



GOVERNMENT OF THE PUNJAB

**MANUAL OF LAWS
OF
SUGAR INDUSTRY IN PUNJAB**

Compiled & Updated
By
Shahid Hussain Ch.
Cane Commissioner Punjab
(Latest by 30th April, 2009)

FOREWORD

Punjab Food Department is bestowed with the multifarious responsibilities pertaining to food items like wheat and sugar. Different Laws / Rules and Policies have been and are being framed to assiduously deal and settle the issues concerning the sugar factories and growers. Over a period of 60 years, four enactments / rules i.e. the Punjab Sugar Factories Control Act, 1950, the Punjab Sugar Factories Control Rules, 1950, the Punjab Finance Act, 1964 & Sugarcane (Dev) Cess Rules, 1964 have been promulgated / formulated. The first two enactments deal with the administrative issues of sugar factories in the Punjab, whereas the last two enactments ambit the issues relating to the realization of Sugarcane (Dev) Cess and its optimum utilization. Under the Punjab Sugar Factories Control Act, 1950, the office of the Cane Commissioner Punjab has been established as an Attached Department of Food Department with the mission to improve the quality of life of citizen of Punjab by ensuring provision of quality sugar at affordable price to the general public while safeguarding the legitimate interest of sugarcane growers as well as sugar industry.

For effective control and administration, a number of changes have been introduced and incorporated in the aforesaid Laws / Rules during 60 years. These changes were available in scattered form which at times impeded the effective implementation of the laws. Allowing for the introduction of new concepts and fast changing environment in modern world, there is a need to constantly update Laws / Rules to stay abreast to the changed scenario. The version of Laws / Rules pertaining to sugar industry available in the market lack timely updation; therefore, a need for publishing updated Laws was direly felt.

It is delectable to appreciate and acknowledge that the gigantic, research oriented and labourious work of updation by Mr. Shahid Hussain, Present Cane Commissioner Punjab was taken up at his own initiation. This was not possible without the hardwork & incessant efforts of the officer. The compilation of all four Laws / Rules in to Manual of Laws of Sugar Industry in Punjab would certainly help all the concerned dealing with the issues of sugar industry in Punjab.

MUHAMMAD IRFAN ELAHI
SECRETARY FOOD



Detail of Books

Book No.	Subject
I Yellow Page	The Punjab Sugar Factories Control Act, 1950.
II Purple Page	The Punjab Sugar Factories Control Rules, 1950.
III Green Page	The Punjab Finance Act, 1964.
IV Blue Page	The Punjab Sugarcane (Development) Cess Rules, 1964.



GOVERNMENT OF THE PUNJAB

**Punjab Sugar Factories
Control Act, 1950**

(As amended up to 30th April, 2009)

Compiled & Updated
By
Shahid Hussain Ch.
Cane Commissioner Punjab

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The Punjab Sugar Factories Control Act, 1950

An

Act

to provide for the regulated supply of sugarcane to the Sugar Factories.

Preamble Whereas it is expedient to provide for regulating the supply of sugarcane 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: -

1. Short title, extent and commencement

- (1) This Act may be called the "[Punjab] Sugar Factories Control Act, 1950.
- (2) It extends to the whole of the Province of "Punjab.
- (3) It shall come into force at once.

2. Definitions

In this Act, unless there is anything repugnant in the subject or context :-

- (a) "assigned area" means an area assigned to a factory under sub-section (1) of section 14;
- (b) "Board" means the Sugarcane Control Board established under section 3;
- (c) "Cane" means sugarcane intended for use in a factory;
- (d) "Cane Commissioner" means the officer appointed to be Cane Commissioner under section 6;
- (e) "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;

* Substituted for North-West Frontier Province Sugar Factories Control Act, 1950, vide North-West Frontier Sugar Factories Control (Amendment) Ordinance, 1961 (West Pakistan Ordinance 111 of 1961) published in Extraordinary Gazette of West Pakistan dated 18th January, 1961

" Substituted vide West Pakistan Ordinance 111 of 1961 and further amended vide Sr. No. 42 of Schedule of the West Pakistan Laws (Extension to Karachi) Ordinance, 1964 (West Pakistan Ordinance No. VII of 1964) published in the Extraordinary Gazette of West

- (f) "Cane-growers' Co-operative Society" means a society registered under the Co-operative Societies Act, 1612 (Act II of 1912), ^{***}[or the Sind Co-operative Societies Act, 1925,] one of the object of which is to sell cane grown by its members;
- (g) "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;
- (h) "Crushing season" means the period beginning on the 1st October in any year and ending on the 30th June next following;
- (i) "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;
- (j) "Inspector" means an inspector appointed under section 7 of the Act, and includes an ex-officio or additional inspector;
- (k) "Occupier of a factory" means the person who has ultimate control over the affairs of a factory;

Provides that where the affairs of a factory are entrusted to a managing agent, or a Managing Director or a Director in-charge, such managing agent, Managing Director or Director in-charge shall be deemed to be the occupier of the factory;
- (l) "Prescribed" means prescribed by rules;
- (m) "Purchasing agent" means person licensed under this Act to act as a purchasing agent;
- (n) "Reserved area" means an area specified in an order issued under section 10.
- (o) "Rule" means a rule made under this Act.

3. *Sugarcane Control Board*

The Provincial Government may by notification, establish a Sugarcane Control Board for the Province.

^{***} Inserted vide West Pakistan Ordinance III of 1961.

Constitution of the Board

The Board shall consist of a Sugarcane Commissioner, who shall be the chairman of the Board as such and so many members from the cane growers, factory owners and servants of the State, as may be prescribed.

Powers and duties of the Board

The Board shall exercise and perform such powers and duties as may be prescribed, and its business shall be conducted in such manner and in accordance with such procedure as may be prescribed.

Appointment of Cane Commissioner

- (1) The Provincial Government may by notification, appoint any officer, not below the status of a Collector, to be the 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.**
- (2) The Cane Commissioner shall be deemed to have powers of a [Collector/DCO] under the Punjab Land Revenue Act, 1887, and the Punjab Tenancy Act, 1887 @@[or any other enactment relating to Land Revenue and tenancy in force in any part of the Province.]

14-A The Provincial Government may, by notification, appoint the "[DCO] to be an additional Cane commissioner to exercise such powers and perform such duties and functions of the Cane Commissioner, within the district or any part thereof, as may be specified.]

Appointment of Inspector

- (1) The Provincial Government may, by notification, appoint such persons as it thinks fit, to be inspectors for the purposes of this Act within such local limits as it may assign to them respectively.
- (2) No person shall be appointed to be an Inspector under sub-section (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) Every Inspector, who shall be deemed to be a public servant within the meaning of the Pakistan Penal Code, shall be officially subordinate to such authority as the Provincial Government may specify in this behalf, and shall exercise such powers and duties as may be prescribed from time to time.

Added vide West Pakistan Ordinance III of 1961.

Inserted vide the Sugar Factories Control (West Pakistan Amendment) Ordinance, 1963 (West Pakistan Ordinance No. DLV of 1963)

Published in the Gazette of West Pakistan dated 25th November, 1963.

Substituted vide Notification No. Legis.5-78/2001 dated 22.12.2001

8. Notice of Crushing

The occupier of a factory shall send a notice to the Cane Commissioner in the prescribed form intimating him of his intention to start crushing one clear month before the crushing start, [#][provided that the occupier shall start crushing by a date not later than 30th November each year.]

9. Estimate of Quantity of Cane Required by Factory

- (1) The Cane Commissioner may, by order, require the occupier of any Factory to submit to him on or before a date to be fixed by him, an estimate in the prescribed form and manner of the quantity of the cane, which will be required 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 Board.
- (3) The Cane Commissioner may revise an estimate published under sub-section (2) at any time without consulting the Board.

10. Declaration of Reserved Area

- (1) The Cane Commissioner may, after consulting the Board, issue an order declaring any area to be a reserved area for the purposes of the supply of cane to a particular factory during a particular crushing season or seasons, and may likewise, at any time, cancel such order or alter the boundaries of an area so reserved.
- (2) An appeal shall lie against the order of the Cane Commissioner under sub-section (1) to the Appellate Authority (Secretary Food).[@]

11. Survey of Reserved Area

- (1) The Provincial Government may order a survey to be made of the area proposed to be reserved for or assigned to a factory 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.

[#] Inserted vide West Pakistan Ordinance III of 1961.

[@] Substituted for the word "Commissioner" vide ordinance notified bearing No. Legis. 5-78/2001 dated 22.12.2001.

- (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.
- (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.

Maintenance of Register

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.

Purchase of Cane in a Reserved Area

- (1) A cane grower or a Cane-Growers' Cooperative Society in a reserved area may, if required to do so by the Cane Commissioner shall, offer in the form and by the date prescribed, and supply to the occupier of the Factory, for which the area is reserved, such quantity of cane grown by the cane-grower or by the members of such Cane Growers' Cooperative Society, as the case may be as is generally prescribed for, or specially directed by the Cane Commissioner, for such cane-grower or Cane-Growers' Cooperative Society.
- (2) The occupier 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 the cane offered in accordance with sub-section (1), **provided that he shall not purchase or enter into an agreement to purchase cane from a person who is a member of a Cane Growers' Co-operative Society.**
- (3) Unless the provincial Government otherwise directs, cane grown in a reserved area shall not be purchased by a purchasing agent or by any person other than the occupier of the Factory for which such area has been reserved except by any other grower for the bona fide purpose of seed.
- (4) Cane grown in a reserved area shall not be sold by any person other than a cane-grower or a Grower' Co-operative Society, provided that a cane-grower or a CaneGrowers' Co-operative Society may deliver cane intended for a factory through another cane-grower of that area, 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 an agreement, 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.

14. Declaration of Assigned Areas and Purchase of Cane therein

- (I) The Cane Commissioner may, after consulting the Board, issue an order declaring an area to be an assigned area for the purposes of the supply of cane to a particular factory.
- (ii) The occupier of a Factory, for which an area has been assigned, shall enter into an agreement with cane-growers **in the assigned area or Cane-Growers' Co-operative Society or purchasing agents for the purchase in the assigned area of such quantity of cane by such date and in such form and on such terms and conditions as may be prescribed by the Cane Commissioner provided that such agreement shall not be entered into with a person who is a member of Cane-Growers' Co-operative Society.**
- (iii) If such an agreement is entered into with the purchasing agent, he shall enter into agreement with cane-growers in the assigned area of cane-growers' societies in respect of all the cane which he has undertaken to supply.
- (iv) If the cane-growers or Cane-Growers' Cooperative Societies in the assigned area are not willing to enter into agreements to supply, the Cane Commissioner may by an order in writing require them to do so on such terms and conditions as may be prescribed by him, which shall be legally binding on the cane-growers or the Cane-Growers' Co-operative Societies, as the case may be.
- (v) In the event of failure to supply the requisite quantity of cane, the occupier of the Factory **or the purchasing agent, may, after giving the prescribed notice to the Cane-Commissioner, purchase the balance of the cane required from outside the assigned area, unless otherwise directed by him.**
- (vi) An appeal shall lie against the order of the Cane-Commissioner under sub-sections (i) or sub-sections (ii) and (iv) to [Commissioner of the Division],
"The Secretary to the Government of Punjab, Food Department.

¹¹ Substituted vide Ordinance LVIII of 2001 notified vide No. Legis 5-78/2001 dated 22.12.2001.

[POWERS OF CANE COMMISSIONER TO PROHIBIT CULTIVATION OF UNSUITABLE VARIETIES OF SUGARCANE]

@@[14-A, The Cane-Commissioner may, by an order in writing prohibit the cultivation in any reserved area by cane-growers or Cane-Growers' Co-operative Societies of any variety of Sugar cane declared by the Provincial Government under section 18 to be unsuitable for distribution]

Purchase of Cane Outside Reserved Area

In any area other than a reserved area, no person shall purchase cane except (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 purchases; or (c) a Cane-growers' Co-operative Society; (d) a Cane-grower for bona fide seed purpose: Provided that a person entitled to purchase cane, may take delivery thereof through a cane-grower or through a carrier.

