

THE RAJASTHAN AGRICULTURAL PRODUCE MARKETS ACT, 1961

CHAPTER I

PRELIMINARY

1. Short title and extent
2. Definitions-

CHAPTER II

CONSTITUTION OF MARKETS

3. Notification of intention of exercising control over purchase and sale of agricultural produce in specified area.
4. Declaration of market area.
5. Division of market into yards.
- 5A. Establishment of private sub-market yards.
- 5B. Establishment of private consumer-farmer market.
- 5C. Grant, renewal or cancellation of licence for establishment private sub-market yards or the consumer-farmer markets.

CHAPTER III

MARKET COMMITTEES

6. Classification of market areas and establishment of market committees.
7. Constitution of market committees.
- 7A. Reservation of seats.
- 7B. Reservation of the offices of Chairman.
- 7C. Determination of reserved seats.
8. Incorporation of market committee.

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9. Powers and duties of the market committee.
10. Appointment of sub-committees and joint-committees.
11. Appointment and salaries of servants of the market committee.
- 11A. Direction to reduce the staff or terminate irregular appointments.
- 11B. Appointment of Secretary of market committee.
12. Members, officers etc, to be deemed public servants.
13. Execution of contracts.
14. Power of market committee to issue Licence
15. Suspension or cancellation of Licences under section 14.
- 15A. Power to remove persons from market yards.
- 15B. Regulation of market of agricultural produce.
- 15C. Sale of agricultural produce.
- 15D. Terms and procedure of buying and selling.
16. Appeals.
17. Power to collect market fees.
18. Market committee fund.
- 18A. Contribution to marketing development fund.
19. Purposes for which the fund shall be expended
- 19A. Kisan Kalyan Kosh
20. Power to borrow.
21. Acquisition of land.
- 21A. Disposal of movable or immovable property

CHAPTER IV

TRADE ALLOWANCE

22. No trade allowance permissible except as prescribed

CHAPTER IV-A

STATE AGRICULTURAL MARKETING BOARD

- 22A. State Agricultural Marketing Board**
- 22B. Composition of the State Agricultural Marketing Board**
- 22C. Publication of the name of the members of the Board**
- 22D. Determination of the validity of Election**
- 22E. Cessation of membership of elected members of the Board**
- 22F. Terms of office of the members of the Board**
- 22FF. First Board to be nominated by the Government**
- 22FFF. Second Board to be nominated by the State Government**
- 22FFFF. Third Board to be nominated by the State Government**
- 22G. Powers and Duties of the Chairman and Vice-Chairman**
- 22H. Marketing Development Fund**
- 22HA. Borrowing power of the Board**
- 22I. Sums of money to be credited to the Marketing Development Fund and Investment of the surplus**
- 22J. Purposes for which the Marketing Development Fund shall be utilised**
- 22K. Functions of the Board**
- 22L. Matters on which Board may frame bye-laws**
- 22M. Provisions of Act and Rules to apply to the Board**

CHAPTER IV-B

CONTRACT FARMING

- 22N. Contract Farming**

CHAPTER V

MISCELLANEOUS

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23. Liability of Chairman, Vice-Chairman and members for removal from office.
24. Personal liability of members for loss or misapplication.
25. Duty of officers and members of committee to furnish information.
26. Power to enforce attendance etc.
27. Supersession of market committee.
- 27A. Appointment of an administrator
- 27B. Power to entry and search
28. Penalty of contravention of certain provisions.
29. Penalty of contravention of section 22.
30. Penalty for contravening provisions of section 25.
31. Bar of suit in absence of notice.
32. Trial of offences.
- 32A. Composition of offences
33. Fines recovered to be paid into market committee fund.
34. Recovery of sums due to Government or market committee
- 34A. Direction by the State Government
35. Delegation of powers.
36. Rules.
37. Bye-laws.
38. Power of Director to make bye-law.
39. Power of Director to call for proceedings of market committee and to pass orders thereon.
40. Power of Government to amend the Schedule.
- 40A. Power to Grant exemption from market fees
41. Savings.
42. Power to remove difficulties.

THE RAJASTHAN AGRICULTURAL PRODUCE MARKETS ACT, 1961
(Act No. 38 of 1961)

[Received the assent of the president on the 3rd day of November, 1961.]

As amended by the following :-

1. Rajasthan Act No. 16 of 1965, w.e.f. 29.10.1965;
2. Rajasthan Act No. 17 of 1966, w.e.f. 29.06.1966;
3. Rajasthan Act No. 15-A of 1973, w.e.f. 14.07.1973;
4. Rajasthan Act No. 14 of 1974, w.e.f. 04.09.1974;
5. Rajasthan Act No. 10 of 1975, w.e.f. 19.03.1975;
6. Rajasthan Act No. 07 of 1978 w.e.f. 02.01.1978;
7. Rajasthan Act No. 05 of 1979, w.e.f. 07.04.1979;
8. Rajasthan Act No. 02 of 1980, w.e.f. 09.05.1980;
9. Rajasthan Act No. 04 of 1986, w.e.f. 24.08.1985;
10. Rajasthan Act No. 04 of 1997, w.e.f. 02.03.1997;
11. Rajasthan Act No. 11 of 1999, w.e.f. 13.05.1999;
12. Rajasthan Act No. 12 of 2004, w.e.f. 10.08.2004;
13. Rajasthan Act No. 08 of 2005, w.e.f. 07.05.2005;
14. Rajasthan Act No. 09 of 2005, w.e.f. 07.05.2005;
15. Rajasthan Act No. 19 of 2005, w.e.f. 16.11.2005; and
16. Rajasthan Act No. 15 of 2008, w.e.f. 10.04.2008;

An Act to provide for the better regulation of buying and selling of agricultural produce and the establishment of markets for agricultural produce in the State of Rajasthan.

Be it enacted by the Rajasthan State Legislature in the Twelfth Year of the Republic of India, as follows :-

Object of the Act –

The object of the Act can be gathered from its preamble, which makes it clear that this Act has been enacted for establishment of regulated market for purchase and sale of agricultural produce and to protect the agriculturists from being exploited by the middleman and to enable them to secure fair return of their produce.

