXTENSION OF AN EXISTING SUGAR FACTORY
UNDER SECTION 9(1) OF THE BIHAR SUGAR FACTORIES
CONTROL ACT, 1937.**

No..... Dated.....

..... occupier of the
..... factory situated at village.....
town.....
thana..... district..... is
hereby granted permission to increase the daily average crushing capacity
of the said factory from..... tons to..... tons, and to
construct the necessary buildings and or to install the machinery
required for the purpose, on condition that the work of construction, or
installation, is commenced ^{on} before.....
_{or}

This licence is valid till

.....
Secretary to Government, Bihar.

APPENDIX III—*contd.*FORM IV. *contd.**Renewals.*

No _____ Dated _____

This licence is hereby renewed with effect from _____
for a period of _____

Secretary to the Government, Bihar.

No _____ Dated _____

The licence is hereby renewed with effect from _____
for a period of _____

Secretary to Government, Bihar

APPENDIX III—*contd.*

FORM V.

FORM OF APPLICATION FOR LICENCE FOR CRUSHING CANE.

[Section 10(2) of the Act.]

1. (a) Name, parentage and residence, or in the case of a firm, name and principal place of business of the applicant.
- (b) In case of a firm registered under the Indian Companies Act, name of company and address of the registered office with the names and addresses of directors and of manager or managing agent, secretary and the chief executive officer of the company.
2. Site of the factory—
 Village or town
 Thana
 District
 Nearest railway station
3. Total quantity of cane crushed by the factory during each of the three previous crushing seasons.
4. The number of days that the factory worked during each of the three previous crushing seasons.

APPENDIX III—*contd.*

FORM VIII—*conold.*

5. Whether prescribed fees have been deposited in the district or subdivisional treasury of the area in which the factory is situated (receipted treasury chalan should accompany the application).
6. Whether applicant is or has applied to be a member of the Indian Sugar Syndicate, Limited.

.....
*Signature of applicant or signature
of officer empowered to sign on
behalf of the company.*

Date.....

FORM IX

FORM OF NOTICE FOR APPOINTMENT OF MANAGER.
(Under section 13 of the Act.)

I
we _____, hereby give
notice that I
WE have nominated _____ to be
the manager of the _____ Factory for the
purpose of the Bihar Sugar Factories Control Act, 1937, and the rules
made thereunder and that he has accepted the nomination as such, with
effect from _____.

(SIGNED) _____

(Manager.)

(SIGNED) _____

*(Owner or owners, or person duly
authorised on their behalf by a
registered power of attorney.)*

(SIGNED) _____

*(Witness, name and designation
of Witness.)*

(SIGNED) _____

*(Witness, name and designation
of Witness.)*

*N. B.—This form shall also be used for notifying the appointment of substitute
managers under sub-section (3) of section 13 of the Act.*

FORM X.

FORM OF ESTIMATE OF QUANTITY OF CANE REQUIRED BY A FACTORY.
[Under section 14(1) of the Act.]

1. Name of the Factory
2. Average daily crushing capacity

APPENDIX III—*concl.***FORM X—*concl.***

3. Total quantity of cane crushed
during each of the preceding
three crushing seasons. ...
4. Quantity of cane required by
the factory for crushing during
the season 19 ...

*Signature of applicant empowered
to sign on behalf of a factory.*

Dated _____

FORM XI.

FORM OF OFFER BY A CANE-GROWER OR A CANE-GROWERS' CO-OPERATIVE
SOCIETY IN A RESERVED AREA FOR SUPPLY OF CANE TO THE FACTORY.

[Under section 18(1) of the Act.]

1. Name of the ^{applicant with father's name}
Cane-growers' Co-operative Society.
2. Village
Thana
District
3. Name of the factory for which the area
is reserved.
4. Total area of the applicant's land in
the reserved area suitable for cane
cultivation with "Khata" and "Khasra"
numbers.
5. Total area which the applicant proposes
to put under cane cultivation for the
crushing season 19 .
6. Respective areas under the different
varieties proposed to be put under
cane in 19 .
7. Total expected yield of cane in 19 ...
8. The quantity of cane offered for sale to
the factory in 19

*Signature of the cane-grower or the
Secretary of the Cane-growers'
Co-operative Society.*

Dated.....