POWER OF PROVINCIAL GOVERNMENT TO FIX MINIMUM PRICE

16. (i) The Provincial Government, **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 either generally or related to the sugar contents of the cane or direct that such minimum price shall be calculated in the manner prescribed.
- (ii) The Provincial Government may from time to time vary by notification, the price fixed under sub-section (1).
- (iii) The occupier of Factory or a purchasing agent shall not make **any deduction from the amount due for cane sold to him by a cane-grower or a Cane-Growers' Co-operative Society, except such deductions as may be prescribed or as the Provincial Government may, by notification, from time to time, allow.**
- (iv) The Provincial Government may, after, consultation with the Board, by notification, direct that in addition to the minimum price to be paid for cane, the occupier of a factory shall pay for special varieties of cane to be specified in the notification and which the cane grower or Cane-Growers' Co-operative Society has agreed to supply, such additional price as the provincial Government may direct.

"16/A The Provincial Government may direct the Factories to pay quality premium at the end of the crushing season at such rate as may be specified by the Provincial Government in proportion to the sucrose recovery of each factory in excess of base level sucrose contents determined by the Provincial Government, from time to time.

17. **Licensing of Purchasing Agents**

No person or class of persons shall be employed by an occupier of a Factory or by a Purchasing Agent to do any work or class of work in connection with any transaction for the purchase of cane and no person shall exercise any of the powers conferred by or under this Act on a purchasing agent, unless he is licensed in the prescribed manner.

DISTRIBUTION OF SEED CANE BY FACTORIES

18. (i) The occupier of Factory or any other person acting on his behalf shall not distribute cane of any variety to any person to be used by cane-growers or the members of Cane-Growers' Co-operative Societies if the Provincial Government after consulting the Board has, by an order, published in the "[official] Gazette, declared that such variety of seed cane is unsuitable for distribution to cultivators.
- (ii) The Provincial Government may on the recommendations of the Board, require the occupier of a Factory to distribute in an area reserved for the Factory such variety or seed cane **on such conditions and in such manner as it may prescribe in every case.**

19 **Determination of "Occupier" for Purposes of this Act**

- (1) Where the occupier of a Factory is a firm or other association 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 "District Officer (Revenue) that it has nominated one of its members to be the occupier of the factory for the purposes of this Act, until further notice canceling his nomination is received by the "District Officer (Revenue) or until he ceases to be a partner or member of the firm or association.

" Inserted vide gazette Notification dated 16.03.1991.

* Added vide West Pakistan Act XVI of 1957, Sec 3(4)(iv).

* Substituted vide Notification No. Legis.5-78/2001 dated 22.12.2001

- (2) Where 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 "District Officer (Revenue) 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 the Act and such director or share-holder shall be deemed to be the occupier of the factory for the purposes of the Act, until further notice canceling his nomination is received by the "District Officer (Revenue) or until he ceases to be a director or share-holder.

20. Appointment and Removal of Factory Staff

The occupier of a Factory shall have to employ a Cane Superintendent and such staff as may be prescribed by the Provincial Government, on the recommendations of the Cane Commissioner, to regulate, arrange and supervise the purchase of cane for the factory. **The appointment and the award of punishment including removal from service of Cane Superintendent and other staff shall** be subject to the approval of the Cane Commissioner.

21. Penalties

- [@](a) Subject to sub-section (aa), any person contravening the provisions of this Act or any order or rule made thereunder, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to fifty thousand rupees or with both.
- (aa) Any person who fails to comply with the provisions of Section 16 or 16-A, or any direction issued thereunder, shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to twice the price of the sugarcane or twice the amount of quality premium due, as the case may be.
- (b) Offences under the Act shall be bailable and non-cognizable.

22. Institution of Proceedings

- (i) No prosecution shall be instituted under this Act, except upon a complaint made by or under the authority from the ^{@@}District Officer (Revenue) or Cane Commissioner or grower himself.

^{""} Substituted vide Notification No. Legis.5-78/2001 dated 22.12.2001

^{""} Added vide Punjab Gazette Notification dated 16.03.1991.

^{""} Substituted vide Notification No. Legis.5-78/2001 dated 22.12.2001

- (ii) Provided that an aggrieved person may make a complaint to the Court of competent jurisdiction if on an application made by him, the collector or the Cane Commissioner fails to decide within 60 days whether or not the prosecution is to be instituted.
- (iii) No court inferior to that of a Magistrate of the 1st Class shall try any offence under this Act or any order or rule made thereunder.
- (iv)
 - (a) No suit, prosecution or other legal proceeding shall lie against the Provincial Government or any of its servant for anything which is done in good faith or intended to be done under this Act or the rules framed thereunder.
 - (b) The exercise of any discretion or authority conferred on the Provincial Government or the Board or the Cane Commissioner by this Act shall not be questioned in any Civil Court.
 - (c) The Provincial Government may delegate all or any of its powers under this Act to any officer not below the status of a Collector.

23. Powers to Make Rules

- (1) The Provincial Government may make rules to carry out the provisions of this Act.
- (2) In particular and without prejudice to the generality of the foregoing powers such rules may provide for the constitution, powers, duties and procedure of the appointment of the Cane Commissioner and Inspectors and the powers and duties to be exercised and performed by them.
- (3) The authority by which any function under this Act or the rules made thereunder are to be performed.
- (4) The form in which the notices required by Sections 8 and 14 (v) should be given.
- (5) The form, manner and date for the submission of estimates mentioned in Section 9, and the manner in which and the places at which such estimates should be published.

[#] Added vide Punjab Gazette Notification dated 16.03.1991.



GOVERNMENT OF THE PUNJAB

**Punjab Sugar Factories
Control Rules, 1950**

(As amended up to 30th April, 2009)

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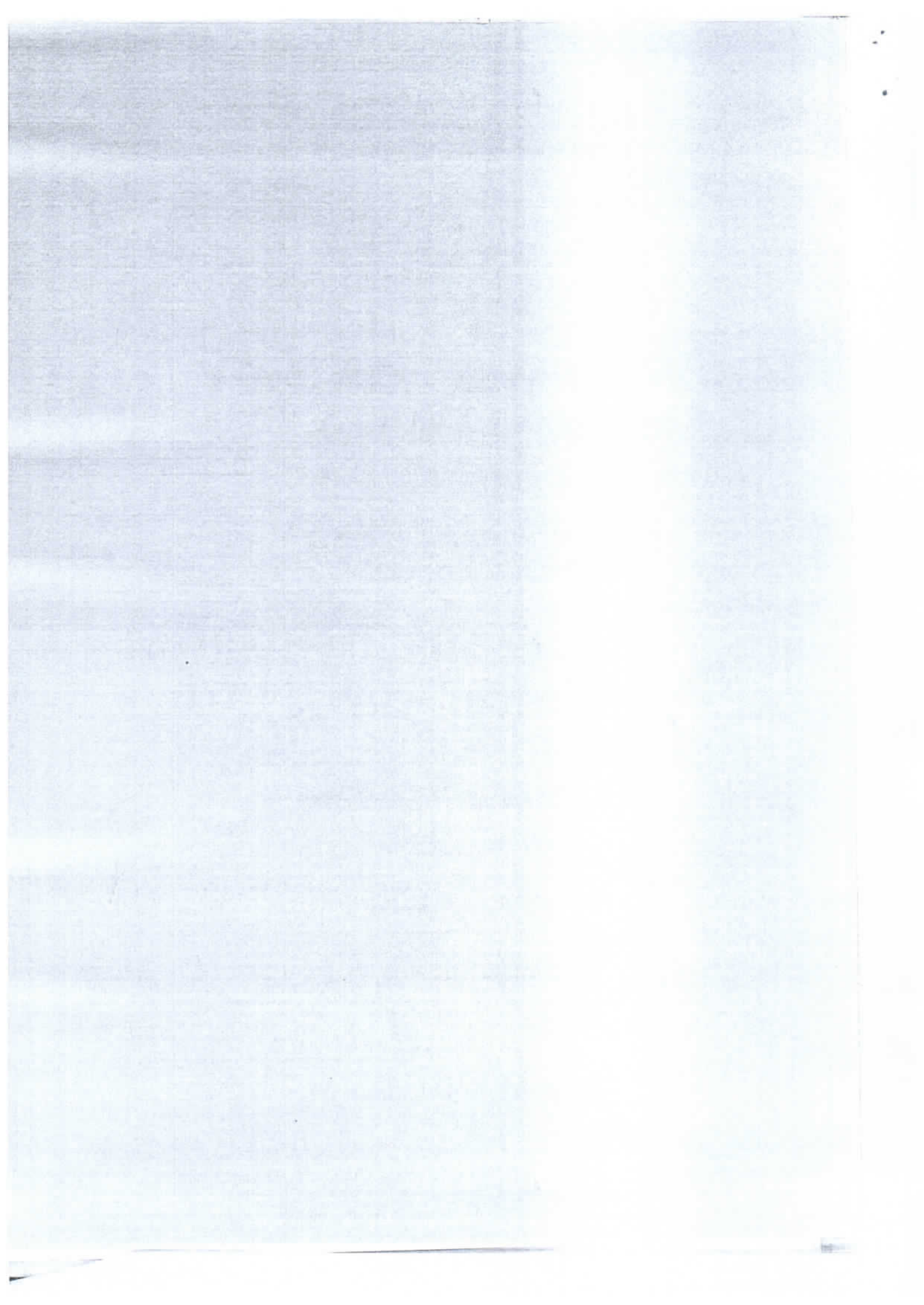


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NOTIFICATION

The 19th February, 1951

No. 10583/D.Ds. In exercise of the powers conferred under section 23 of the North West Frontier Province Sugar Factories Control Act, 1950, the Governor, North West Frontier Province, is pleased to make the following rules:

THE *PUNJAB SUGAR FACTORIES CONTROL RULES, 1950

1. *Short title, extent and commencement*

- (1) These Rules may be called the 'Punjab Sugar Factories Control Rules, 1950.
- (2) They shall come into force at once.

2. *Definitions*

In these rules unless there is anything repugnant in the subject or context

- (i) Act means the Punjab Sugar Factories Control Act, 1950 (XXII of 1950).
- “(i-a) 'Sugarcane (Development) Cess' means the Sugar Cane (Development) Cess levied under section 12 of the Punjab Finance Act, 1964.
- (ii) 'Inspector' means any person appointed under Section 7 of the Act to perform the duties of an Inspector.
- (iii) 'Occupier of a Factory' means the person; who has ultimate control over the affairs of a factory.
- (iv) Notification means a notification published in the official Gazette.
- (v) 'Purchasing Agent' includes any person, not being the grower or his authorized representative or a Cane Growers, Cooperative 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.
- (vi) 'Purchasing Centre' means any place at which cane is purchased, supplied, delivered or paid for and includes such portion of the premises of the factory at which any of the co-operations take place.

* The word "Punjab" added vide Notification No. SOf(Sugar)8(2)/81 dated 30.10.1984.

“(i-a) added vide Notification NO. SOf(Sugar)11(35) Vol-II/64 dated 18.06.1965.

- (vii) 'Weighbridge' means any mechanism use to weigh cane and includes any weighbridge maintained or used by the occupier, or purchasing agent or by any person acting on his behalf.
- (viii) 'Year' means the agricultural year commencing on the 1st day of July and ending on the 30th day of June next following.

3. *Sugarcane Control Board*

- (1) The Board shall consist of the following members, namely:
- [@]{i) The Director General of Agriculture (Extension) Lahore.
 - ii) The Director of Industries and Mineral Development ^{@@}Punjab, Lahore.}
 - iii) The Cane Commissioner, Punjab.
 - iv) One representative of each sugar factory in the province and
 - v) One person nominated by Government from among the growers of sugarcane of each area, where a sugar factory is located.
- (2) The board shall in addition to the powers and duties conferred or imposed upon it by the Provisions of the Act, advise the Provincial Government on all matters connected with the sugar industry of the Province that may be referred to it by the Provincial Government.
- (3) The meeting of the Board shall be held at such places and on such dates as the Cane Commissioner may fix.
- (4) Notice in writing of all meetings shall be circulated by the Cane Commissioner to all members not less than one week before the date fixed for the meeting, except in urgent cases.
- (5) The term of appointment of the non-official members of the Board shall not be more than one year but shall be extendable from year to year by notification in the official Gazette.
- (6) When the place of a member nominated to the Board becomes vacant by resignation or death of such member or by an order of Provincial Government, such member ceases to be a member. The Provincial Government shall nominate a new member to fill the vacancy, subject to the provisions of sub rule 2, and such new members shall hold office for the unexpired period of the member in whose place he has been nominated.