CHAPTER I Preliminary

1. **Short title and extent.** – (1) This Act may be called the Rajasthan Agricultural Produce Markets Act, 1961.
(2) It extends to the whole of the State of Rajasthan.
2. **Definitions.**- (1) In this Act, unless the subject or context otherwise requires: -
 - (i) **“agricultural produce”** includes all produce whether of agriculture, horticulture, animal husbandry or otherwise as specified in Schedule;
 - (ii) **“Agriculturist”** means a person who ordinarily by himself or by his tenants or hired labours or otherwise is engaged in the production or growth of agricultural produce, but does not include a trader or broker may also be engaged in the production or growth of agricultural produce;

(iia) **“Board”** means the Rajasthan State Agricultural Marketing Board established under Section 22-A
 - (iii) **“broker”** means an agent whose ordinary course of business is to negotiate and make contracts on payment of commission for the purchase or sale of agricultural produce on behalf of his principal and includes a commission agent but not include the servant of the principal whether engaged in negotiating or making such contracts;
 - (iv) **“bye-laws”** means bye-laws made under section 37 or section 38;

(iva) **“contract farming”** means farming by a person on his land under a contract farming agreement in accordance with the provisions of this Act or the rules made there under with another person to the effect that his farm produce shall be purchased as specified in the agreement;

- (ivb) “**contract farming agreement**” means the agreement made for contract farming between contract farming buyer and contract farming producer;
- (ivc) “**contract farming buyer**” means the person purchasing agricultural produce, produced under a contract farming agreement;
- (ivd) “**contract farming producer**” means a person, who enters into a contract farming agreement to cultivate on his land the produce specified in such agreement;
- (v) “**Director**” ,means the Director of Agricultural Marketing for the State of Rajasthan;
- (v-a) “**export**” means dispatch of agricultural produce outside India;
- (vi) “**fund**” means a market committee fund referred to in section 18;
- (vii) “**market**” means a regulated market established under and for the purposes of this Act for a market area and include a market proper as well as a principal market yard or a sub-market yard;
- (viii) “**market area**” means any area declared to be a market area under section 4.
- (ix) “**market committee**” means a market committee established under section 6;
- (x) “**market proper**” means the area including all lands with the buildings thereon, within such distance of a principal market yard or a sub-market yard as the State Government may declare to be a market proper;
- (xi) “**person**” includes a cooperative society, a firm, an undivided joint family or an association or body of individuals, whether incorporated or not;
- (xii) “**prescribed**” means prescribed by rules under section 36;
- (xiii) “**principal market yard**” means an enclosure, building or locality declared to be a principal market yard under section 5;
- (xiii-a) “**processing**” means any one or more of a series of treatment relating to powdering, crushing, decorating, husking, parboiling, polishing, ginning, pressing, curing or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce or its product is subjected to and the expression “processor” shall be construed accordingly;

- (xiv) **“retail sale”** means a sale of any agricultural produce not exceeding such quantity as may be determined by bye-laws made under section 37 or section 38, to be a retail sale in respect of such agricultural produce;
- (xv) **“rules”** means rules made under section 36;
- (xvi) **“Schedule”** means schedule to this Act;
- (xvii) **“Sub-market yard”** means an enclosure, building or locality declared to be a sub- market yard under section 5;
- (xviii) **“surveyor”** means a person whose business is to survey a consignment of agricultural produce for sale in regard to quality, refraction, adulteration or any other purpose;
- (xix) **“trade”** means any transaction of sale or purchase of any agricultural produce;
- (xx) **“trader”** means a person ordinarily engaged in the business of buying and selling of agricultural produce on his own behalf but does not include a broker;
- (xxi) **“weighman”** means a person whose business is to weigh a consignment of agricultural produce for sale.

(2) If a question arises whether any person is or is not an agriculturist for the purpose of this Act, the decision of the Director on such question shall be final.

CHAPTER II

Constitution of Markets

- 3. Notification of intention of exercising control over purchase and sale of agricultural produce in specified area** - (1) The State Government may, by notification in the official Gazette, declare its intention of regulating the purchase and sale of such agricultural produce and in such area as may, be specified in the notification :

Provided that no area within the limits of a municipality shall be included in the area specified in such notification except after consultation with the municipal board or municipal council concerned, as the case may be.

(2) A notification under sub-section(1) shall State that any objection or suggestion which may be received by the State Government within a period of not less than

one month, to be specified in the notification, shall be considered by the State Government.

4. **Declaration of market area.** – (1) After the expiry of the period specified in the notification issued under section 3 and after considering such objections and suggestions as may be received before such expiry and after holding such enquiry as may be necessary, the State Government may, by notification in the official Gazette, declare the area specified in the notification under section 3 or any portion thereof to be a market area for the purposes of this Act in respect of all or any of the kinds of agricultural produce specified in the said notification.

(2) The State Government may, at any time by notification in the Official Gazette, exclude from a market area any area or include in any market area other area.

5. **Division of market into yards.** – (1) In every market area, there may be-

(a) one principal market yard managed by the market committee;

(b) one or more than one sub-market yards managed by the market committee;

(c) one or more than one private sub-market yards managed by a person other than the market committee;

(d) one or more than one consumer farmer markets managed by a market committee or by a person other than the market committee.

(2) The State Government may, by notification in the Official Gazette, declare any specified place including any structure, enclosure, open place or locality in the market area to be a market yard or, as the case may be, sub-market yard.

5-A. Establishment of private sub-market yards.- The Director or any other authority empowered by the State Government in this behalf may grant licence to establish private sub-market yards in a market area for -

(i) processing of agricultural produce;

(ii) export of agricultural produce;

(iii) trade of agricultural produce of particular specification; and

(iv) grading, packing and transaction in other way by value addition of agricultural produce.

5-B. Establishment of private consumer-farmer market. – (1) Private consumer-farmer market may be established by developing infrastructure as prescribed, by any person in any market area. At such place, producer of agricultural produce himself may sell his produce directly to the consumer in the prescribed manner :

Provided that the consumer shall not purchase more than such quantity of a commodity at a time in the consumer-farmer market as may be prescribed.

(2) Market service charges shall be collected on sale of agricultural produce from the seller at such rate, not exceeding half percent of the worth of the agricultural produce, as may be prescribed by the State Government and shall be paid to the proprietor of the consumer-farmer market.

(3) save as otherwise provided in this Act, no market fee shall be livable on the transaction undertaken in the consumer-farmer market.

5-C. Grant, renewal or cancellation of Licence for establishment of private sub-market yards or the consumer-farmer markets. –(1) Any person may apply to the Director or the authority empowered by the State Government .in this behalf for grant of Licence to establish a private sub-market yard under section 5-A, or a consumer-farmer market under section 5-B, or for renewal of Licence granted under this section, in such form and in such manner, as may be prescribed.

(2) An application under sub-section (1) shall accompany with such Licence fees, as may be prescribed.

(3) Application received under sub-section (1) may be accepted or rejected for the reasons recorded in writing by the director or, as the case may be, the authority empowered under sub-section(1):

Provided that a Licence under this section shall not be granted or, as the case may be, renewed, where –

- (i) The market committee dues are outstanding against the applicant;
- (ii) The applicant is a minor or is not bonafide;

- (iii) The applicant has been declared defaulter under this Act or the rules or by-laws made there under; and
- (iv) The applicant has been convicted for any offence and has been sentenced for imprisonment.

(4) All the Licences granted or renewed under this section shall be subject to such terms and conditions, as may be prescribed and the Licensee shall be bound to follow terms and conditions of the Licence and the provisions of this Act or the rules or By-laws made there under.

(5) The Director may, after such inquiry as he deems fit to make and after giving the Licensee a reasonable opportunity of being heard, cancel any Licence granted or renewed under this section, for the reasons recorded in writing.

CHAPTER III **Market Committees**

6. Classification of market areas and establishment of market committees. – The State Government. may classify the market areas into super class, A class, B class, C class and D class market areas on the basis of the criteria as may be prescribed and shall establish a market committee for every such market area.