APPENDIX III—contd.
FORM XII.

REGISTER TO BE MAINTAINED FOR THE CRUSHING SEASON 19 IN A RESERVED AREA BY SUGAR FACTORY.
[Under section 17(1) of the Act.]

1	2	3	4	5	6	7	8
Serial No.	Name of the cane-grower with father's name or the Cane-growers' Co-operative Society.	Village and Post Office.	Thana and Subdivision.	Total area of land suitable for cane cultivation.	Khata number.	Plot number.	Total area of land under cane for the crushing season 19 B. Acre. K. Dec.

N. B.—In respect of a Cane-growers' Co-operative Society columns 6 and 7 need not be filled up.

FORM XII—*contd.*

11	12	13	14	15	16
Quantity of cane offered to the Factory.	Minimum quantity of cane acceptable by the Factory.	Estimated surplus of cane if any.	No. and date of agreement executed.	Amount of advance given with dates.	Remarks.
				In cash.	
				In kind.	

APPENDIX III—contd.**FORM XIII****FORM OF AGREEMENT IN RESERVED AREA BETWEEN A FACTORY AND
A CANE-GROWER OR A CANE GROWERS' CO-OPERATIVE SOCIETY.**

[Under section 18(2) of the Act.]

I,.....,son of.....

the Secretary of.....Cane growers' Co-operative Society,
 Village P. O., District.....
 hereby agree to sell during the crushing season 19... may or the society's
 sugarcane crop, specified below, to the sugar factory
 and undertake to bring good cane, free from leaves and roots, to the
 weighbridge at the factory gate or at station in such
 quantities and on such dates as may be specified in the cane *purari*
 issued by the aforesaid factory in conformity with the instructions given
 by the Cane Commissioner.

In the event of my or the society's failure to supply the specified
 quantity of cane as agreed upon, the factory shall have the option to
 realise, as compensation, from my or the society's movable or immovable
 properties, one anna per maund of cane which I or the society fail to
 supply.

In the event offactory failing to take delivery of my
 or the society's cane as contracted for under this agreement, the factory
 shall be liable to pay me or the society, as compensation, the actual
 price of the quantity of such cane as it fails to purchase, which amount
 I or the society shall have the option to realise from the movable or
 immovable properties of the factory.

In the case of the failure on the part of either party to fulfil the
 terms of this agreement due to natural causes and calamities or
 accidental closure of the factory beyond human control, both the parties,
 which are signatories to this agreement, shall be free from any kind
 of liability.

In case of any dispute with regard to this agreement, the parties
 concerned may refer the matter for arbitration to the Cane Inspector,
 the Subdivisional Officer or any person whom they choose for the purpose
 The decision of such arbitrator shall be binding on both the parties.

*Signature of the representative
 of the factory.*

*Signature of the Cane-grower or
 the Secretary of.....
 Cane-growers' Co-operative
 Society.*

Dated.....

Dated.....

APPENDIX III—*contd.*FORM XIII—*concl'd.*

1	2	3	4					5	6	7	
village	Khata no	Plot no.	Co. 299	Co. 313	Co. 210	Co. 213	Desi.	other varieties	Total area under cane	Total quan- tity of cane in mds.	Remarks
			B.K.	B.K.	B.K.	B.K.	B.K.	B.K.	B.K. AcreDec		

N.B.—A clause for the payment of commission to a Cane-growers' Co-operative society, similar to the one provided in Form XV, may be inserted in this form also, if mutually agreed upon by the factory and the society concerned,

APPENDIX III—*contd.*

FORM XIV.

FORM OF AGREEMENT IN ASSIGNED AREA BETWEEN A FACTORY AND
A CANE-GROWER'S OR A CANE-GROWERS' CO-OPERATIVE SOCIETY.