[@] Added vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

^{@@} The words "West Pakistan" substituted with the word "Punjab" vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

^{*} Sub rule (5) of rule 3 substituted vide Notification No. SOF (Sugar) 13(3)/70 Vol-II dated 25.09.1982..

- (7) The procedure in Appendix 1 to these rules shall be followed at meetings of the Board.

4. *Ex-officio Inspector*

- (1) The following officers shall be ex-officio inspectors within the limits of their respective jurisdiction:

- * i) The Director Food, Punjab.
- ii) The Cane Commissioner, Punjab.
- iii) All Additional Cane Commissioners in Punjab.
- **iv) Additional Director Food Department.
- @ v) All Deputy Directors Food in Punjab
- vi) Deputy District Officer (Rev) within whose jurisdiction the mill is located.
- vii) Section Officer (Sugar), Government of Punjab, Food Department.
- # viii) All Deputy Directors of Agriculture in Punjab.
- ## ix) All Extra Assistant Directors of Agriculture in Punjab.

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

- (i) enter any factory or any other place, apartment thereto which is or which he has reasons to believe, is used as a purchasing centre of sugarcane:
- (ii) examine the weighbridges or scales or weights used, kept or passed for weighment or purchase of cane at any such place:
- (iii) cause any vehicles carrying cane to be weighed or re-weighed in his own presence:
- (iv) examine the registers maintained at any factory or purchasing centre or at any place adjacent thereto, in respect of purchase/carriage of cane, payments made to the growers and Sugarcane (Development) Cess due from the mills or deposited into the Government Treasury.
- (v) examine any person or record statement of any person for the proper checking of collections and payments of the Sugarcane (Development) Cess by a factory:

* The words 'West Pakistan' appearing in sub rule (i) to (iv) and (vi) in sub rule (1) of Rule 4 substituted with the word "Punjab" vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

** Added vide Notification No. SOF (Sugar)13(387)/94 dated 28.2.1995.

@ Added vide Notification No. SOF (Sugar)13(2)/98 dated 22.12.2001

Added vide Notification No. SOF (Sugar) 8 (2)/81 dated 6.7.1883.

Added vide Notification No. SOF (Sugar) 8 (2)/81 dated 6.7.1883.

- (vi) examine and check accounts pertaining to the manufacturer of sugar and recovery percentages of sugar;
- (vii) issue from time to time such instructions as may be necessary to ensure equitable purchase of cane;

Provided that such instructions shall only be issued for reasons to be recorded in writing and if they have not been previously approved by the Cane Commissioner, they shall be smutted to him forthwith for confirmation;
- (viii) issue from time to time such instructions to ensure timely payment of Sugarcane (Development) Cess due to Government; and
- (ix) exercise in good faith such other powers as may be conferred on him under any law for the time being in force or as may be necessary for carrying out the purposes of the Act, or these rules.

5. *Intimation regarding starting of crushing.*

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

6. *Estimate of quantity of cane required by factories.*

- (1) The occupier of a factory shall submit to the Cane Commissioner on or before 1st May, each year in Form 3, Appendix II an estimate of the quantity of Cane which will be required by the factory during the crushing season next following the ensuing crushing season.
- (2) The Cane Commissioner shall, after consulting the Board publish the same with such modification as may be necessary within a month of the receipt of the estimate in official gazette and to the office of the ^{##}District Officer (Rev) of the District in which the factory is situated.
- (3) The Provincial Government may on its own motion or on an application for the revision filled within a month of the publication of the estimate, revise it.

7. *Declaration of the reserved area.*

- (1) In declaring reserved areas under Section 10 (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;

^{##} Word 'Collector' replaced by the words District Officer (Rev) vide Notification bearing No. SOF(Sugar)13(2)/98 dated 22.12.2001.

- (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.

@@Deputy District Officer (Revenue) within whose jurisdiction the land in question is situated and his decision shall be final.

- (6) the occupier of a factory shall give a copy of the entries in the Growers' Register on application made before the 15th December, in any year to any person.
- (7) the Growers Register shall be preserved by the occupier of a factory for a period of two years following the crushing season to which it refers.

8. *Survey of reserved area and grower's registers.*

- (1) When an area has been reserved, the Cane Commissioner may cause a survey of sugarcane in it to be made in Form 4, Appendix II and may deliver a copy of the survey report to the occupier of the factory concerned.
- (2) The cost of the survey may be assessed at one rupee for every 20 acres of sugarcane surveyed and shall be payable by the occupier of the factory within a month of the delivery of the form referred to in sub rule (1).
- (3) The occupier of a factory shall, after such local verification as he considers necessary, prepare a register in Form 3, Appendix II, as required under Sec. 12 of the Act to be called the Grower's Register, and it shall be open to inspection by every cane grower of a reserved area.
- (4) Any grower having or claiming to have grown sugarcane in reserved areas, may apply to the occupier of the factory for the correction of entry in or in the addition of a new entry to the Grower's Register. The occupier shall keep a record of these applications.
- (5) The occupier of the factory shall, after such inquiry as he considers necessary, pass orders on the application within a fortnight of its receipt and a true copy of such orders shall be supplied to the applicant. An appeal from the order of the occupier shall lie to the Deputy District officer (Revenue) within whose jurisdiction the land in question is situated and his decision shall be final.
- (6) The occupier of a factory shall give a copy of the entries in grower's register on application made before the 15th December in any year to any person.
- (7) The Grower's Register shall be preserved by the occupier of a factory for a period of two years following the crushing season to which it refers.

9. *Purchase Of Cane Grown In A Reserved Area.*

- (1) The occupier of a factory shall estimate or cause to be estimated, by 30th

September, the quantity of sugarcane with each grower enrolled in Growers' Register and shall submit the estimate to the Cane Commissioner who may, after such enquiries as he considers necessary, modify the estimates and cause them to be published in such manner as he may direct.

- (2) A cane grower or a cane growers' co-operative society in a reserved area may offer in Form 6, Appendix II by the 1st October, each year to supply during a crushing season to the occupier of the factory for which the area has been reserved, cane not exceeding, in the case of cane growers, the quantity estimated in accordance with sub rule (1).
- (3) The occupier of the factory for which the area is reserved shall enter into an agreement with the cane grower or the cane growers' cooperative society, as the case may be, in Form 7 and 8, respectively, or in any other Form approved by the Cane Commissioner, with a month of the offer mentioned in sub rule (2).
- (4) The occupier of a factory shall spread the purchases made to the reserved area in an equitable manner, and shall in the case cane growers of the reserved area make purchase of cane only after issuing requisition slips.

In order to comply with this rule the occupier shall cause identification cards to be distributed to all cane growers of the reserved area to whom requisition slips will be issued, and shall maintain a record of the same.

- (5) Requisition slips and identification cards to members of a cane growers' cooperative society shall be issue by the society.
- (6) In case of a dispute whether a particular system adopted for the purchase of cane growers in the reserved area is equitable or not the dispute may be referred to the Cane Commissioner, whose decision shall be final.

⁸⁸ Words 'Extra Assistant Commissioner' replaced by the words 'Deputy District Officer (Revenue)' vide Notification No.1356-2001/1183-CV dated 15.8.2001.

10. Declaration Of An Assigned Area And Purchases Of Cane In An Assigned Area.

- (1) An order of the Cane Commissioner declaring an area to be assigned for a factory or prescribing the quantities of cane to be purchased by its occupier in the assigned area, 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 ^{**}District Officer (Rev) at the District in which the area is situated, and at the such centres in assigned area as the Cane Commissioner may direct.
- (2) An appeal against the order of the Cane Commissioner under section 14 of the Act may be made to the Provincial Government within one month of the publication of such order at the office of the [@]DCO.
- (3) The occupier of a factory for which an area has been assigned shall by the 15th October, each year for any crushing season enter into agreement of Form 7, 8 or 9 of Appendix II, as the case may be, with cane growers, cooperative societies, or purchasing agents for the purpose in the assigned area of such quantity of cane as may be fixed by the Cane Commissioner.
- (4) If such an agreement is entered into with a purchasing agent, the latter shall enter into similar agreements in Form 10. Appendix II with cane growers or cane growers' cooperative societies in the assigned area in respect of all the cane which he has undertaken to supply to the occupier of the factory.
- (5) Purchase of cane from growers in the assigned area shall be spread in an equitable manner and shall be made only after the issue of requisition slips. The purchaser shall cause identification cards to be distributed to the cane growers of the assigned area who have entered into the agreement, and he will keep a record of the requisition slips and identification cards issued to cane growers.
- (6) The Cane Commissioner will lay down the system of purchase to be adopted by the occupier of a factory, or his employee, or the purchasing agents in the assigned area.

11. General Provisions Regarding Purchase Of Cane.

- (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 the grower for whom the requisition slip has been issued to be sold to a factory.

^{**} Word 'Collector' replaced with the words 'District Officer (Rev)' vide Notification No. SOF(Sugar)13(2)/98 dated 22.12.2001.

[@] Substituted by the words Deputy Commissioner under the provisions of Local Government Ordinance, 2001 (XIII of 2001).

- (2) No person shall accept or obtain or agree to accept or attempt to obtain, from any person for himself as gratification, or consideration, bonus, set-off, luck money, or any other such payment whatever other than legal remuneration, as a motive or reward for weighing or purchasing cane, or making payment, therefore, or for issuing requisition slips, or for showing or for bearing to show in connection with the 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 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.
- (4) The occupier 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 Board.
- (5) Except with the previous approval of the Cane Commission no occupier or purchasing agent shall purchase cane consigned to them by a cane-grower from the place where a purchasing centre has been or has been ordered to be established under sub rule (4).
- (6) An occupier or a purchasing agent who opens a purchasing centre shall send intimation thereof within 24 hours of 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 of a period of less than 14 days, the occupier or purchasing agent concerned shall, (i) affix a notice at the purchasing centre at the time of opening, showing the probable duration of the period during which the purchasing centre is to remain open and, (ii) send intimation of such duration at the same time to the Collector and to the Inspector within whose jurisdiction the purchasing centre is situated.
- (8) If a purchasing centre is opened with the intention of purchasing cane for a period of 14 days or more, or if it remains open for a period of 14 days or more, the occupier or purchasing agent shall, at least three days before he closes the purchasing centre, either permanently, or except, as provided in sub rule (9); temporarily:-
 - (i) affix a notice to that effect at the purchasing centre specifying clearly the date on which the centre is to be closed; and
 - (ii) 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 the machinery or other causes necessitating an abrupt but temporary suspensions of

operations, the occupier or purchasing agent concerned shall:

- (i) cause to be posted immediately at the purchasing centre concerned notices indicating the probable duration of the suspension;
 - (ii) cause the suspension of the purchase to be otherwise advertised as widely as possible;
 - (iii) send intimation thereof immediately to the Cane Commissioner and to the Inspector within whose jurisdiction the purchasing centre is situated; and
 - (iv) purchase all requisitioned cane brought within 12 hours of posting of notices under clause, (i) in such cases the Collector may at his discretion, and if he is satisfied that the closure was unavoidable, grant exemption from the three days period referred to in sub rule (8).
- (10) An occupier and a purchasing agent:
- (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 at that centre:
 - (ii) cause such lists to be nominated 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 Cane Commissioner, for making weighment, purchases or payments.
- (11) No person who is not authorised in accordance sub rule (10) shall make or supervise weighments purchases or payments at any purchasing centre on behalf of an occupier 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 least at one of the purchasing centres where purchases are made by him or on his behalf.
- (13) A purchasing agent shall purchase 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 or demand by the Inspector.