7. Constitution of market committees. – (I) Every market committee shall be constituted as prescribed and shall consist of the following fifteen members, namely:-

(1) (a) Every super class and A class market committee shall be constituted as prescribed and shall consist of the following seventeen members, namely :-

- (i) Eight shall be agriculturists elected in the prescribed manner by such agriculturists or institutions of the market area as the State Government. may prescribe;
- (ii) Two shall be traders or brokers elected in the prescribed manner by traders and brokers Licenced by the market committee;

- (iii) One shall be the person elected in the prescribed manner by weighmen, measurers, surveyors, warehouseman and other persons Licenced by the market committee;
- (iv) One shall be the member of Legislative assembly, as nominated by the State Government;
- (v) One shall be the representative of Co-operative Marketing Societies in the market area for which it is established as the State Government may prescribe;
- (vi) One shall be the representative of Central Co-operative Financing Agency in the market area for which it is established as the State Government may prescribe;
- (vii) One shall be the person elected from amongst its own members by the Municipal Board or Municipal Council or Municipal Corporation or Gram Panchayat in which the principal market yard is situated;
- (viii) Two shall be the persons nominated by the State Government.

(b) Every B, C, D class market committee shall be constituted as prescribed and shall consist of following eleven members, namely :-

- (i) Six shall be agriculturists elected in the prescribed manner by such agriculturists or institutions of the market area as the State Government may prescribe;
- (ii) One shall be traders or a brokers elected in the prescribed manner by traders and brokers Licenced by the market committee;
- (iii) One shall be the representative of Co-operative Marketing Societies in the market area for which it is established as the State Government may prescribe;
- (iv) One shall be the person elected from amongst its own members by the Municipal Board or Municipal Council or Municipal Corporation or Gram Panchayat in which the principal market yard is situated;
- (v) One shall be the persons nominated by the State Government;
- (vi) One shall be the member of Legislative assembly, as nominated by the State Government;

Provided that a person to whom a Licence has been granted under sub-section(2) of section 4 or under section 14 shall not be eligible to become a member of the market committee under sub-clause(i) or sub-clause(v) or sub-

clause(vi) or sub-clause(vii) of clause(a) and sub-clause(i) or sub-clause(iii) or sub-clause(iv) of clause(b):

Provided further that State Government may, at any time, reduce the number of nominated members for any market committee and in their place may increase the number of members to be elected under sub-section(i) and sub-clause(ii) of clause(a) or, as the case may be, under sub-clause(i) and sub-clause(ii) of clause(b) as it thinks fit.

(2) Notwithstanding anything contained in sub-section(1) –

(a) on the failure of any organization, persons or authority to elect a member under sub-section(1), the State Government shall nominate a person on behalf of such organization, persons or authority who is qualified to be elected as a member of the market committee from such organization, persons or authority. If the failure on the part of any organization, persons or authority to elect the required number of members is on account of the rejection of all nomination papers at the time of scrutiny, then fresh election shall be held by such organization, persons or authority but in case of further occurrence of such contingency, the State Government shall nominate the person in the aforesaid manner; and

(b) when a market committee is constituted for the first time, all the members of the market committee shall be persons nominated by the State Government.

(3) Every member of a market committee, nominated when it is first constituted, shall hold office for a term of two years from the date of the first general meeting of the market committee and every such member elected or nominated thereafter shall hold office for a term of five years.

[Provided that in case of a committee constituted under sub-section(2) (b), it shall be competent for the State Government at any time to terminate the term of office of all the members of such committee and appoint an Administrator under section 27-A]

(4) The State Government may, by notification, extend from time to time the term of office of the members of a market committee for such period or periods not exceeding one year in the aggregate as it thinks fit:

Provided that if the term of office of the outgoing members of a market committee has expired before the commencement of the Rajasthan Agricultural Produce markets(Amendment) Act, 1973 it shall be deemed to extend to and expire with the day before the date of the first general meeting of the market committee constituted in its place or shall extend to a period of one year from the commencement of the said Act, whichever is earlier:

Provided further that where the term of office of the members of a market committee has been extended under this sub-section, it shall be competent for the State Government at any time to terminate the term so extended.

(5) [XXX]

(6) If at anytime a vacancy occurs through non-acceptance of office by a person elected or nominated or through the death, disqualification or resignation of member, or in the event of his ceasing to be a member under sub-section before the expiry of his term of office, the vacancy shall be filled up by the election or nomination, as the case may be of a person thereto in the manner specified above.

(7) Every person elected or nominated under sub-section(6) shall hold office for so long only as the member in whose place he is elected or nominated would have held it, if the vacancy had not occurred.

(8) Every market committee shall elect one of its member to be the Chairman, and another member to be its Vice-Chairman:

Provided that the Chairman shall be amongst the members elected under sub-clause(i) of clause(a), or sub-clause(i) of clause(b), of sub-section(1) of section 7, as the case may be.

(9) No Act of a market committee, or of ant sub-committee thereof, or of any person Acting as a member, Chairman, Vice-Chairman or Secretary shall be deemed to be invalid by reason only of some defect in the constitution or appointment of such market committee, sub-committee, member, Chairman, Vice-Chairman or Secretary, or on the ground that they, or any of them, were

disqualified for such office, or that formal notice of the intention to hold the meeting of market committee or of the sub-committee was not duly given or by reason of such Act having been done during the period of any vacancy in the office of the Chairman, Vice-Chairman, Secretary or member of such committee or sub-committee or for any other infirmity not affecting the merits of the case.

(10) Every member of a market committee shall, before taking his seat make and subscribe at a meeting of the market committee, an oath or affirmation in the following form :-

“I _____ having become a member of the _____ (name of the market committee) swear in the name of God/solemnly affirm that I will faithfully and consciously discharge my duties as a member of the market committee without fear or favour”.

(11)(a) A motion of non-confidence may be moved by any member against the Chairman or the Vice-Chairman by giving notice in such form and to such authority as may be prescribed and such notice shall be supported by not less than one-third of the total number of members of the market committee, and such authority shall call within thirty days a meeting of the market committee to consider the motion and shall preside over such meeting.

(b) If the motion against the Chairman or the Vice-Chairman is carried by a majority of not less than two-thirds of the members of the market committee present and voting and by not less than 50% of its total membership, the Chairman or Vice-Chairman shall cease to hold office as such and vacate the same on and from the date on which such resolution is carried out. A notice to this effect shall be affixed by such authority on the notice board of the office of the market committee.

(c) If the motion is not carried as aforesaid or if the meeting could not be held for want of quorum, no notice of any subsequent motion expressing want of confidence in the same Chairman or Vice-Chairman shall be made until after the expiration of six-months from the date of such meeting.

(12) The meeting of the market committee and quorum thereof as well as the conducting of business therein shall be regulated in the prescribed manner.

(13) The process of election of a market committee, once started shall not be stopped or postponed for any reason, save for a natural calamity or breakdown of law and order.

7-A. Reservation of seats. – (1) One seat of the member to be elected under sub-clause(i) of clause(a), and sub-clause(i) of clause(b), of sub-section(1) of section 7 shall be reserved each for Scheduled Castes, Scheduled Tribes, Backward classes respectively.

(1A) Out of the total number of seats under sub-section(1) 50% shall be reserved for women belonging to the Scheduled Castes, the Scheduled Tribes or , as the case may be, the Backward Classes.

