

FORM - 3

[See rule 20(2)]

AGREEMENT BETWEEN A CANE GROWER AND THE OCCUPIER OF A FACTORY.

I.....,son of.....
.....a cane grower of village
Taluk.....District.....(hereinafter
referred to as the first party) and.....the occupier of factory (herein after
referred to as the second party), hereby enter into an agreement for the sale and purchase of cane on the
following terms:

1. The first party agrees to sell during the season 19..... his sugarcane crop standing
on.....hectares as detailed to the schedule below an approximate yield ofmetric
tonnes to the second party at the minimum price notified by the Government 70' or the price agreed to
between in the occupier of the factory and cane grower under sub-clause (3) of clause 3 of the sugarcane
(control)order, 1966.71' whichever is higher," 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 slips issued by the Occupier of the factory in confirmity with this agreement and the
instruction issued by the Cane Commissioner.

2. The Cane shall be taken by the second party in installments, in an equitable manner with due
consideration of its maturity and completion of harvest of each field in the minimum period possible.

3. Where the first party commits a breach of agreement by will failing to supply at least 85 percent
of the agreed quantity of sugarcane the first party shall be liable to pay to the second party, a penalty at a rate
not exceeding rupees fifty per metric tonne on the deficit quantity of sugarcane not so supplied.

4. In case the first party willfully fails to supply cane to the second party on three consecutive occa
sions according to the requisitions made by the second party, the first party shall cease to have a claim to sell
cane to the second party.

5. In the event of the second party wilfully failing to take delivery of the cane, which the first party is
ready to deliver in accordance with this agreement the second party shall be liable to pay the first party the
actual price of the quantity of such cane which he fails to purchase, together with the interest at the rate of 9%
per annum for the period of delay in such payment. In the event of the second party otherwise than willfully
failing to purchase cane in accordance with this agreement, it shall be liable to pay the first party compensation
at a rate not exceeding fifteen naye paise per forty kilograms for such quantity of cane as the second party
fails to buy.

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6. In the event of a break down of the factory or of imposition of any statutory or other restriction by the government on the production of sugar subsequently to entering into this agreement, or of other circumstances due to natural causes, calamities, or accidents beyond human control, arising to show that the second party will not be able to purchase the cane which it has agreed to purchase, the first party after giving a weeks notice to the second party and with the previous permission of the cane commissioner, shall have the option of making other agreements 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 either party when such breach is due to natural causes, calamities or accidents beyond human control.

8. Any dispute between the parties regarding the quantity and conditions of the cane, the place of delivery, the installments and other matters pertaining to the agreement, shall be referred to arbitration in the provided for in the rules.

Witnesses:

1.

**Signature of
the Cane Grower or
his thumb impression**

2.

1.

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

2.

Note:

After acceptance of the offer by a Sugar Factory the Sugarcane Grower should undertake the agreement in this Form with the Sugar Factory.