12. Licensing Of Purchasing Agents.

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

Note: If an applicant wishes to purchase in more than one district he shall apply for a licence to the Cane Commissioner and for endorsements thereon in accordance with sub rule (7).

- (2) Such application shall be duly attempted and accompanied by, (a) a treasury receipt showing that licence fee of Rs. 2000/- has been deposited in the Local Government Treasury (b) a nomination from the occupier of the factory concerned in Form 12, Appendix II, and (c) a declaration that the applicant does not hold a licence for any other district.
- (3) The applicant shall deposit with the factory for which he desires to act as a purchasing agent, as security a sum of rupees one thousand in case of Government securities of the face value of rupees one thousand or Post Office Cash Certificates of the present encashment value of rupees one thousand, or a bond of hypothecation of landed property worth rupees two thousand, and such security shall be maintained 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 Cane Commissioner may dispense with the deposit of security or permit the deposit of such smaller security as he thinks proper.** In such cases, the occupier shall execute a bond holding himself liable for any sums recoverable from the purchasing agent by way of fine under the Act, or under these rules, or otherwise, up to a limit of Rs. 1,000.

- (4) On receipt of application the Cane Commissioner may issue a licence in Form 13, Appendix II, if he is satisfied that the applicant :
 - (i) is not a minor, or a purdahnashin lady or an un-discharged insolvent, or a person of unsound mind,

* Substituted vide Notification No. SOF(Sugar)13-34/98 dated 10.08.1998.

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

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

- (5) A licence shall remain in force only till the 30th June, next following. It shall be renewed for the year following the said 30th June, and for each subsequent year, on application being made to that effect by the purchasing agent in writing to the Cane Commissioner for grant of 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 Cane Commissioner who issued it.
- (6) A licence will ordinarily permit purchases at only one purchasing centre, but the Cane Commissioner may at his discretion permit purchase to be made at not more than three purchasing centres. Separate security will not be necessary for the additional centres.
- (7) **A licence shall be valid only within the local limits of the district in which it has been granted.** If a purchasing agent desires to purchase cane in a district other than that covered by the licence, an application to that effect shall be made to the Cane Commissioner for an endorsement on the licence making it available for such district. Unless there are valid reasons to the contrary such endorsement shall be made and no extra payment shall be made therefore.
- (8) **A licence shall be valid for making purchases on behalf of only 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 Cane Commissioner is satisfied that the issue of another licence will not contravene the provision of sub rule 7, and (ii) the consent in writing of the occupiers of all factories on whose behalf he already holds licences is produced before the Cane Commissioner.
- (9) A licence of a purchasing agent shall be cancelled by the Cane Commissioner who issued the licence if (i) he receives an application to that effect from the occupier of the factory concerned or (ii) the purchasing agent is adjudged insolvent or becomes of unsound mind.
- (10) A licence of a purchasing agent may be cancelled, or an entry of warning made

thereon by the Cane Commissioner who issued the licence. An endorsement on a licence of a purchasing agent may be cancelled or an entry of warning made on the licence, by Cane Commissioner who endorses the licence; in such cases, such Cane Commissioner shall sent intimation of the orders passes by him to the Cane Commissioner who granted the licence for such action as he may deem fit. No order for the cancellation of a licence, or of an endorsement thereon, or for the making of an entry of warning 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 of the factory concerned. Pending inquiry under this rule, the Cane Commissioner 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 of the factory.

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

13. *Manual Price And Seighmen.*

- (1) An occupier or a purchasing agent or any person employed by them shall not purchase cane for a factory or pay for it at a price below the minimum price fixed under these rules in accordance with section 16 of the Act.
- (2) The occupier of a **factory or purchasing agent shall not make any deduction** from the amount due for cane sold to him by a Cane Grower or a Cane growers' Cooperative Society except such deduction as may be prescribed or as the Provincial Government may, by notification, from time to time allow.
- (3) The minimum price payable for cane shall be fixed per standard 40 kgs. or as may be notified by Government from time to time.
- (4) All transactions in connection with the purchase and supply of cane shall be made according to 40 kgs. or as may be notified by Government from time to time, and it shall not be lawful to use any other weight in relation to any such transaction.
- (5) No cane shall be purchased without actual weighment.
- (6) The net weight of cane shall be correctly recorded to the nearest of five kgs.

* Substituted vide Notification No. SOF(sugar)8(2)/81 dated 30.10.1984.

- (7) The occupier of a factory or a purchasing agent shall permit a representative of a Cane Growers' Cooperative Society, or any other person duly authorised by the Cane Commissioner for the purpose to watch or check weighments and examine the parchies in which weights are recorded.
- (8) No scales or weights shall be used, kept or possessed for the weighment of cane by, or on behalf of, an occupier or a purchasing agent;
- (i) which are incorrect, provided that a weighbridge shall not be deemed to be incorrect which weighs correct to within two per cent of the correct weight of a consignment actually being weighed, and cannot be adjusted more accurately, or
 - (ii) the scale arms of which are not clearly marked on both sides whenever possible and are either not accessible to the vendors of cane and their authorised agents, or are not legible to persons standing near the carts which are being weighed.
 - (iii) which have been disapproved by an inspector, provided that the Inspector shall, not disapprove any scales or weights which comply with the rule unless after due warning a weighbridge is not adjusted and unless it is persistently found to be incorrect.
- (9) All weights, used, kept or possessed for the purchase of cane shall be made of iron, brass or other suitable metal, and be clearly stamped or marked to indicate the denomination.
- (10) That part of the mechanism of a weighbridge by which its adjustment is controlled shall, wherever possible, be kept suitably sealed or locked.
- (11) All scale and weights used, kept or possessed for the purchase of cane shall be opened to inspection, exhibition 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.
- (12) An occupier or purchasing agent shall cause all weighbridges or scales used, kept, or possessed by him for the purchase of cane to be tested at least twice a week, and maintain a record of such tests which shall on demand be shown to the Inspector.
- (13) At every purchasing centre adequate facilities for weighing and at heavier purchasing centres at the main gates of each factory weighbridges with ticket printing device, shall be provided to the satisfaction of the Cane Commissioner, by the occupier, carts and lorries shall not be kept waiting unduly for weighment.

Explanation A car or lorry 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.

(14) An occupier shall:

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

(15) Weighments of the cane shall not be made more than half an hour before sunset, unless lighting arrangements approved by the Cane Commissioner 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.

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

Provided that where cane is brought in bundles and weighed in bundles a deduction not exceeding [@] 1 (one) kg. for every 160 kgs. of cane may be made on account of the weight of the binding material.

14. Payments.

- (1) The occupier or purchasing agent shall provide adequate facilities to the satisfaction of the Cane Commissioner for the payment of the price of cane.
- (2) The occupier or purchasing agent shall make all payments for cane at the purchasing centre within fifteen days of the delivery of cane.

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 a week of the closing of the centre, payments to them should thereafter be made at the factory within 24 hours of demand.

[™] Substituted vide Notification No. SOF(sugar)8 (2)/81 dated 30.10.1984.

^{*} Substituted vide Notification No. SOF(sugar)8 (2)/81 dated 30.10.1984.

- (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 growers (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 payments.

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

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

Provided that notice or complaint of non-payment is given, or made in writing, to the occupier of the factory concerned, within three months of the date on 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 payment for cane.

- (7) When transport is provided by the occupier of the factory he may deduct the cost of transport according to the rate fixed by the Cane Commissioner.
- (i) Deduction may be made, if cane is definitely below the average of standard cane for the area on account of delay in transport or natural causes, e.g., serious water logging, intensive insect attack, disease, or severe frost. The Cane Commissioner will issue general instructions for the guidance of the occupiers in regard to the extent to which such deductions are to be made and in cases of dispute the decision of the Cane Commissioner will be final.
- (8) The Provincial Government, if satisfied that in any local area substantial quantity of cane will remain standing and unsold on the 1st June, and is not likely to be purchased at the prescribed minimum price, may by notification in the 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.
- (9) If any loan has been advanced by an occupier or a purchasing agent for meeting the expenses of cultivation to the persons from whom cane has been

purchased, the amount of such loan, together with simple interest thereon at a rate not exceeding 10 percent per annum for the period the loan has been outstanding may, subject to the terms of the agreements between the lender and the borrower, be deducted from the amount paid for the cane:

Provided that the amount of the loan is 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 purchasing of cane.

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

- “(10) The occupier or purchasing agent shall be liable to pay interest at the rate of eleven percent per annum or unpaid balance of payment for cane, from the date of delivery of the cane, in case where such payment is not cleared within fifteen days of its delivery.

15. *Notices.*

- (1) An occupier or a purchasing agent shall cause to be put 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) note 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 weightment 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 of the District or the Inspector may direct.
- (3) Entries of such notices shall be made legibly in Urdu, ^{@@}Pushto and English scripts, and shall be on one side of the paper only.

* Substituted vide Notification No. SOF (sugar)8(2)/81 dated 30.10.1984.

** Added vide Notification No. SOF(Sugar)8(2)81-Vol-I dated 6.2.1985.

*** Word 'Pushto' deleted vide Notification No. SOF(sugar)8(2)/81 dated 30.10.1984.

16. *Register And Records.*

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

The entries under items (c) and (f) shall be made and announced in the presence of the person who actually delivers the cane while cart lorry or wagon is still standing on the weighbridge, and in the case of weighment on beam scales, immediately on completion of the weighment.

Entries as regards items (a) to (c) shall be made as soon as weighment takes place and entries items (f) to (j) as soon as empty cart is weighted.

- (2) the purcha referred to in sub rule (1) shall be handed over in duplicate to the person from whom cane is purchased, or to his authorised agent, before he leaves the purchasing centre. The triplicate copy of the 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).
- (4) An occupier 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 parcha
 - (c) the name of the person from whom the cane is purchased, with his

parentage, caste and full address, together with similar particulars about the person, if any, authorised by the vendor to deliver the cane on his behalf.

- (d) the number of the requisition slip or purzi assigned to the vendor, if any,
- (e) the weight of the cane including the weight of the lorry or cart or wagon, as the case may be
- (f) the weight of the binding material to be deducted,
- (g) deduction on the account of bad cane,
- (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,
- (l) the amount of interest up to the date recovery of the same,
- (M) the amount deducted on account of the Development Fund,
- (n) the amount actually paid on account of the cane purchased, and
- (o) the date of payment.

Provided that where no loans are advanced the columns giving the particulars 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) An occupier and purchasing agent shall maintain, or cause to be maintained, at each purchasing centre an inspection book in which inspectors may record their remarks and instructions.
- (7) The registers and records maintained, and copies of counterfoils or purchas issued, including the copies or counterfoils of the parchas containing the receipts of the payees, shall be kept at the purchasing centre until it is finally closed for the year. They shall be opened to inspection and 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, record, parchas etc., referred to in sub rule (7), shall be preserved **by the occupier concerned for two years from the date of last transaction entered thereon.**
- (9) The Cane Commissioner may sanction the use of such other registers, records and forms in place of those specified in sub rule (1), (3) and (4) as in his opinion substantially fulfil the object of those sub rules.
- (10) The occupier of a factory shall submit correct returns relating to the production and sale of sugar and purchase of cane in such form, by such date to such authority as may be directed by the Cane Commissioner.

17. Arbitration.

- (1) Any dispute touching an agreement referred to in these rules shall be referred to the Cane Commissioner for decision, or if he so directs to arbitration. No suit shall lie in a civil or revenue court in respect of any such dispute.
- (2) If the Cane Commissioner directs the reference of 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 the Board of Arbitration, consisting of one representative of each party and an umpire acceptable to both representatives. If the representatives of the parties are unable to elect such an umpire within a fortnight, the Cane Commissioner shall either himself act as Umpire or nominate one. The Umpire shall be the President of the Board of Arbitration, and shall have a vote in case of disagreement between the representatives.
- (3) The sole arbitrator 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 of the Board of Arbitration shall give an award within the time fixed by the Cane Commissioner failing which the Cane Commissioner may decide the dispute himself or appoint another arbitrator or arbitrators for the purpose.
- (6) Any party considering himself aggrieved by an award may appeal to the Provincial Government within one month of the date of communication of the award and Government shall pass such orders as they deem fit.
- (7) The Provincial Government's order in appeal shall be final.
- (8) On application to the Civil Court having jurisdiction over the subject matter of the decision or award, the decision of the Cane Commissioner, or the award of the arbitrator or arbitrators or the Provincial Government's order in appeal

against an award, shall be enforced by all court as if such decision, award, or orders in appeal were a decree of that court.