(1B) Out of the total seats of the members to be elected under sub-clause(i) of clause (a) and sub-clause (i) of clause (b) of sub-section (1) of section 7, 50% [including the number of seats reserved for women under sub-section (1A) shall be reserved for women.

(2) Seats reserved under this section shall be allotted by rotation to different constituencies in the concerned market area.

7-B. Reservation of the offices of Chairmen. – (1) Out of the total number of offices of Chairman of the market committees in the State,16%, 12% and 21% shall be reserved for the Scheduled Castes, the Scheduled Tribes and the Backward classes respectively.

(2) Out of the total number of offices of Chairman reserved under sub-section(1), 50% shall be reserved for women belonging to the Scheduled Castes, the Scheduled Tribes or, as the case may be, the Backward Classes.

(3) Out of the total number of offices of the Chairman of the market committees in the State, 50% including the number of offices reserved for women belonging to the Scheduled Castes, the Scheduled Tribes and the Backward Classes shall be reserved for women.

(4) Offices reserved under this section shall be allotted by rotation to different market committees in the State.

7-C. Determination of reserved seats, - The seats for offices of Chairman under section 7-B shall be reserved prior to the reservation of seats for the Scheduled Castes, Scheduled Tribes, Backward Classes and women under section 7-A.

8. **Incorporation of market committee.** – Every market committee shall be a body corporate by such name as the State Government may specify by notification in the Official Gazettee. It shall have perpetual succession and a common seal, may sue and be sued in its corporate name and shall be competent to acquire and hold, lease, sell or otherwise transfer any property and to contract and to do all other things necessary for the purposes for which it is established.
9. **Powers and duties of the market committee.** – (1) Subject to the provisions of this Act, it shall be the duty of the market committee –
- (i) To implement the provisions of this Act, the rules and the bye-laws made there under, in the market area;
 - (ii) To provide such facilities for marketing of agricultural produce therein as the Director or the State Government may from time to time direct;
 - (iii) To do such other Acts as may be required in relation to the superintendence, direction and control of market or for regulating marketing of agricultural produce in any place in the market area, and for the purposes connected with the matters aforesaid, and for that purpose may exercise such powers and discharge such functions as may be provided by or under this Act; and
 - (iv) To do such other things as might be required for the purpose of achieving the objects and requirements of this Act, the rules and bye-laws made there under and for facilitating working of the market committee.
- (2) Without prejudice to the generality of the foregoing provisions market committee may –
- (i) Maintain and manage the principal market yards and sub-market yards within the market area;
 - (ii) Provide the necessary facilities for the marketing of agricultural produce within the principal market yard and outside the principal market yard and within the sub-market yards and outside the sub-market yards in the market area;

- (iii) Issue or refuse to issue Licence to traders, brokers, weighmen, measurers, surveyors, warehousemen and other persons to operate in the market area and renew, suspend or cancel such Licence, supervise the conduct of the traders, brokers, weighmen, measurers, surveyors, warehousemen and other persons operating in the market area and enforce conditions of Licence;
- (iv) Regulate or supervise the auction of agricultural produce in accordance with the provision and procedure laid down under the rules made under this Act or bye-laws of the market committee;
- (v) Conduct or supervise the auction of agricultural produce in accordance with the procedure laid down under the ruled made under this Act or bye-laws of the market committee;
- (vi) Regulate the making, carrying out and enforcement or cancellation of agreement of sale, weighment, delivery, payment and all other matters relating to the market of agricultural produce in the prescribed manner;
- (vii) Provide for the settlement of all disputes between the seller and the buyer arising out of any kind of transaction connected with the marketing of agricultural produce and all matters ancillary thereto;
- (viii) Take all possible steps to prevent adulteration of agricultural produce;
- (ix) Provide for grading and standardization of agricultural produce;
- (x) Make arrangements for employing by rotation, weighmen and hammals for weighing and transporting of goods in respect of transactions held in the market yard;
- (xi) Setup and promote public partnership in establishment of an Agricultural Marketing Extension Unit to carry out extension Activities in its area viz., collection, maintenance and dissemination of information in respect of production, sale, storage, processing, prices and movement of agricultural produce;
- (xii) Take measures for the prevention of purchases and sales below the minimum support prices as fixed by the Government from time to time;
- (xiii) Levy, recover and receive rates, charges, fees and other sums of money to which the market committee is entitled;

- (xiv) Employ the necessary number of officers and servants for the efficient implementations of the provisions of this Act, the rules and the bye-laws made there under;
- (xv) Regulate the entry of persons and vehicles, traffic into the principal market yard and sub-market yards vesting in the market committee;
- (xvi) Prosecute persons for violating the provisions of this Act, the rules and the bye-laws and compound such offence;
- (xvii) Allotment/disposal of land or any movable or immovable property for the purpose of efficiently carrying out its duties;
- (xviii) Institute or defend any suit, proceeding, application or arbitration and compromise such suit, proceeding, application or arbitration;
- (xix) Make payment of pay, pension, allowances, gratuities, contribution towards leave allowance, pensions or provident fund of the officers and servants employed by the market committee in the prescribed manner;
- (xx) Administer market committee fund and maintain the account there of in the prescribed manner;
- (xxi) Keep a set of standard weights and measures in each principal market yard and sub- market yard against which weighment and measurement may be checked;
- (xxii) Inspect and verify scales, weights and measures in use in a market area and also the books of accounts and other documents maintained by the traders, brokers, weighmen, measurers, surveyors, warehousemen and other persons to operate in the market area in such manner as may be prescribed;
- (xxiii) Carry out publicity about the benefits of regulation, the system of transaction, facilities provided in the market yard etc. through such means as posters, pamphlets, hoardings, cinema slides, film shows, group meetings etc., or through any other means considered more effective or necessary;
- (xxiv) Ensure payment in respect of transactions which take place in the market yard or market area to be made on the same day to the seller, and in default to seize the agricultural produce in question along with other property of the person concerned and to arrange for resale thereof and in the event of loss, to recover the same from the

original buyer together with charges for recovery of losses, if any, from the original buyer and effect payment of the price of the agricultural produce to the seller;

- (xxv) Recover the charges in respect of weighmen and hammals and distribute the same to weighmen and hammals if not paid by the purchaser or seller, as the case may be;
- (xxvi) With the prior sanction of the State Government, undertake the construction of roads in the market area to facilitate movement of agricultural produce to the market for benefit of producers, sellers, traders operating in the market area;
- (xxvii) Collect and maintain information in respect of production, sale, storage, processing, prices and movement of agricultural produce and disseminate such information as directed by the Director; and
- (xxviii) With a view to maintain stability in the market, -
 - (a) take suitable measures to ensure that traders do not buy agricultural produce beyond their capacity and avoid risk to the sellers in disposing off the produce; and
 - (b) grant Licence only after obtaining necessary security in cash or bank guarantee according to the capacity of the buyers.

(3) With the prior sanction of the Director the market committee may, at its discretion, under take to give grant or advance funds to the Board, the Public Works Department or any other Department or a public undertaking or any other agency authorized by the Director for the construction of roads or godowns in the market area to facilitate transportation and storage of agricultural produce or for the purpose of development of the market yard.