[Under section 19(9) of the Act]

I, , son of
village....., P.O.....,
District....., hereby agree to sell, during the
crushing season* 19....., my or the society's sugarcane crop specified
below to the.....sugar factory and undertake to bring
good cane free from leaves and roots to the weighbridge at the factory
gate or at.....station, in such quantities and on such
dates as may be specified in the cane *purti*, issued by the aforesaid
factory in conformity with the instructions given by the cane
Commissioner.

In this event of my or the society's failure to supply the specified
quantity of cane as agreed upon, the factory shall have the option to
realise, as compensation, from my or the society's movable or immovable
properties, one anna per maund of cane which I or the society fail
to supply.

APPENDIX III—*contd.*FORM IV. *contd.*

In the event of... .. sugar factory failing to take delivery of my or the society's cane as contracted for under this agreement the factory shall be liable to pay me or the society, as compensation, the actual price of the quantity of such cane as it fails to purchase, which amount I or the society shall have the option to realise from the movable or immovable properties of the factory.

In case the failure on the part of either party to fulfil the terms of this agreement is due to natural causes and calamities or accidental closure of the factory beyond human control, both the parties, which are signatories to this agreement, shall be free from any kind of liability.

In case of any dispute with regard to this agreement, the parties concerned may refer the matter for arbitration to the Cane Inspector, the Subdivisional Officer or any person whom they choose for the purpose. The decision of such arbitrator shall be binding on both the parties.

Signature of the representative
of the factory

Dated

Signature of the Cane-grower or
the Secretary of
Cane-growers' Co-operative
Society.

Dated

1	2	3	4						5	6	7
village.	Khata no.	Plot no.	Co. 299	Co. 313	Co. 210	Co. 213	Desi.	Other varieties.	Total area under cane.	Total quan- tity of cane in mds.	Remarks.
			B.K.	B.K.	B. K	B. K	B. K.	B. K.	B. K.		
									Acre. Dec		

N.B. A clause for the payment of commission to a Cane-growers' Co-operative Society, similar to the one provided in Form XV, may be inserted in this form also, if mutually agreed upon by the factory and the society concerned.

APPENDIX III—*contd.*

FORM XV.

FORM OF AGREEMENT IN ASSIGNED AREA BETWEEN A FACTORY AND
A PURCHASING AGENT OR A CANE-GROWERS' CO-OPERATIVE
SOCIETY (CANE MARKETING UNION).

[Under section 19(3) of the Act.]

I _____, son of _____, Village _____,
P. O. _____, subdivision _____, hereby
undertake to supply during the crushing season 19____ to _____
sugar factory at its weighbridge at _____ purchasing
centres, _____ maunds of good cane of _____ Co. _____
varieties, free from leaves and roots, in such quantities and on such
dates as may be requisitioned by the factory from time to time by
written notices, which shall be in conformity with the instructions issued
by the Cane Commissioner.

I agree to accept from the factory as remuneration, commission at
Rs. _____ per 100 maunds of cane, supplied to the factory's
weighbridge at the aforesaid purchasing centres, in pursuance of this
agreement.

In the event of my or the society's failure to supply the quantity
and quality of cane, specified above, the factory shall have the option
to realise, as compensation, from my or the society's movable or
immovable properties, one anna per maund of cane which I or the society
fail to supply.

In the event of _____ sugar factory failing to take
delivery of the contracted quantity and quality of cane, specified above,
from me or the society, the factory shall be liable to pay me or the
society, as compensation, the actual price of the quantity of such cane
as it fails to purchase, which amount I or the society shall have the
option to realise from the movable or immovable properties of the factory.

In case the failure, on the part of either party to fulfil the terms of
this agreement, is due to natural causes and calamities or accidental
closure of the factory beyond human control, both the parties, which are
signatories to this agreement, shall be free from any kind of liability.

In case of any dispute with regard to this agreement, the parties
concerned may refer the matter for arbitration to the Cane Inspector,
the Subdivisional Officer, or any person whom they choose for the
purpose. The decision of such arbitrator shall be binding on both the
parties.

Signature of the representative
of the sugar factory.

Signature of purchasing agent or
the Secretary of _____

(Cane-growers' Co-operative Society.
(Cane Marketing Union.)