18. Penalties.

- (1) Any person contravening any of the provisions of these rules for which no penalty has been provided in the Act, or not obeying a lawful order or direction conveyed to him in writing by the Cane Commissioner if he is authorised by the Provincial Government to pass or issue such order, shall be punishable with fine which may extent to [@]Rs. 10,000.

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

- (2) Where an occupier or a purchasing agent is charged with an offence under 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 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 the purchasing agent as the case may be and the occupier shall be discharged from all liability in respect thereof under these rules.
- (3) When it is made to appear to the satisfaction of the Inspector at any time prior to the initiation of a prosecution;
- (a) that an occupier or a purchasing agent has used all due diligence to enforce the execution of these rules, and
 - (b) that the offence has been committed without the knowledge, consent or connivance of the occupier or the purchasing agent, or in contravention of his orders, as the case may be, the Inspector shall proceed against the person whom he believes to be the actual offender

[@] Substituted vide Notification No. SOF(sugar)8(2)/81-Vol-I dated 6.02.1985.

without first proceeding against the occupier or the purchasing agent and such person shall, if found guilty, be liable to get the punishment to which the occupier or the purchasing agent would otherwise have been liable.

** (4), (5) and (6)

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

19. *Protection To Person Acting Under These Rules.*

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

20. *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 provision of the rules, framed under the Act.

21. *Interpretation Of Rules.*

All matters connected with the interpretation of these rules shall be referred to the Cane Commissioner whose decision shall be final.

**The existing sub rules (4), (5) and (6) of Rule 18 have been deleted vide Notification No. SOF(Sugar)8(2)/81-Vol-I dated 6.2.1985.

APPENDIX I

RULES OF PROCEDURE AT MEETINGS OF CANE 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 four 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 Chairman 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 meeting a notice of a business to be brought forward at the meeting.
4. No business other than contained in the agenda sent to the 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 adjourned meeting.
9. In any case not provided by these rules the procedure shall be in accordance with the ruling of the Chairman.

APPENDIX II
FORM I
GOVERNMENT OF ** PUNJAB

No..... Dated

This is to certify that

Occupier of

Factory situated at

is hereby authorized to crush in the said factory, subject to the terms and conditions hereinafter mentioned, and to the provisions of the **Punjab Sugar Factories Control Act, 1950, and the rules made thereunder.

1. The minimum quantity of cane shall be purchased for being crushed at the said factory during the crushing season _____ shall be _____
@kilograms/quintals.

Provided that this condition may be relaxed by the provincial government if they are satisfied that the failure to purchase the specified 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.

2. 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.
3. Sugar produced in the said factory shall be graded, marked, packed or stored for the sale in such manner, if any, as may be notified by the Governor in this behalf.

CANE COMMISSIONER
PUNJAB

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

** Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

RENEWALS

No.....Dated.....

This licence is hereby renewed with effect from
..... for a period of

CANE COMMISSIONER,
PUNJAB

APPENDIX II
FORM 2
FOR NOTICE UNDER SECTION 8 (RULE 5)

I/We..... son of

Being/ Occupier of

Situated in

Thana.....

District.....

Do hereby give notice that.....

I/We intend to start crushing on.....

Signature of the occupier of the factory

APPENDIX II

FORM 3

REQUIRED BY A FACTORY UNDER, RULE 6(1)

FORM OF ESTIMATE OF QUANTITY OF CANE

To be submitted to the Cane Commissioner, *Punjab.

1. Name of the factory
2. Average daily crushing capacity
3. Total quantity of cane crushed during each of the preceding 3 crushing seasons.
4. Quantity of cane required by the factory for crushing during the season 20__.

Signature of the Applicant
empowered to sign on behalf of a factory

Dated.....

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

FORM 4

FORM OF SURVEY OF SUGAR CANE

RULE 8(1)

Name of Village, Tehsil and District.....

Serial No.	Name of cane grower with fathers name and caste	Khasra Nos. of p lots under cane in his cultivation	Area under cane		Remarks
			Ratoon	Plant	
1	2	3	4	5	6

APPENDIX II

FORM 5

FORM OF GROWERS REGISTER TO BE MAINTAINED BY A FACTORY UNDER RULE 8(3)

Name of Village, Tehsil and District.....

Serial No.	Name of cane grower with fathers name and caste	Khasra Nos. of plots under cane in his cultivation	Area Under Cane		Remarks
			Ratoon	Plant	
1	2	3	4	5	6

APPENDIX II

FORM 6

***FORM OF APPLICATION BY A CANE GROWER OR A CANE
GROWERS' CO-OPERATIVE SOCIETY IN A RESERVED AREA FOR
SUPPLY OF CANE TO A FACTORY UNDER RULE 9 (2)***

1. (a) Name of applicant with father's name
(b) the Cane Growers' Co-operative Society
2. Village, Tehsil and District
3. Name of factory concerned
4. Total area of land in his cultivation fit for growing sugarcane
(for individual only).
5. The total area of land in his cultivation under cane
in _____ 20__
6. Total area of land in his cultivation proposed to be put under cane in _____ 20__
7. Estimated yield.
8. Quantity of cane estimated for sale

Signature of the Cane Growers
or authorised representative of Cane Growers'
Co-operative Society

APPENDIX II

FORM 7

AGREEMENT FORM UNDER RULE 9 (3) BETWEEN CANE GROWERS AND OCCUPIER OF A FACTORY

I _____ son of _____ caste _____ a
cane grower of village _____ tehsil _____ District _____
_____ hereinafter to be referred to as the first party and _____ the
occupier of _____ factory hereinafter to be referred to as the 2nd 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 20_____
20_____ his sugarcane crop standing on _____ hectares as per
details given in the enclosed statement with an approximate yield
of _____ kgs/quintals to the 2nd party at the minimum price notified
by the 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 of the factory in
conformity with this agreement and the instructions issued by the Cane
Commissioner.
2. The cane shall be taken by the 2nd party in instalments equitably spread over
the whole working period of the factory.
3. In the event of wilful failures 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 the rate not exceeding *one paisa per six kgs, on
such deficit.
4. In case the first party wilfully fails to supply cane to the 2nd party on three
consecutive occasions according to the requisition made by 2nd party, the first
party shall cease to have a claim to sell cane to the 2nd party.

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

5. In the event of the 2nd party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accordance with this agreement, the 2nd party shall be liable to pay to the first party the actual price of the quantity of such cane which it fails to purchase. In the event of the 2nd party otherwise wilfully failing to purchase cane in accordance with this agreement, it shall be liable to pay the first party compensation at a rate not exceeding ^{###} one paisa per six kgs, for such quantity of cane as the 2nd party fails to buy, provided that for any deficiency in the purchase in the instalments fixed for the period after 1st April, the 2nd party shall be liable to pay compensation to the first party at a rate not exceeding [@] two paisas per six kgs.
6. 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 2nd party will not be able to purchase the cane it has agreed to purchase, the 1st party after giving a week's notice to the 2nd party and with previous permission of the Cane Commissioner, shall have 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 conditions of the cane, the place of delivery, the instalments and other matters pertaining to the 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 cane grower
(or his thumb impression)

Signature of the occupier or his authorised
Representative in token of his accepting
the above contract.

^{##} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

[@] Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

STATEMENT SHOWING DETAILS OF THE CANE TO BE SUPPLIED

Dated _____

Village	AREA UNDER SUGARCANE IMPROVED		Approximate yield in * kg/quintal.
	Ratoon	Plant	
1	2	3	4

*Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

FORM 8

AGREEMENT FORM UNDER RULE 9, BETWEEN A CANE GROWERS COOPERATIVE SOCIETY AND THE OCCUPIER OF A FACTORY

We _____ the Cane Growers' Cooperative Society of District _____ acting through its authorised representatives hereinafter to be referred to as the first party, and 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 20 _____ 20 _____ the sugarcane crop of the members of the society standing on _____ hectares as per details given in the enclosed statement with an approximate yield of _____ kg/quintals to the 2nd party at the minimum price notified by the Government, subject to such deductions, if any, as may be notified by the government from time to time provided that price payable by the second party to the first party shall not in any case be lower than that paid generally by the second to other growers of the village in which cooperative societies operate from _____. 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 of the factory in conformity with this agreement and the instructions issued by the Cane Commissioner.
2. The cane shall be taken by the 2nd party in instalments equitably spread over the whole working period of the factory.
3. In the event of wilful failures 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 the rate ^{*} not exceeding one paisa per six kgs, on such deficit.
4. In case the first party wilfully fails to supply cane to the 2nd party on three consecutive occasions according to the requisition made by 2nd party, the first party shall cease to have a claim to sell cane to the 2nd party.

^{*} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

^{**} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

5. The 2nd party shall ordinarily send its requisition for cane to the 1st party at least four days before the cane is required and will not make changes within this period without sufficient reason.
6. In the event of the 2nd party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accordance with this agreement, the 2nd party shall be liable to pay to the first party the actual price of the quantity of such cane which it fails to purchase. In the event of the 2nd party otherwise wilfully failing to purchase cane in accordance with this agreement it shall be liable to pay the first party compensation at a rate ** not exceeding one paisa per six kgs, for such quantity of cane as the 2nd party fails to buy provided that for any deficiency in the purchase in the instalments fixed for the period after 1st April, the 2nd party shall be liable to pay compensation to the first party at a rate ** not exceeding two paises per six kgs.
7. 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 2nd party will not be able to purchase the cane it has agreed to purchase, the 1st party after giving a week's notice to the 2nd party and with previous permission of the Cane Commissioner, shall have 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.
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 the 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 authorised
representatives of the Cane Growers
Cooperative Society Ltd.

Signature of the occupier or his authorised
representative in token of his accepting
the above contract.

DETAILS OF THE CANE TO BE SUPPLIED

Dated _____

Village	AREA UNDER SUGARCANE		kg/quintal. in	Remarks
	Ratoon	Plant		
1	2	3	4	5

*Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

FORM 9

AGREEMENT FORM BETWEEN THE OCCUPIER OF A FACTORY AND A PURCHASING AGENT UNDER RULE 10 (3)

I _____ son of _____ caste _____ resident
of _____ occupation _____ hereinafter to be referred to as the 1st party, and
occupier of the _____ factory hereinafter to be referred to as the 2nd 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 20____ 20____
kgs/quintals of sugarcane from purchasing centres to the 2nd party at the
minimum price notified by the 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 of the factory in
conformity with this agreement and the instructions issued by the Cane
Commissioner.
2. The cane shall be taken by the 2nd party in instalments equitably spread over the
whole working period of the factory.
3. The 2nd party shall pay to the 1st party commission at _____ # per kg, on the
amount of cane supplied.
4. In the event of wilful failure to supply at least 85 per cent of the estimated yield
of cane from the area the 1st party shall be liable to pay to the second party
compensation at the rate not exceeding *one paisa per six kgs, on such deficit.
5. In case the first party wilfully fails to supply cane to the 2nd party for a fortnight
according to the requisition made by the 2nd party, the first party shall cease to
have a claim to sell cane to the 2nd party and the 2nd party shall be entitled to
claim compensation.
6. 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 2nd party will not be able to purchase the cane it has agreed to purchase,
the 1st party after giving a week's notice to the 2nd party and with 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.