(4) In addition to the duties aforementioned the market committee shall also be responsible for –

- (a) the Maintenance of proper checks on all receipts and payment by its officers;
- (b) the proper execution of all works chargeable to the market committee fund; and

(c) keeping a copy of this Act and of the rules and notifications issued there under and of its bye-laws, open to inspection free of charge at its office.

10. Appointment of sub-committees and joint-committees. – The market committee may appoint one or more of its members to be a sub-committee or to be a joint-committee for the conduct of any work or to report on any matter or matters and may delegate to such committee or any one or more of its members such of its powers or duties as it may think fit.

11. Appointment and salaries of servants of the market committee. – (1) The market committee may employ in the prescribed manner such officers and servants as may be necessary for the management of the market and may pay such officers and servants such salaries as the market committee thinks fit.

(2) The market committee shall, in the case of any officer or servant of Government. whom it employees, pay such pension contribution, gratuity or leave allowance as may be required by the conditions of his service under the State Government. for the time being in the force.

(3) The market committee may also, in the case of any of its officers and servants, provide for the payment to them of such leave allowances, pensions or gratuities as it deems proper and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(4) The powers conferred by this section on the market committee shall be exercised subject to any rules, which may be made in this behalf by the State Government.

11-A. Direction to reduce the staff or terminate irregular appointments. – (1) If, at any time, it appears to the Director that the number of persons employed by a market committee is in excess of the requirements or that an irregular appointment has been made by the market committee, the Director shall issue a direction to reduce the number of such employees or terminate the irregular appointment and the market committee shall, on such a direction from the Director, reduce the number of such employees or terminate the irregular appointment,

(2) Any direction issued to the market committee under sub-section(1) shall be complied within such time as the Director may, in each case, specify which in no case shall be less than one month and in case of non-compliance, the Secretary

shall, after giving one month's notice to the concerned employee, stop payment of pay and allowances to such employee and terminate his services.

(3) Any person aggrieved by an order of the market committee or from the notice of termination of services served by the Secretary may, within fifteen days from the date of receipt of such order or notice, appeal to the State Government and the order of the State Government, in appeal shall be final and shall not be called in question by any court.

11-B. Appointment of Secretary of market committee. – (1) There shall be appointed a Secretary for each market committee who shall be the Chief Executive Officer of the market committee and shall exercise such powers and perform such duties as are specified in this Act or in the rules or bye-laws.

(2) The Secretary shall be a person in the full time employment of the State Government .and he shall be governed by the Rajasthan Service Rules and shall get besides pay such allowances as may be fixed by the State Government.

12. Members, etc, to be deemed public servants. – All members, officers and servants of every market committee and of its sub-committees and joint committees appointed under section 16 shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860(Central Act 45 of 1860).

13. Execution of contracts. – (1) Every contract entered into by market committee shall be in writing and shall be signed on behalf of the market committee by its Chairman and two other members of the committee authorized by the committee in this behalf.

(2) No contract, other than a contract executed, as provided in sub-section(1), shall be binding on the market committee.

14. Power of market committee to issue Licence. – (1) Where a market is established under the provisions of this Act, the market committee may issue and renew Licence, in accordance with the rules and bye-laws, to traders, brokers, weighmen, measurers, processors, surveyors, warehousemen or other persons to operate in the market on payment of the prescribed fees.

(2) The market committee may also grant Licence, -

(a) for direct purchase from the agriculturists for the following purposes, namely:-

- (i) to processor for processing;
- (ii) to exporters for export of agricultural produce;
- (iii) for trade of agricultural produce of particular specification; and
- (iv) for grading, packing and transacting in other way by value addition of agricultural produce:

“Provided that no sale or purchase shall be permitted under this clause within the market proper except for the purposes specified in sub clause(i) and (iv).”

14-A. Licence for more than one market areas. – (1) The Director may issue Licences, in accordance with the rules, to traders and processors to operate in more than one market areas on payment of the prescribed fees.

(2) The Director may refuse to issue a Licence for the reasons to be recorded in writing.

(3) All Licences issued under this section shall be subject to the provisions of this Act and the rules and bye-laws made there under.

14- B Suspension and cancellation of Licences issued under section 14-A. – (1) The Director may, after such enquiry as he deems fit to make and after giving , in the prescribed manner, the Licensee a reasonable opportunity of being heard, suspend or cancel a Licence issued under section 14-A on any of the following grounds namely :-

- (a) that the Licensee is found to have committed a breach of any of the terms or conditions of his Licensee, or
- (b) that the Licensee is found to have contravened any of the provisions of this Act of the rules or bye-laws made there under, or
- (c) that the Licensee has been convicted of an offence punishable under this Act or the rules or bye-laws made there under, or
- (d) On any other prescribed ground.

(2) When a Licence has been suspended or cancelled, the holder of the Licence shall forthwith produce such Licence in the office of the Director for being endorsed in the prescribed manner and shall not be entitled to claim on account of

such suspension or cancellation any compensation or refund of the whole or any part of the Licence fee or of any other moneys.

15. Suspension or cancellation of Licences under section 14. – (1) The market committee issuing or renewing a Licence under section 14 may, after such enquiry as it deems fit to make and after giving , in the prescribed manner, the Licence a reasonable opportunity of being heard, suspend or cancel any such Licence on all or any of the following grounds, namely-

(a) that the Licence is found to have committed a breach of any of the terms or conditions of his Licence, or

(b) that he is found to have contravened any of the provisions of this Act or the rules or bye-laws made thereunder, or

(c) that he has been convicted of an offence punishable under of this Act or the rules or bye-laws made thereunder: or

(d) On any other prescribed ground.

(2) When a Licence has been suspended or cancelled, the holder of Licence shall forthwith produce such Licence in the office of the market committee for being endorsed in the prescribed manner and he shall not be entitled to claim on account of such suspension or cancellation any compensation or refund of the whole or any part of the Licence fee or of any other money.

(3) The Chairman or the Secretary of market committee may, for reasons to be recorded, suspend a Licence for a period not more than fourteen and seven days respectively on any of the grounds on which a market committee may suspend a Licence under sub-section(1).

(4) The Director may for reasons to be recorded in writing, by order, suspend or cancel any Licence granted or renewed under section 14 on any of the grounds mentioned in sub-section(1).

Provided that no order under this sub-section shall be made without giving an opportunity of being heard to the market committee and the person against whom the Action is proposed to be taken.

15-A. Power to remove persons from market yards. – (1) The Chairman, Vice-Chairman or Secretary of the market committee or any other member, officer or servant authorised by the market committee in this behalf, may stop and remove any person from the principal market yard or sub-market yards or yards found to be operating without holding a valid Licence or disobeying the orders in regard to the procedure to be followed in auction, weighment or any other matter, relating thereto.

(2) Such removal shall be without prejudice to any punishment to which the person so prevented may be liable under this Act and rules or bye-laws made there under.

15-B. Regulation of market of agricultural produce. – (1) No person shall, except in accordance with the provisions of this Act and the rules and bye-laws made there under ,

- (a) Use any place in the market area for the sale and purchase of agricultural produce; or
- (b) Operate in the market area as a trader, broker, weighmen, measurer, surveyor, warehouseman or as other market functionary.