Dated _____

Dated _____

APPENDIX III—contd.

FORM XVI.

FORM OF AGREEMENT IN ASSIGNED AREA BETWEEN A PURCHASING
AGENT AND A CANE-GROWER OR A CANE-GROWERS' CO-OPERATIVE
SOCIETY.

[Under section 19 (4) of the Act]

I _____, son of _____
or the Secretary of _____, Cane-growers' Co-operative
Society, Village _____, P. O. _____
District _____, hereby agree to sell during the crushing
season 19____, my or the society's cane crop, specified below,
to _____ purchasing agent of the _____
sugar factory and undertake to bring good cane free from leaves and
roots to the weighbridge at _____ station, in such quantity and
on such dates as may be specified in the cane *purzi* issued by the
purchasing agent of the aforesaid factory in conformity with the instruc-
tions given by the Cane Commissioner.

In the event of my or the society's failure to supply the specified
quantity of cane as agreed upon, the purchasing agent shall have the
option to realise, as compensation, from my or the society's movable or
immovable properties, one anna per maund of cane which I or the society
fail to supply.

In the event of _____ purchasing agent of _____
sugar factory failing to take delivery of my or the society's cane as con-
tracted for under this agreement, the purchasing agent shall be liable to
pay me or the society, as compensation, the actual price of the quantity
of such cane as he fails to purchase, which amount I or the society shall
have the option to realise from the movable or immovable properties of
the aforesaid purchasing agent.

In case the failure on the part of either party to fulfil the terms of
this agreement is due to natural causes and calamities or accidental
closure of the factory beyond human control, both the parties, which are
signatories to this agreement, shall be free from any kind of liability.

In case of any dispute with regard to this agreement, the parties
concerned may refer the matter for arbitration to the Cane Inspector,
the Subdivisional Officer or any person whom they choose for the purpose.
The decision of such arbitrator shall be binding on both the parties.

Signature of the
purchasing agent of
_____ sugar factory
at _____ purchasing centre,

Signature of the Cane-
grower or the Secretary
of _____ Cane-growers'
Co-operative Society.

Dated _____

Dated _____

APPENDIX III—contd.**FORM XVIII.**

NOMINATION TO BE MADE BY THE OCCUPIER OR MANAGER OF A FACTORY

[Section 23(1) of the Act.]

I _____ being the ^{occupier}/_{manager} of the _____
 factory, hereby nominate _____ son of _____
 for the purchase and supply of cane intended for use in the said factory
 and recommend that he may be given a licence to work as a purchasing
 agent at _____ purchasing centres on behalf of the said
 factory. I further declare that he is to the best of my belief and
 knowledge a suitable person for the grant of such a licence.

Dated _____

Sd. _____

^{Occupier}/_{Manager} of factory.

FORM XIX.

FORM OF LICENSE FOR A PURCHASING AGENT UNDER SECTION 23 (1)
 OF THE BIHAR SUGAR FACTORIES CONTROL ACT, 1937.

This is to certify that..... is authorised to
 purchase cane for..... factory, subject to the terms and conditions
 hereinafter mentioned and to the provisions of the Bihar Sugar Factories
 Control Act, 1937, and the rules made thereunder—

- (1) The license shall remain in force for the crushing season
 19
- (2) The licensee shall not purchase cane at other than...
 purchasing centres in the district of.....
- (3) The licensee shall comply with the provisions of the Act
 and the rules made thereunder and shall obey all lawful
 directions which may be issued to him by the Inspector
 or the Collector.
- (4) The licensee shall be responsible for all purchases of cane,
 weighments, parking and lighting arrangements and for all
 payment either made or due to be made for cane pur-
 chased in all cases whether made or done personally by
 him or by any other person on his behalf.
- (5) The license shall be liable to be suspended or cancelled by
 the Collector or the Cane Commissioner at his discretion
 without prejudice to and in addition to any penalty which
 the licensee may incur under the provisions of the Act
 and the Rules made thereunder.
- (6) The licensee shall be responsible for returning the license
 to the Collector on expiry of the term thereof or in the

APPENDIX III—*concl'd.*

event of the license being suspended or cancelled, on such suspension or cancellation.