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

7. The 2nd party shall ordinarily send its requisition for cane to the 1st party once a week and will not make changes within this period without sufficient reason.
8. In the event of the 2nd party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accordance with this agreement, the 2nd party shall be liable to pay to the first party the actual price of the quantity of such cane which it fails to purchase. In the event of the 2nd party otherwise wilfully failing to purchase cane in accordance with this agreement it shall be liable to pay the first party compensation at a rate not exceeding ^{*}one paisa per six kgs, for such quantity of cane as the 2nd party fails to buy, provided that for any deficiency in the purchase in the instalments fixed for the period after 1st April, the 2nd party shall be liable to pay compensation to the first party at a rate not exceeding ⁶⁶two paisas per six kgs.
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 the 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 purchasing agent

Signature of the occupier or his authorised
representative in token of his accepting
the above contract.

Date: _____

^{*} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

⁶⁶ Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

Village	AREA UNDER SUGARCANE		Approximate yield in kg/quintal	Remarks
	Ratoon	Improved Planted		
1	2	3	4	5

* Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

FORM 10

AGREEMENT FORM UNDER RULE 10 (4) BETWEEN A CANE GROWER AND A PURCHASING AGENT

I _____ son of _____ caste _____ a cane grower of village _____ tehsil _____ District _____ hereinafter to be referred to as the first party, and _____ the occupier of _____ factory hereinafter to be referred to as the 1st party, and _____ son of _____ the purchasing agent of _____ factory hereinafter to be referred to as 2nd 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 20____2____0 _____ his sugarcane standing on _____^{*}hectors as detailed below with an approximate yield of _____^{**}kgs/quintals to the 2nd party at the minimum price notified by the 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 of the factory, in conformity with this agreement and the instructions issued by the Cane Commissioner.
2. The cane shall be taken by the 2nd 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 the rate not exceeding [@]one paisa per six kgs, on such deficit
4. In case the first party wilfully fails to supply cane to the 2nd party for a fortnight according to the requisition made by the 2nd party, the first party shall cease to have a claim to sell cane to the 2nd party.

^{*} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

^{**} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

[@] Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

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 2nd party will not be able to purchase the cane it has agreed to purchase, the 1st party, after giving a week's notice to the 2nd party, and with 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 2nd party shall ordinarily send its requisition for cane to the 1st party once a week and will not make changes within this period without sufficient reason.
7. In the event of the 2nd party wilfully failing to take delivery of the cane, which the first party is ready to deliver in accordance with this agreement, the 2nd party shall be liable to pay to the first party the actual price of the quantity of such cane which it fails to purchase. In the event of the 2nd party otherwise wilfully failing to purchase cane in accordance with this agreement, it shall be liable to pay the first party compensation at a rate [#] not exceeding one paisa per six kgs, for such quantity of cane as the 2nd party fails to buy, provided that for any deficiency in the purchase in the instalments fixed for the period after 1st April, the 2nd party shall be liable to pay compensation to the first party at a rate [#] not exceeding two paisas per six kgs.
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 the thumb
impression of the Grower

Signature of the Purchasing Agent.

Dated _____

^{*} Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

Village	AREA UNDER SUGARCANE Improved		Approximate yield in kg/quintal	Remarks
	Ratoon	Plant		
1	2	3	4	5

Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

Form 11

FORM OF APPLICATION FOR A LICENCE TO ACT AS A PURCHASING AGENT

RULE 12 (1)

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 ^(a)Punjab Sugar Factories Control Act, 1950, 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 Cane Commissioner to realise, 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 Punjab Sugar Factories Control Act, 1950, 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 realisation of such dues or penalty.

Sd/-

Purchasing Agent

Dated: _____

" " Substituted vide Notification No. SOF(Sugar)8(2)/81 dated 30.10.1984.

APPENDIX II

Form 12

NOMINATION TO BE MADE BY THE OCCUPIER OF A FACTORY UNDER RULE 12 (2)

I _____ being the occupier of the _____ factory hereby nominate _____ son of _____ for the purchase and supply of the 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, to be the best of my knowledge, is a suitable person for the grant of such a licence.

Sd/-

Occupier of Factory

Dated: _____

APPENDIX II

Form 13

FORM OF LICENCE FOR A PURCHASING AGENT

UNDER RULE 12 (4)

This is to certify that _____ son of _____ a n d resident of the _____ is authorised 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 Punjab Sugar Factory Control Act, 1950, 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 1 below
2. The licence shall be valid only in the district of _____ unless endorsed for any other district in accordance with statement 2 below
3. The licensee shall comply with the provisions of the Act and the rules made thereunder and the terms and conditions of the licence.
4. The licensee shall obey all lawful directions which may be issued to him by an Inspector authorised to issue such directions.
5. The licensee shall not purchase at more than _____ p u r c h a s i n g centre.
6. The licence and the endorsement thereon in statement 2 below shall be liable to be suspended or cancelled by the Cane Commissioner 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 Cane Commissioner who issued it on the expiry of the term thereof, or in the event of the licence being suspended or cancelled by the Cane Commissioner on such suspension or cancellation.

STATEMENT 1
Renewal of Licence

Date of issue or renewal	Date up to which licence is valid	Signature of Cane Commissioner
1	2	3

APPENDIX II
Form 14
STATEMENT 2
ENDORSEMENT OF LICENCE

I hereby endorse this licence to be valid to the district mentioned below for the period for which the licence has been issued or is renewed.

Name of District

Signature of Cane Commissioner



GOVERNMENT OF THE PUNJAB

**THE PUNJAB FINANCE ACT,
1964**

(W.P. Act XXXIV of 1964)

(As amended upto 30th April, 2009)

Compiled & Updated
By
Shahid Hussain Ch.
Cane Commissioner Punjab



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THE [PUNJAB] FINANCE ACT, 1964

(W.P. Act XXXIV of 1964)

[29 June 1964]

*An Act to continue, levy and abolish certain taxes
and duties in [the Punjab]*

No. PAWP/Legis-(85)/64/183. The West Pakistan Finance Bill, 1964, having been passed by the Provincial Assembly of West Pakistan on the 29th day of June, 1964 and assented to by the Governor of West Pakistan on the 28th day of June 1964, is hereby published as an Act of the Provincial Legislature of West Pakistan:-

WHEREAS it is expedient to continue, levy and abolish certain taxes and duties in the province of [the Punjab];

It is hereby enacted as follows:-

1. **Short title, commencement and extent.**

- (1) This Act may be called the [Punjab] Finance Act, 1964.
- (2) It shall come into force on and from the first day of July, 1964.
- (3) It shall extend, unless otherwise specified hereinafter, to the whole of [the Punjab], except the Tribal Areas.

¹For statement of objects and reasons, see Gazette of West Pakistan (Extraordinary), dated 6th June, 1964, pages 1925-A to 1925-M.

This Act was passed by West Pakistan Assembly on 27th June, 1964; assented to by the Governor of West Pakistan on 28th June, 1964; and published in the West Pakistan Gazette (Extraordinary), dated 29th June, 1964, page 2175-85.

²Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. I. of 1974), for "West Pakistan".

³*Ibid.*

⁴*Ibid.*

⁵*Ibid.*

2. **Definitions.** In this Act, unless there is anything repugnant in the subject or context
- (a) "agricultural year" means the agricultural year as defined in the Punjab Land Revenue Act, 1887 (XVII of 1887);
 - (b) "Government" means the Government of [Punjab];
 - (c) "prescribed" means prescribed by rules made under this Act;
 - (d) "revenue year" means the revenue year as defined in the Sind Land Revenue Code, 1879 (Sind Act V of 1879).
3. [Surcharge on land revenue in certain districts] Deleted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1 of 1974).
4. **Surcharge on agricultural income-tax in certain districts.**
- (1) There shall be levied and collected from every owner of land which is assessed to agricultural income-tax in the districts of [* * *], Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur, Mianwali, Montgomery, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhupura and Sialkot, on the land revenue payable in the agricultural year, 1963-64, an additional amount of agricultural income-tax by way of surcharge at the rates specified in the Second Schedule.

¹ Ibid.

Substituted for the words "West Pakistan" by the Punjab Finance (Amendment) Ordinance, 2001 (LIII of 2001), which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

The words "Bannu, Dera Ismail Khan, Hazara, Mardan, Kohat, Peshawar," deleted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1. of 1974).

Now 'Attock'.

Now bifurcated into 'Lahore and Kasur districts'.

Now 'Faisalabad'.

Now 'Sahiwal'.

Now bifurcated into 'Multan and Vehari districts'.

- (2) The provisions of [* * *] the Punjab Agricultural Income-tax Act, 1951 (XVI of 1951) shall, so far as may be, apply to the assessment, collection and recovery of the surcharge imposed under this section.
5. **Tax on cinemas.** There shall be levied and collected a tax on cinemas payable by the owner or management thereof at the following rates for the financial year, 1964-65:-
- (i) In the case of a cinema classed as a first class cinema. One
Thousand rupees.
 - (ii) In the case of a cinema classed as a second class cinema. Five
hundred rupees.
 - (iii) In the case of a cinema classed as a third class cinema. One
hundred rupees.
6. **Tax on motor vehicles.** There shall be levied and collected in any area in which a tax is imposed on motor vehicles by or under any enactment, a surcharge on such tax at the following rates for the financial year, 1964-65:-
- (i) Motor vehicles used for the transport or carriage
of goods and materials. Twenty-five rupees.
 - (ii) Motor vehicles plying for hire and licensed to
carry more than eight persons. Fifty rupees.
7. **Tax on railway fares and freights.** Until the 30th day of June, 1965, there shall be levied and paid on railway fares and freights a tax according to the scale set out in Third and Fourth Schedules.
8. [*Toll on vessels plying inland waters*]. Deleted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1 of 1974).
9. [*Toll on fares and freights on inland traffic by vessels*]. Deleted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1 of 1974).
10. [*Primary Education Surcharge*]. Deleted by the Punjab Finance Act, 1965 (I of 1965).
11. [*Tax on trades, professions, callings and employment*]. Deleted by the Punjab Finance Act, 1977 (XV of 1977).

¹The words "North West Frontier Province Agricultural Income-Tax Act, 1948 (N.W.F.P. Act XVII of 1948) and," deleted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1. of 1974).

12. **Sugarcane development cess.** (1) With effect from the first day of July, 1964, there shall be levied a cess, called the Sugarcane (Development) Cess, on sugarcane crushed by the sugar mills, at the rate of [fifty-six paise per hundred kilogram or part thereof] of sugarcane.
- (2) The incidence of the cess shall be shared equally by the sugar mills and the person selling the sugarcane to the mill:
Provided that in the case of sugarcane obtained from the sugar mills' own farm, the cess, at the rate of [fifty-six paise per hundred kilogram or part thereof] be paid by the mill.
- [(2-A) Notwithstanding anything to the contrary contained in sub-sections (1) and (2), the rate of cess mentioned therein shall, for the financial year, 1983-84, be 3.5 per cent and, for the financial year, 1984-85 and onwards, be 5 per cent of the sugarcane price rounded to the nearest paise.]
- (3) The cess payable under this section shall be collected and paid to Government by the sugar mill in such manner as may be prescribed.
- [(4) The proceeds of the cess shall be utilised for
- (i) maintenance and development of roads, bridges and plant protection services in the sugarcane growing areas in the Punjab, as notified by the Government; and
- (ii) research and development of sugarcane in the province.]

¹Substituted by the Punjab Finance (Amendment) Ordinance, 1978 (XI of 1978), for "twelve paise per maund".

²*Ibid.*

³Added by the Punjab Finance (Amendment) Ordinance, 1983 (XX of 1983).

⁴Substituted first by the Punjab Finance Act, 1968 (III of 1968), and then by the Punjab Finance (Amendment) Ordinance, 2001 (LIII of 2001), which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

[(5) Government may by an order, notified in the official Gazette, exempt any sugar mill or all sugar mills in any specified area from the payment of the whole or any part of the cess under this section.]

13. **Electricity Duty.** (1) From the first day of July, 1964, there shall be levied and paid to Government, on the units of energy consumed for the purposes specified in the first column of the Fifth Schedule, excluding losses of energy in transmission and transformation, a duty (hereinafter referred to as 'Electricity Duty') at the rates specified in the second column of that Schedule:

Provided that Electricity Duty shall not be leviable on the energy consumed by, or in respect of the consumers enumerated in the Sixth Schedule, except to the extent specified therein:

Provided further that for reasons to be recorded, Government may, by notification in the official Gazette, exempt any other consumer or class of consumers from the operation of this section.