(2) Nothing in sub-section(1) shall apply to the following sale or purchase of agricultural produce :

- (a) where the sale is made by the producer himself to any person for his domestic consumption in quantity up to four quintals;
- (b) which is brought for sale by head load;
- (c) Purchase or sale made by a petty trader up to such quantity as may be prescribed in the bye-laws;
- (d) Purchase made by an authorised fair price shop dealer from the Food Corporation of India, the State Commodities Trading Corporation or any other agency or institution authorised by the State Government. for distribution of essential commodities through the public distribution system;
- (e) Transfer of agricultural produce to a co-operative society for the purpose of securing an advance made by such co-operative society.

15-C. Sale of agricultural produce. – (1) Subject to the provisions of sub-section(2), all agricultural produce brought into the market proper for sale shall be

sold only in the principal market yard or sub-market yard or in private sub market yards:

Provided that it shall not be necessary to bring the agricultural produce produced under contract farming in the principal market yard or sub-market yards or private sub-market yards and it may be sold directly to the contract farming buyer.

(2) Such agricultural produce as may be purchased by a trader from outside the market area or in the market area from another trader may be brought or sold anywhere in the market area in accordance with the provisions of the bye-laws.

(3) The price of the agricultural produce brought for sale into market yard shall be settled by tender bid or open auction system and no deduction shall be made from the agreed price on any account whatsoever from the seller.

15-D. Terms and procedure of buying and selling. –(1) Except in case of a transaction between two traders, any person who buys agricultural produce in the market area shall execute an agreement in triplicate in such form, as may be prescribed in the favor of seller. One copy of the agreement shall be kept by the buyer, one copy shall be supplied to the seller and the remaining copy shall be kept in the record of market committee.

(2)(a) The price of the agricultural produce brought in the principal market yard or sub-market yard or private sub-market yard shall be paid on the same day to the seller in principal market yard or sub-market yard or, as the case may be, private sub-market yard. Payment of agricultural produce purchased out of such yard or yards shall also be made to the seller, if he is not a trader, on the same day.

(b) In case purchaser does not make a payment as specified under clause(a), he shall be liable to make payment within five days from the date of purchase with an additional amount at the rate of 1% per day of the total price of the agricultural produce payable to the seller.

(c) In case the purchaser does not make payment as specified in clause(b) within the said period of five days, his Licence shall, without prejudice to his liability under any other law, be deemed to have been cancelled on the sixth day and he shall not

be granted any Licence or permitted to operate in a market as any other functionary under this Act for a period of one year from the date of such cancellation.

(3) No wholesale transaction of agricultural produce shall be made directly by any traders with producers of such produce except, in the principal market yard or sub-market yard or private sub-market yard, and in accordance with the provisions of this Act or bye-laws made thereunder:

Provided that agricultural produce produced under contract farming may be bought directly by contract farming buyer anywhere.

(4) The commission agent shall recover his commission including all expenses as may be incurred by him in the storage of the produce and other services rendered by him only from his principal trader at such rates as may be specified in the bye-laws.

(5) Every commission agent shall be liable –

- a) To keep the goods of his principal in safe custody without any charge, and
- b) To pay the principal, as soon as the goods are sold, the price thereof irrespective of whether he has or has not received the price from the buyer of such goods.

16. Appeal. – (1) any person aggrieved by an order –

- (a) Of market committee refusing to grant or renew a Licence, or cancelling or suspending a Licence, may appeal to the Director;
- (b) Of the Chairman or the Secretary, suspending a Licence may appeal to the director;
- (c) Of the Director cancelling or suspending a Licence may appeal to the Government.

(2) All appeal shall be filed within thirty days from the date on which the order is communicated to the person aggrieved by such order.

(3) The Government or the director, as the case may be, may, for reasons to be recorded in writing, stay the operation of the order appealed against pending the final decision.

(4) The Government or director shall decide the appeal after giving the authority against whose order the appeal has been filed, a reasonable opportunity of showing cause why the appeal should not be accepted.

17. Power to collect market fees. – The market committee shall collect market fees from the Licences in the prescribed manner on agricultural produce bought or sold by them in the market area at such rate as may be specified by the State Government, by notification in the official gazette, subject to a maximum of Rs 2/- per hundred rupees worth of agricultural produce.

[Provided also that Mandi Fee leviable on the sale or purchase of Mustard Seed shall be Rs. 1/- on one hundred rupees.]

[Provided also that Mandi Fee leviable on the sale or purchase of Oil Seeds shall be Rs. 1/- on one hundred rupees.]

18. Market committee fund. –(1) All moneys received by the market committee shall be paid into a fund to be called “the Market Committee Fund” and all expenditures incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said Fund.

(2) Any surplus remaining with the market committee after such expenditure has been met shall be invested as may be prescribed in this behalf.

(3) Every market committee shall pay to the State Government the cost of any additional or special staff employed by the State Government in consultation with such market committee for giving effect to the provisions of this Act in the market area for which such market committee is established.

(4) the Director shall determine the cost of such additional or special staff and shall, when the staff is employed for the purposes of more than one market committee, apportion such cost among the committees concerned in such manner as he thinks fit.

(5) The decision of the Director, determining the amount payable by any market committee, shall be final.

18-A. Contribution to marketing development fund. –Every market committee shall pay to the Board before the Fifteenth of every month such amount as may be

prescribed but not exceeding (thirty) percent of income derived by it from Licence fees, market fees and fines imposed by the courts.

19. Purposes for which the fund shall be expended. –Subject to the provisions of section 18, the market committee fund shall be expended for the following purposes, namely :-

- 1) The acquisition of site or sites for the market;
- 2) The maintenance and improvement of the market;
- 3) The construction and repair of building necessary for the purposes of such market and for the health convenience and safety of the persons using it;
- 4) The provision and maintenance of standard weights and measures;
- 5) The pay, pensions, leave allowances, gratuities, compensation for injuries resulting from accident, compassionate allowance and contribution towards leave allowances, pensions or provident funds of the officers and servants employed by it;
- 6) The expenses of and incidental to elections;
- 7) The payment of interest on the loans that may be raised for the purposes of the market committee and the provision of sinking fund in respect of such loans;
- 8) The collection and dissemination of information regarding matters relating to crop statistics and marketing in respect of the agricultural produce notified under section 4 ;
- 9) the payment of the cost referred to in sub-sections (3) and (4) section 18;
(9A) Providing facilities such as shelter, shed, parking accommodation, water for the persons, drought cattle, vehicles and pack animals coming or being brought to the market and on construction and repair of approach roads, culverts and bridges in the market area and for such other purposes as may be specified by the State Government;
- 10) any propaganda in favour of agricultural improvement; and
- 11) the carrying out of the purposes and provisions of this Act and the rules and bye-laws made thereunder.

19-A. Kisan Kalyan kosh. – (1) There shall be a fund called the “Kisan Kalyan kosh” which shall be administered by the Board.