Sd _____

(Collector of the district

of _____

Dated _____

FORM XX.

FORM OF APPLICATION FOR A LICENSE BY A PERSON EMPLOYED BY AN OCCUPIER OF A FACTORY OR BY A PURCHASING AGENT IN CONNECTION WITH ANY TRANSACTION FOR THE PURCHASE OF CANE.

[Under section 23 (2) of the Act.]

I, _____, son of _____, resident of _____, having been selected by the occupier of _____ factory or by _____, purchasing agent of _____ factory to work as _____ in connection with the transaction for the purchase of cane at _____ purchasing centre on behalf of the aforesaid occupier of the factory or the purchasing agent hereby apply for a license under the Bihar Sugar Factories Control Act, 1937 and the rules made thereunder.

I hereby agree to abide by the terms and conditions of the license and declare that it shall be lawful for the Collector to realise any penalty which I may incur under the conditions of the license or under the Bihar Sugar Factories Control Act, 1937 and the rules made thereunder, from the security which I have given under the Act or the rules without prejudice and in addition to any other lawful remedy for the realisation of such penalty.

Dated _____

Sd _____

Applicant.

FORM XXI.

NOMINATION TO BE MADE BY THE OCCUPIER OR MANAGER OR PURCHASING AGENT OF A FACTORY.

[Under section 23 (2) of the Act.]

I _____, occupier
being the manager of the _____
purchasing agent
factory, hereby nominate _____, son of _____ as
to work on my behalf at _____ purchasing centre in connection
with the transaction for the purchase of cane. I further declare that he

APPENDIX III—contd.

is to the best of my belief and knowledge a suitable person for the grant of such a license.

Dated _____

Sd _____

*Occupier
Manager of a factory.
Purchasing Agent.*

FORM XII

FORM OF LICENSE FOR AN EMPLOYEE OF A FACTORY OR OF A PUR-
CHASING AGENT UNDER SECTION 23 (2) OF THE BIHAR
SUGAR FACTORIES CONTROL ACT, 1937.

This is to certify that _____, resident of _____, is authorised to work as _____ at _____ purchasing centre on behalf of _____ factory or _____ purchasing agent of _____ factory in connection with the transaction for the purchase of cane, subject to the terms and conditions herein after mentioned and to the provisions of the Bihar Sugar Factories Control Act, 1937, and the rules made thereunder.

- (1) The license shall remain in force for the crushing season 19 _____
- (2) The licensee shall comply with the provisions of the Act and the rules made thereunder and shall obey all lawful directions which may be issued to him by the Inspector or the Collector.
- (3) The licensee shall be responsible for the proper discharge of his duties, without showing favour or disfavour to any person, in connection with any transaction for the purchase of cane on behalf of the aforesaid factory or the purchasing agent.
- (4) The license shall be liable to be suspended or cancelled by the Collector or the Cane Commissioner at his discretion without prejudice to and in addition to any penalty which the licensee may incur under the provisions of the Act and the rules made thereunder.
- (5) The licensee shall be responsible for returning the license to the Collector on expiry of the term thereof or in the event of the license being suspended or cancelled, on such suspension or cancellation.

Sd _____

Collector of the district of _____

Dated _____

The Sugar-Cane Act, 1934.

Received the assent of the Governor General on the 1st May 1934, and is published in "*Gazette of India*", dated the 5th May 1934.

Act No. XV of 1934.

An Act to regulate the price of sugar-cane intended for use in sugar factories.

Whereas it is expedient, for the purpose of assuring to sugar-cane growers a fair price for their produce, to regulate the price at which sugar-cane intended to be used in the manufacture of sugar may be purchased by or for factories; it is hereby enacted as follows:—

1. *Short title, extent and commencement*—(1) This Act may be called the Sugar-cane Act, 1934.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) This section shall come into force at once; the remaining sections of this Act shall come into force in any province on such date as the Local Government may, by notification in the local official Gazette, appoint in that behalf.

Notes.