Explanation In this section, unless there is anything repugnant in the subject or context

- (a) "consumer" means any person other than a distributing licensee, who is supplied with energy by a licensee;
- (b) "energy" means electrical energy when generated, transmitted, supplied or used for any purpose except the transmission of a message;

¹ Added by the Punjab Finance Act, 1967 (IV of 1967).

- [(c) "licensee" means a person licensed under section 15 or 20 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) to engage in the generation and sale of energy to a consumer and includes any person generating the electric power from a generator having the capacity of more than five hundred [kilo volt ampere] for self use.]
- (2) Every licensee shall collect and pay to the Government, the Electricity Duty payable under this section in such manner as may be prescribed. The duty so payable shall be a first charge on amount recoverable by the licensee for the energy supplied by him and shall be a debt due by him to the Government:
- Provided that
- (i) the licensee shall not be liable to pay the duty in respect of any energy supplied by him for which he has been unable to recover his dues;
- (ii) the licensee shall be entitled, for his cost of collection of the duty, to a rebate of such percentage, as may be determined by the Government, on the amount of the duty collected and paid by him under this subsection.
- (3) Where any person fails or neglects to pay the amount of Electricity Duty due from him, the licensee may, without prejudice to the right of Government to

¹Substituted by the Punjab Finance Ordinance, 2001 (VI of 2001 which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

²Substituted for the word "kilowatt" by the Punjab Finance (Amendment) Ordinance, 2002 (LXXIV of 2002), which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. I. of 1974), for "West Pakistan".

Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. I. of 1974), for "West Pakistan".

recover the amount under section 3 of the [Punjab] Government Dues Recovery Ordinance, 1962 (West Pakistan Ordinance XXII of 1962), discontinue to supply energy to him and for this purpose, exercise the power conferred on a licensee by sub-section (1) of section 24 of the Electricity Act, 1910 for recovery of any charge or sum due in respect of energy supplied by the licensee.

- (4) In the case of energy other than that supplied by a licensee, the person generating the energy shall pay to the Government the Electricity Duty payable under this section in respect of the energy consumed, in such manner as may be prescribed.

14. **Penalty.** If the person who is responsible for the payment of the toll or tax under section 5, 8 or 11 or for the collection and payment of a toll or tax under section 9, 10, 12 or 13 fails to pay the tax or to collect and pay the tax, as the case may be, shall be liable to pay a penalty not exceeding the amount of the toll, or tax payable.
15. **Application of existing laws.** Where any tax or surcharge imposed by this Act is by way of an addition to or a surcharge on any existing tax imposed by or under an enactment, the procedure provided in such enactment for the assessment, collection and recovery of such tax, shall, so far as applicable apply to the assessment, collection and recovery of the additional tax or surcharge.
16. **Power to amend or vary an Act.** Government may, by notification make such omission from, additions to, adaptations and modifications of any [Punjab] Act as may be necessary for the purpose of the levy and collection of any tax imposed by this Act.
17. **Power to make rules.** (1) Government may make rules regarding
- (i) classification of cinemas for the purposes of section 5;

¹Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1. of 1974), for "West Pakistan".

²Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1. of 1974), for "West Pakistan".

- (ii) the exemption from or remission of the whole or any portion of the tax under section 11;
 - (iii) the procedure for the collection and payment of any tax or toll levied under this Act;
 - (iv) any other matter incidental thereto.
- (2) Any rules made or deemed to have been made under the corresponding provisions of the West Pakistan Finance Act, 1963 (West Pakistan Act No.IX of 1963), shall, so far as may be, continued and be deemed to have been made under this Act.

FIRST SCHEDULE

(See SECTION 3)

Surcharge

Where the land revenue and water rate for

irrigation does not exceed Rs. 1,999.

Nil.

Where the total land revenue and water rate

for irrigation exceeds Rs. 1,999.

1½ per cent of
such total.

SECOND SCHEDULE

(See SECTION 4)

Where the total land revenue payable does not exceed Rs. 349.

Nil

Where the total land revenue payable exceeds Rs. 349
but does not exceed Rs. 499.

Rupees twelve.

Where the total land revenue payable exceeds Rs. 499
but does not exceed Rs. 749.

Rupees twenty-four.

Where the total land revenue payable exceeds Rs. 749
but does not exceed Rs. 999.

Rupees fifty.

Where the total land revenue payable exceeds Rs. 999
but does not exceed Rs. 1,999.

Rupees one hundred.

Where the total land revenue payable exceeds
Rs. 1,999 but does not exceed Rs. 4,999.

Rupees two hundred and fifty.

Where the total land revenue payable exceeds
Rs. 4,999 but does not exceed Rs. 9,999.

Rupees five hundred.

Where the total land revenue payable exceeds Rs. 9,999.

Rupees one thousand.

THIRD SCHEDULE

(See SECTIONS 7 and 8)

Surcharge

Freight (goods)

Where the freight on any consignment does not exceed Rs. 3.

Nil

Where the freight on any consignment exceeds Rs. 3 but does not exceed Rs. 10.

Six paise.

Where the freight on any consignment exceeds Rs. 10 but does not exceed Rs. 25.

Twelve paise.

Where the freight on any consignment exceeds Rs. 25 but does not exceed Rs. 50.

Twenty-five paise.

Where the freight on any consignment exceeds Rs. 50 but does not exceed Rs. 75.

Fifty paise.

Where the freight on any consignment exceeds Rs. 75 but does not exceed Rs. 100.

One rupee.

Where the freight on any consignment exceeds Rs. 100 but does not exceed Rs. 150.

Two rupees.

Where the freight on any consignment exceeds Rs. 150 but does not exceed Rs. 225.

Three rupees.

Where the freight on any consignment exceeds Rs. 225 but does not exceed Rs. 300.

Four rupees.

Where the freight on any consignment exceeds Rs. 300.

Four rupees *plus* one rupee for every hundred rupees in excess of three hundred rupees of freight.

FOURTH SCHEDULE
(See SECTIONS 7 and 9)

	<i>Amount of tax</i>
Fares (Passengers)	
On a first class ticket.	50 paisa.
On a second class ticket.	25 paisa.
On an inter-class ticket.	12 paisa.
On a third class or deck ticket.	6 paisa.
Provided that no tax shall be levied where the fare does not exceed Rs. 3.	

FIFTH SCHEDULE

(see Section 13 of the Punjab Finance Act, 1964)

1.	In case of energy supplied by a licensee to consumers of any of the following categories:	Electricity Duty on the amount of the variable charges or the supply charges worked out according to electricity tariff:
	(a) Domestic;	1.5 percent
	(b) Commercial;	1.5 percent
	(c) Industrial undertakings;	1.0 percent
	(d) Tubewells for irrigation and agricultural machinery; and	1.0 percent
	(e) Premises where the supply of energy by a licensee is un-metered.	1.5 percent
2.	In case of energy not supplied by a licensee to consumers of any of the following categories:	Electricity duty per unit
	(i) Domestic; and	5.5 Paisa
	(ii) Industrial undertakings.	1.5 Paisa

¹Substituted previously by the Punjab Finance Ordinance 1980 (VIII of 1980) and now by the Punjab Finance Act 2007 (IV of 2007).

EXPLANATION-I. "Electricity tariff" means the schedule of tariff made under section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and notified by the Federal Government for a licensee.

EXPLANATION-II. Supply charges and variable charges are sale rate per kilowatt hour as a single rate or part of a two part tariff applicable to actual unit consumed by the consumer.

EXPLANATION-III. Premises which are used wholly or principally for manufacturing processes within the meaning of section 2 of the Factories Act, 1934 shall be deemed to be used for an industrial undertaking.]

[SIXTH SCHEDULE]

(See SECTION 13)

Exemptions:

- (1) The Federal [,] Provincial [and Local] Governments, save in respect of premises used for residential purposes.
- (2) Local authorities in respect of public lighting.
- (3) Mosques, churches and other places of public worship.

Substituted by the Punjab Finance Ordinance, 1980 (VIII of 1980).

Substituted for the word "and" by the Punjab Finance Act 2003 (XI of 2003).

Inserted *ibid*.



GOVERNMENT OF THE PUNJAB

**THE PUNJAB SUGARCANE
(DEVELOPMENT) CESS
RULES, 1964**

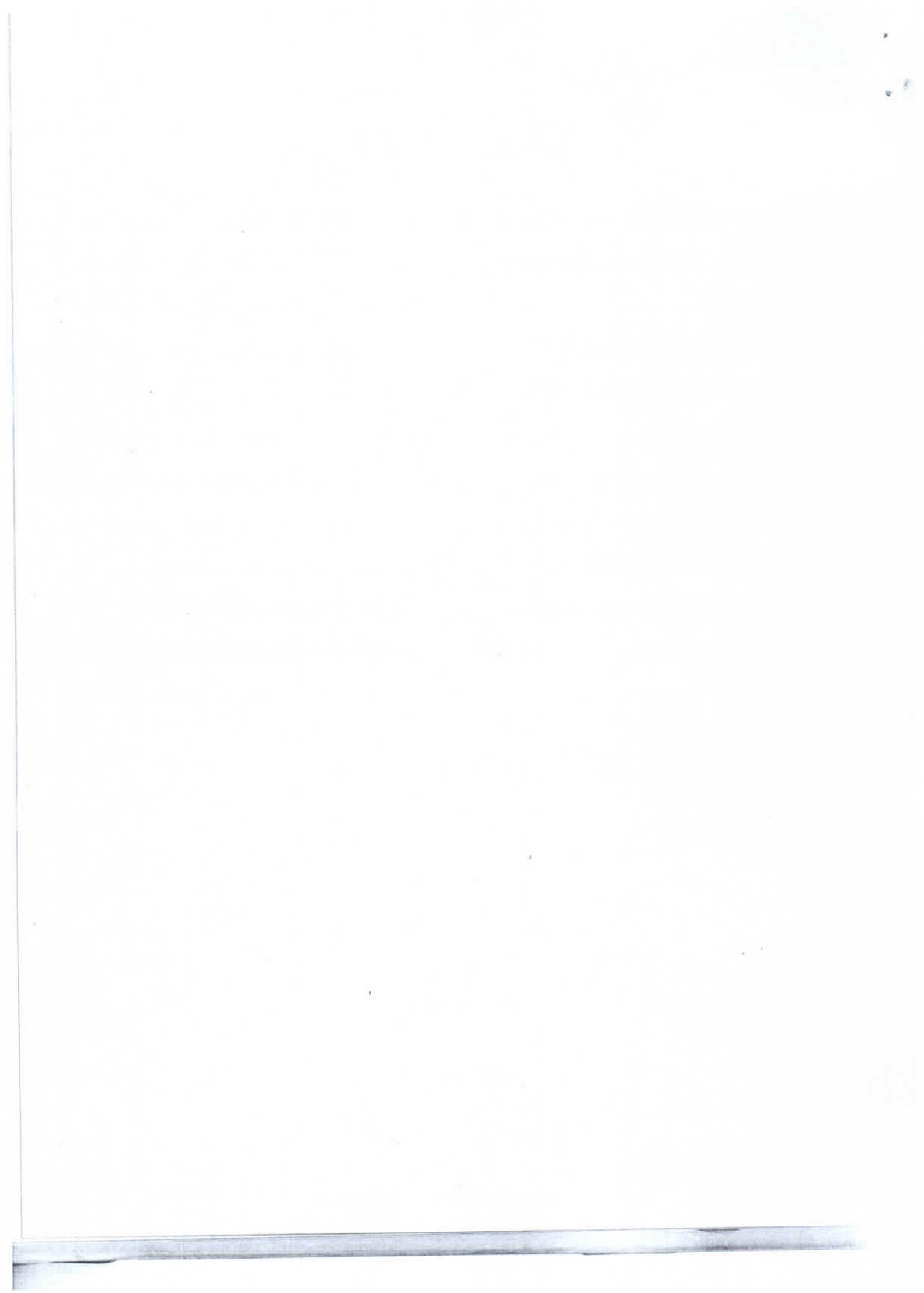
(As amended up to 30th April, 2009)

Compiled & Updated
By
Shahid Hussain Ch.
Cane Commissioner Punjab



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GOVERNMENT OF THE PUNJAB
FOOD DEPARTMENT
NOTIFICATION
THE PUNJAB SUGARCANE (DEVELOPMENT) CESS
RULES, 1964

(1) ***Short Title, Extent and Commencement.***

- (1) These rules may be called the Punjab Sugarcane (Development) Cess Rules, 1964;
- (2) These shall come into force at once.