(2) Kisan Kalyan kosh shall be utilized for the following purposes, namely :

- a) To organize studies, seminars, exhibitions, workshops and training regarding Activities from production to marketing like post harvest management, storage, transportation, grading, waxing, packaging, processing, sale and export of the agricultural produce;
- b) to provide financial and technical assistance to organize the aforementioned Activities jointly with the private agencies, autonomous bodies and co-operative societies;
- c) to promote marketing of organically produced agricultural commodities, including fruits, vegetables and of medicinal plants;
- d) to develop infrastructure in the mandi yard and outside with a view to promote marketing Activities;
- e) to promote use of latest scientific; and technical equipments for the promotion of aforesaid Activities;
- f) to promote new marketing strategies like future markets, e-commerce etc;
- g) to promote direct marketing of agricultural produces;
- h) to provide assistance for the development of packaging, certification, labeling and marketing of organic produces;
- i) to promote development of food parks; agro clinics and agro business centers with a view to promoting marketing of agricultural produce; and
- j) to develop commodity specific markets.

(3) Every Market committee shall pay to the fund such amount as may be specified by the State Government. But not exceeding 5 percent of the income derived by it from Licence fees, market fees and fines imposed by the Courts.

20. Power to borrow. –(1) A market committee may with the previous sanction of the State Government, raise money required for carrying out the purposes for which it is established on the security of any property vested in it and of any[...]fees Leviable by it under this Act.

(2) The market committee may, for the purpose of meeting the expenditure on lands, buildings and equipments required for establishing the market or for carrying out the purposes and provisions of the Act and Rules or bye-laws made thereunder, obtain a loan from the State Government.

(3) The conditions subject to which such money or loan shall be raised or obtained and the time within which the same shall be repayable, shall be subject to the previous sanction of the State Government.

21. Acquisition of land. – (1) If, at any time after a notification is issued under sub-section(1) of section 4, the State Government is of opinion that any land is needed for the purposes of the Act, the State Government may proceed to acquire it under the provisions of the Rajasthan Land Acquisition Act,1953 (Rajasthan Act 24 of 1953) or any other law for the time being in force. [Land thus acquired shall be deemed to have been acquired for a public purpose].

(2) When such land vests in the State Government, it shall be transferred by the State Government to the market committee, on payment by the market committee of the compensation awarded under the said Act or other law and of all other charges incurred by the State Government on the account of acquisition within such period and in such manner as the State Government may, by general or special order, determine and on such transfer, the land shall vest in the market committee.

(3) The market committee shall, not, without previous sanction of the State Government, sell, gift, mortgage, lease or otherwise transfer any land which has been purchased or taken on lease by it or which has been acquired for and vested in the market committee under sub-section(1) and sub-section (2) or utilize such land for a purpose other than that for which it has been purchased, taken on lease or, acquired.

21-A. Disposal of movable or immovable property. – The market committee may with previous sanction of the State Government, sell, gift, mortgage, lease or otherwise transfer any movable or immovable property vested in market committee.

CHAPTER IV

Trade Allowance

22. No trade allowance permissible except as prescribed. –(1) No person shall make or recover any trade allowance, other than an allowance prescribed by rules or bye-laws, in any market area for any transaction in respect of the agricultural produce concerned and no civil court shall, in any suit or proceeding arising out of

any such transaction, have regard to or recognize any trade allowance not so prescribed.

Explanation. – Every deduction other than a deduction on account of deviation from sample when the purpose is made by sample or on account of deviation from standard when the purpose is made by reference to a prescribed standard or on account of difference between the Actual weight of the container and the standard weight or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this section.

(2) No Licensee shall solicit, receive or recover or collect commissions, market charges, fee, deduction except as provided in the bye-laws and also from any person other than those permitted under the bye-laws.

(3) No Licensee and no other person in the market shall solicit, receive, recover or collect any contribution in cash or kind for any function or for any religious, educational or charitable purpose from the producer in the course of transaction of the notified agricultural produce.

CHAPTER IV-A **State Agricultural Marketing Board**

22-A State Agricultural Marketing Board. – (1) With effect from such date as the Government may by notification appoint in this behalf, there shall be established for the State of Rajasthan a Board to be called the Rajasthan State Agricultural Marketing Board.

(2) The Board shall be a body corporate having perpetual succession and a common seal and subject to such restrictions as are imposed by or under this Act or any other enactment, shall be vested with the capacity to sue or to be sued in its corporate name, or acquiring, holding and disposing of, movable and immovable property, of entering into contracts and of doing all things necessary, proper or expedient for the purposes for which it is constituted.

22-B. Composition of the State Agricultural Marketing Board. – (1) The Board shall consist of the following members, namely :-

- (a) Ten members elected by the Chairman of the market committees in the State from amongst themselves. For this purpose the State shall be divided into 10 single member constituencies in the prescribed manner and one member shall be elected from each constituency;
 - (b) Two traders elected by the trader members of the market committee in the State of Rajasthan in the prescribed manner;
Provided that if a trader is a Chairman of any market committee, he may choose to seek election from either of the two constituencies;
 - (c) Secretary to the Government. in the department of Agriculture and Animal Husbandry of the State of Rajasthan;
 - (d) Director of Agriculture for the State of Rajasthan;
 - (e) Director of Animal Husbandry for the State of Rajasthan;
 - (f) Registrar, co-operative societies for the State of Rajasthan;
 - (g) Director of Sheep and Wool for the State of Rajasthan;
 - (h) One Economist drawn from any university established in the State of Rajasthan to be nominated by the Government.
 - (i) An officer of the rank of Joint Director belonging to the Rajasthan Agricultural Marketing Service, nominated by the Government. shall be the ex-officio member- secretary of the Board.
 - (j) Two non-official members of the public nominated by the Government.
 - (k) Food Commissioner for the State of Rajasthan or his nominee;
 - (l) Managing Director, Rajasthan State Warehousing Corporation;
 - (m) Regional Manager, FCI;
 - (n) The Director of Agricultural Marketing for the State of Rajasthan.
- (2) The Chairman and Vice-Chairman of the Board shall be appointed by the Government from amongst the members of the Board provided that a member elected under sub-section 1(b) shall not be appointed as the Chairman or Vice-Chairman of the Board and provided further that if a Chairman of a Market Committee is appointed as the Chairman or Vice-Chairman of the Board and he consents to such appointment, he shall be deemed to have relinquished charge of the office of the Chairman of the Market Committee in favour of the Vice-Chairman of the Market Committee from the date he assumes charge of the office of the Chairman or Vice-Chairman of the Board.

22-C. Publication of the name of the members of the Board. – The Government shall publish the names of the members of the board in the official Gazette.

22-D. Determination of the validity of Election. –The Government shall, if an election of any member is challenged, determine the validity of the election of member in the prescribed manner.

22-E. Cessation of membership of elected members of the Board. –(1) A member elected under clause(a) or (b) of section 22-B shall, cease to be a member of the Board, if he ceases to be a member of the concerned electorate.

(2) In case, a vacancy occurs on account of resignation, death or cessation of membership of any member, the vacancy shall be filled by nomination by the Government from amongst the persons from the constituency from which he was elected and the member so nominated shall hold office till such time as the member in whose place he is nominated would have held it.

22-F. Term of office of the members of the Board. - The members elected or nominated shall hold office for a period of three years but the Government may, from time to time, extend the term by notification for reasons to be recorded in writing, for a period not exceeding one year in the aggregate.