Object.—"It was announced by the Honourable Finance Member in the course of his speech introducing the budget proposals for 1934-35 that the Government of India would introduce legislation which would enable Provincial Governments to apply schemes for enforcing a minimum price for cane to be paid by the factory to the grower. This decision is consequential upon the imposition of an excise duty on factory sugar. As initiative in the matter of fixing prices for cane must be left to Provincial Governments so as to suit local conditions, it is proposed that the Act should come into force in any province on such date as the Local Government may direct. The scheme of the Bill is that after prior publication of its proposals and due consideration of the objections received, a Local Government should declare controlled areas within which purchase of cane by factories shall be limited to growers of cane or licensed persons and societies at fixed prices. In order to provide for elasticity of procedure in the administration of the scheme, it is also proposed to give wide rule-making powers to Local Government". (*Vide Statement of Objects and Reasons*).

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

(1) "controlled area" means any area specified in a notification issued under sub-section (1) of section 3;

(2) "factory" means any premise (including the precincts thereof) wherein twenty or more workers are working or were working on any day of the preceding twelve months and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power; and

(3) "sugar," means any form of sugar containing more than ninety per cent of sucrose.

3. *Declaration of controlled areas, and fixing of prices* - (1) The Local Government may, by notification in the local official Gazette, declare any area specified in the notification to be a controlled area for the purposes of this Act.

(2) Subject to the control of the Governor General in Council the Local Government may, by notification in the local official Gazette, fix

a minimum price or minimum prices for the purchase in any controlled area of sugar-cane intended for use in any factory.

(3) The Local Government may, by notification in the local official Gazette, prohibit in any controlled area the purchase of sugar-cane intended for use in any factory otherwise than from the grower of the sugar-cane or from a person licensed by the Local Government to act as a purchasing agent.

4. *Previous publication of notifications under section 3*—Not less than thirty days before the issue of any notification under sub-section (1) or sub-section (2) of section 3, the Local Government shall publish in the local official Gazette and in such other manner (if any) as it thinks fit a draft of the proposed notification specifying a date on or after which the draft will be taken into consideration, and shall consider any objection or suggestion which may be received from any person with respect to the draft before the date so specified.

5. *Penalty for purchase of sugar-cane in contravention of notification under section 3*.—Whoever in any controlled area purchases any sugar-cane intended for use in a factory at a price less than the minimum price fixed therefor by notification under sub-section (2) of section 3 or in contravention of any prohibition made under sub-section (3) of section 3 shall be punishable with fine which may extend to two thousand rupees.

6. *Sanction for prosecution under this Act*.—No Court shall take cognizance of any offence punishable under section 5 except upon complaint made by order of, or under authority from, the District Magistrate.

7. *Power of Local Government to make rules*. (1) The Local Government may, by notification in the local official Gazette, make rules for the purpose of carrying into effect the objects of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the carrying out of inquiries preliminary to the exercise of the powers conferred by section 3;

(b) establishing Advisory Committees for any purpose connected with the administration of this Act and defining the powers, functions and procedure of such Committees;

(c) the issue of licences to purchasing agents, the fees for such licences, and the regulation of the purchase and sale of sugar-cane by and to such agents;

(d) the organisation of growers of sugar-cane into societies for the sale of sugar-cane to factories;

(e) the authorities by which any functions under this Act or the rules made thereunder are to be performed; and

(f) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Act.

(3) In making any rule under sub-section (1) or under clause (c) or clause (f) of sub-section (2), the Local Government may provide that a breach of the rule shall, where no other penalty is provided by this Act be punishable with fine not exceeding two thousand rupees.

8. *Power of Governor General in Council to make rules*.—The Governor General in Council after previous publication may, by notification in the Gazette of India, make rules providing for the exemption of factories or any class of factories from the provisions of this Act.

NOTES & AMENDMENTS.

~~~~~

## NOTES & AMENDMENTS.

---

## NOTES & AMENDMENTS.

~~~~~

NOTES & AMENDMENTS.

~~~~~

## NOTES & AMENDMENTS.

.....

## NOTES & AMENDMENTS.

~~~~~

NOTES & AMENDMENTS.

NOTES & AMENDMENTS.