(2) ***!Definitions.*** In these rules unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say,-

- (a) Act means the Punjab Finance Act, 1964;
- (b) "Cane Commissioner", "Additional Cane Commissioner", "Cane Grower", "Crushing Season" and "Purchasing Agent" shall have the same meanings as respectively assigned to them in the Sugar Factories Control Act, 1950;
- (c) "Cess means the Sugarcane Development Cess levied under section 12 of the Act;
- (d) "Form" means a form appended to these rules;
- (e) "Fund" means the Sugarcane Development Fund constituted under Rule 8;
- (f) "Mill Management" means the person or persons managing the affairs of a sugar mill, and shall include the manager, General Manager, the Resident Director and the Managing Director of a sugar mill or any other person acting on behalf of any of these;
- (g) "Prescribed" means prescribed by these rules;
- (h) "Purchasing Centre", "Weighbridge" and "Year" have the same meaning as respectively assigned to them in the Sugar Factories Control Rules, 1950;
- (i) "Sugar Mill" 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 a vacuum pans is being carried on or is ordinarily carried on with the aid of power;
- (j) "Occupier of a Factory" means the person who has ultimate control over a sugar mill; and
- (k) "Seller" means a person selling sugarcane to a sugar mill and includes the authorized agent of such person.

(3) ***Time and Manner of Payment.***

- (1) The portion of the Cess payable by the seller shall be worked out on the basis

¹Substituted vide Notification No. SOF (sugar)13(35)/64 Vol. VII dated 12.05.1981.

of actual weighment made at the weighbridge maintained or used at the premises of the Sugar Mills or its purchasing centres and shall be recovered by the Mills Management from the Seller by deducting the same from his bill for the cane supplied by him;

- (2) The mill management shall contribute to the portion of the Cess recovered from the seller under sub rule (1), an equal amount and deposit the total amount of the Cess together with the whole of the Cess due in respect of any quantity of cane obtained from the mills, own sugar farms or from the farm of the occupier of the factory in the nearest government Treasury in the manner prescribed in sub rules (3) and (4);
- (3) The Cess shall be deposited in the Government Treasury within five days of the close of each fortnight, i.e., by the fifth and twentieth of each month;
- (4) Each payment into Treasury shall be for the **full amount** of the Cess as due to the Government in respect of the preceding fortnight on the entire quantity of cane purchased by the Sugar Mill or obtained by it from its own sugar farm or farms of the occupier of the factory during that fortnight irrespective of the payment of the price of cane by the mills management or the recovery of the sellers' share of the Cess;
- (5) A copy of the receipted challan along with a return in form SCRI shall be forwarded by the mill management to the Cane Commissioner or any other officer authorized in this behalf by the Government, within seven days from the date of deposit of the Cess in the Government Treasury.

(4) ***Procedure in Case of Non-submission of Returns.***

- (1) If the return referred to in sub rule (5) of rule (3) is not submitted or if in the opinion of Cane Commissioner the return is not correct and complete and the Cess has not been paid or has not been paid in full, the Cane Commissioner shall, after giving the mill management, a reasonable opportunity of being heard, determine the amount of the case, and order its payment accordingly;
- (2) Government or any other officer so authorized by the Government may call for and examine the relevant records and accounts and such other evidence as it may consider necessary for the purpose of determining the amount of the Cess payable under sub rule (1);
- (3) Any mill aggrieved by the order passed under sub rule (1) above, may, within thirty days of the order, prefer an appeal against such order to Government.

(5) **Penalty.**

- (1) If a sugar mill does not deposit the Cess due into the Government Treasury by the prescribed date, the Cane Commissioner, or any other officer authorized in this behalf, may, in pursuance of section 14 of the Act, impose on the mill management a penalty not exceeding the amount of the Cess; Provided that such penalty shall not be imposed without giving the mill management an opportunity of being heard.
- (2) Any sugar mill aggrieved by an order passed under sub rule (1) above may, within thirty days of the order, prefer an appeal to Government;
- (3) On expiry of thirty days from the order made under sub rule (1) or after decision of the appeal under sub rule (2), the mill management shall be required by the Cane Commissioner, by a notice in Form CSR II, to deposit the penalty imposed under this rule and the amount of the Cess which remains unpaid;
- (4) In case of default, the amount of the Cess and the penalty or such part thereof as remains unpaid, shall, on a certificate to that effect by the Cane Commissioner, be recoverable as arrears of land revenue.

(6) **Keeping of Books of Accounts.** Each sugar mill shall keep a separate account containing the following particulars:

- (1) The amount of Cess recoverable from each seller;
- (2) The date of recovery of amount of the Cess referred to in clause (1);
- (3) The quantity supplied by each seller in respect of which the Cess has been recovered;
- (4) The mill management share of the Cess in respect of the cane purchased;
- (5) The quantity of cane obtained from the mill's own sugar farms or from the farms of the occupier or occupiers of the factory;
- (6) The amount of Cess payable by the mill management in respect of the sugarcane referred to in clause (5);
- (7) The amount and the date of the deposits made into the Government Treasury on account of the Cess.

(7) **Inspection and Audit of Accounts.** The accounts of the sugar mills both in respect of purchase of sugarcane and collection of Cess in respect thereof from sellers and credits by the mills from their own funds and deposit into the Government Treasury, shall be subject to inspection and audit by the Government Auditors or any other officer authorized in this behalf by the Government.

(8) ***Sugarcane Development Fund.***

- (1) There shall be constituted for each District a fund to be known as the Sugarcane Development Fund;
- (2) All proceeds of the Cess after deduction of such expenses thereof, as may be directed by the Government, shall be credited into the following head of account;
1300----DEPOSITS NOT BEARING INTEREST.
13800---OTHER ACCOUNT.
13824---SUGARCANE (DEVELOPMENT CESS FUND).
- (3) *The fund shall be operated by the **District Coordination Officer** concerned;
- (4) *The fund shall be utilized for:
 - (a) Special maintenance, improvement and development of main roads and bridges already built out of Sugarcane (Development) Cess Fund in the District;
 - (b) Improvement and maintenance of all roads/bridges in the district including those not built out of the Sugarcane (Development) Cess Fund but are used in larger interest of growth of sugarcane crop and sugar industry, with the concurrence of the growers and the sugar mills representative in the District Sugar Cess Committee. In this sub clause (a) the word "improvement" includes widening;
 - (c) The construction of new roads and bridges required in the larger interest of growth of sugarcane crop and sugar industry, proposal whereof to be initiated only by the growers and the sugar mills representative in the District Sugarcane Cess Committee with the approval of the District Sugarcane Cess Committee;
 - (d) Special plant protection services in the District;
 - (e) Such other activities directed towards the development of sugarcane production to be approved by the Government;
 - (f) Research and Development of sugarcane.
- (5) The proceeds of the Cess credited into the Fund in a particular year shall be utilized in the following year or years;
- (6) The Cane Commissioner Punjab through Food Department shall intimate the Finance Department mill-wise and district-wise apportionment of Sugarcane (Development) Funds and the Finance Department will then release funds to the PLA of respective District Coordination Officer after deducting 2% collection charges. The 2% collection charges shall be transferred after credited to Receipt Head "C-03815 other receipt".

*Substituted vide Notification No SOF-III 13 (26)/2001/581/2001 dated 28.12.2001.

*Substituted vide Notification No SOF-III 13 (26)/2001/581/2001 dated 28.12.2001.

**Substituted vide Notification No SOF-III 13 (56)P/2003 dated 1.1.2009.

(9) ***Constitution of Divisional Sugarcane Committees, their Functions and Powers.***

(1) Government shall constitute for each division a Sugarcane (Development) Cess Committee consisting of the following:

- | | | |
|-------|--|----------|
| I. | The Divisional Commissioner | Chairman |
| II. | District Coordination Officer of the concerned district. | Member |
| III. | Director (Development & Finance) in the Division. | (Member) |
| IV. | Representative of Planning & Development Department, Government of the Punjab. | (Member) |
| V. | The Superintendent Engineer Provincial Highways Circle. | (Member) |
| VI. | Executive District Officer (Agriculture) of the district concerned. | (Member) |
| VII. | Deputy Director Food, of the Division. | (Member) |
| VIII. | Managing Director or General Manager or a Representative of the sugar mills concerned. | (Member) |
| IX. | The Representatives of the Growers on the Sugarcane Control Board. | (Member) |
| X. | Any other member co-opted by the Divisional Commissioner. | (Member) |

(a-1) The Government shall constitute for each district a District Sugarcane (Development) Cess Committee consisting of the following:

i.	The District Coordination Officer of concerned district	Chairman
ii.	Two representatives of each of each sugar mill in the district. In case of District without a sugar mill one representative of each sugar mill, purchasing sugarcane from the said district	Member
iii.	Two representatives of the growers equal in number to sugar mills In the district. In case of district without a sugar of mill, the number Representative representatives shall be nominated by the Governor	Member
v.	The Executive District Officer (W&S)	Member
V.	The Executive District Officer (Agri)	Member

*Substituted vide Notification No SOF-III/13 (56)P/2003 dated 1.1.2009.

*Substituted vide Notification No SOF(sugar)/13 (2)/98 dated 11.2.2009.

Vi.	The Deputy Director (Food) in whose region the mill is situated	Member
Vii.	The District Food Controller concerned	Member
viii.	Executive District Officer (F&P)	Member
ix.	The Member Provincial Assembly of the Punjab in whose constituency the mill is situated	Member
x.	A representative of P&D Department	Member
xi.	Any other member to be co-opted by the District Coordination Officer for technical reasons and advice, etc.	Member

- (2) Subject to such general or special direction as Government may give, and the availability of required amounts in the funds, the "Divisional Sugarcane (Development) Cess Committee shall, for the purposes specified in sub rule (4) of rule 8, have powers to scrutinize all cases regarding apportionment of Sugarcane (Development) Cess amongst the districts, release thereof and selection of development schemes as well as their execution;

- (2-a) Subject to such general or special direction as Government may give, and the availability of the required amount in the Funds, the District Sugarcane (Development) Cess Committee shall, for the purposes specified in sub rule (4) of rule 8, have powers to formulate, initiate development schemes and submit recommendations to "Divisional Sugarcane (Development) Cess Committee for final approval;

- (3) A scheme or other works approved by the "Divisional Sugarcane (Development) Cess Committee shall be executed by the Executive District Officer (Works and Services);

- (4) The rough cost estimates of the scheme shall be prepared by the Executive District Officer (Works and Services) concerned according to the priorities fixed by the "Divisional Sugarcane (Development) Cess Committee.

(10) Administrative Approval of Schemes, Technical Sanctions and Release of Funds.

- (1) After a scheme has been approved by the "Divisional Sugarcane (Development) Cess Committee, the District Coordination Officer will, subject to the availability of funds in the District, issue administrative

⁹⁹Substituted vide Notification No SO(F-III)/3-2/2009 dated 30.4.2009.

^{**}Substituted vide Notification No SOF-III/13 (56)P/2003 dated 1.1.2009.

- approval for the expenditure involved, release the requisite sum or sums from the Fund and place the same at the disposal of Executive District Officer (Works and Services) or any other agency selected by the "Divisional Committee for execution of the work.
- (2) Technical Sanction for detailed estimates of a scheme shall be accorded by the Executive District Officer (Works and Services) concerned;
 - (3) Funds for maintenance of roads shall also be released by the District Coordination Officer concerned according to the requirements and subject to availability of funds in the District Cess Committee.

"Substituted vide Notification No SOF-III/13 (56)P/2003 dated 1.1.2009.

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