22-FF. First Board to be nominated by the Government. – Notwithstanding anything contained in section 22-b members of the First Board(including its Chairman and Vice-Chairman) constituted after the commencement of this Act, shall be nominated by the State Government. and shall hold office for a period of 3 years from its constitution:

provided that the State Government. may from time to time extend the term of office of the Board to any further period not exceeding in aggregate one year:

[provided further that where the term of office of the Board has been extended under the foregoing proviso, it should be competent for the State Government at any time to terminate the term so extended.]

22-FFF. Second Board to be nominated by the State Government. – Notwithstanding anything contained in any other provisions of this Act after the expiry of termination of the term of office of the First Board nominated under section 22FF, the State Government may at any time constitute the Second Board by

nominating its members(including its Chairman and Vice-Chairman) and the Second Board shall hold office for such period as may be specified by the State Government:

Provided that the State Government may, from time to time, extend the term of office of the Board constituted under this section to any further period subject however; to the condition that the total term of the Board so constituted shall not exceed in aggregate a period of three years.

Provided further that the State Government, if it thinks fit in public interest so to do, may at any time, by a notification in the Official Gazette, terminate the term of the Board constituted under this section and appoint an Administrator to exercise all the powers and perform all the duties and functions of the Board:

Provided also that where the term of the Board has been terminated under the foregoing proviso, neither its Chairman nor any of its members shall be entitled to any compensation whatsoever in respect of the unexpired portion of his term.

22-FFFF. Third Board to be nominated by the State Government. – Notwithstanding anything contained in any other provisions of this Act after the expiry or termination of the term of office of the Second Board nominated under section 22 FFF, the State Government may at any time constitute the Third Board by nominating its members (including its Chairman and Vice-Chairman) and Third Board so nominated shall hold office for such period as may be specified by the State Government:

Provided that the State Government may, from time to time, extend the term of office of the Board constituted under this section to any further period subject, however, to the condition that the total term of the board so constituted shall not exceed in aggregate a period of three years.

Provided further that the State Government, if it thinks fit in public interest so to do, may at any time, by a notification in the Official Gazette, terminate the term of the Board constituted under this section and appoint an Administrator to exercise all the power and perform all the duties and functions of the Board:

Provided also that where the term of the Board has been terminated under the foregoing proviso, neither its Chairman nor any of its members shall be entitled to any compensation whatsoever in respect of the unexpired portion of his term

22-G. Powers and duties of the Chairman and Vice-Chairman. – (1) The chairman shall be the chief controlling and supervising officer of the Board. All other officers and employees of the Board shall, subject to the provisions of this Act, rules and bye-laws be under his control.

(2) The Chairman shall, -

- a) Preside over the meetings of the Board and its committees and conduct the business at such meetings;
- b) Supervise the financial and executive matters of the Board;
- c) Exercise supervision and control over the officers and employees of the Board.

(3) The Vice-Chairman shall preside over the meetings of the Board and its committees and exercise the powers of the Chairman in the absence of the Chairman.

22-H. Marketing Development Fund. – (1) There shall be a fund called Marketing Development Fund, which shall be administered by the Board.

(2) All receipts of the Board shall be credited, and all expenditure incurred by the Board in discharge of its duties shall be debited to the Marketing Development Fund.

22-HA. Borrowing power of the Board. – For carrying out the provisions of this Act, the Board may borrow money –

- a) From the State Government; or
- b) With the previous approval of the State Government, -
 - i. From any other agency; or
 - ii. by issuing debentures on the security, of any property vested in it or on the security of part of its future income accruing to it under this Act, or the rules made there under.

22-I. Sums of money to be credited to the Marketing Development Fund and investment of the surplus. – (1) The following sums of money shall be credited to the Marketing Development Fund :-

- (i) Any grants or loans sanctioned by the government;
- (ii) Contributions received from market committees under section 18-A;
- (iii) Loans raised by the Board with the approval of the government;
- (iv) Such other sums of money as the Government may direct.

(2) All expenditure incurred by the Board shall be defrayed out of the said fund and the surplus funds shall be invested in such manner as may be prescribed.

22-J. Purposes for which the Marketing Development Fund shall be utilized.
– The Marketing Development Fund shall be utilized by the Board for the following purposes, namely: –

- (i) Improvement and regulation of Agricultural Markets in the state;
- (ii) Giving of aid to financially weak market committees in the State in the form of loans and grants to enable them to discharge their duties and functions satisfactorily;
- (iii) Payment of salaries, allowances, pensions, gratuities, compassionate grants to its employees and contributions towards salaries, allowances, pension and gratuity of the Government employees, if any, serving to the Board. All expenditure under this clause shall be the first charge on Marketing Development Fund;
- (iv) Payment of travelling and other allowances to the members of the board in the manner prescribed;
- (v) Undertaking, education and publicity in relation to matters connected with regulated Marketing of Agricultural Produce in the State;
- (vi) Meeting of legal expenses;
- (vii) Provision of technical and administrative assistance to market committees including maintenance of staff for rendering assistance to market committees for such purposes as:-
 - (a) Engineering;
 - (b) Auditing of accounts of market committees;
- (viii) Training of officers and staff of the market committees and organization of camps, workshops, seminars and conferences;

- (ix) Grading and standardization of agricultural produce;
- (x) Construction of market roads and approach roads to the markets;
- (xi) Construction of market yards and sub-yards and leading or transferring these to the market committees;
- (xii) Sanction of loans and advances to its employees in the manner prescribed;
- (xiii) Establishment and maintenance of the offices of the Boards;
- (xiv) Expenditure on audit of the accounts of the Board; and
- (xv) With the prior approval of the Government any other purpose connected with agricultural marketing.

22-K. Functions of the Board. – (1) The Board shall as far as possible and necessary, carry out the purposes specified in section 22-J.

(2) The Board shall tender advice to the Government and the market committees in relation to agricultural marketing as and when referred to.

22-L. Matters on which Board may frame bye-laws. – The Board may frame bye-laws for the following purposes, namely –

- a) The manner in which the Board may carry out the purposes referred to in section 22-J and 22-K;
- b) Administration of the properties of the Board including the maintenance and regulation of rest houses, staff quarters and other buildings and assets of the board;
- c) The procedure for giving aid to financially weak market committees;
- d) The payment of allowances to the members of the Board and its committees;
- e) The person or persons by whom, and the manner in which, a contract may be entered into or payments made on behalf of the Board; and
- f) Any other purpose which, in the opinion of the board is expected to further the interests of the Board or the market committees or lead to improvement of marketing of agricultural produce.

22-M. Provisions of the Act and rules to apply to the Board. – Save as provided in this Chapter, the provisions of this Act and the rules applicable to a market committee shall mutatis mutandis be applicable to the Board.

CHAPTER IV-B CONTRACT FARMING

22-N. Contract farming. –(1) Contract farming buyer shall register himself with the market committee in such manner as may be prescribed.

(2) The contract farming buyer shall get the contract farming agreement registered with the market committee. The contract farming agreement shall be in such form, containing such particulars and terms and conditions as may be prescribed.

(3) Notwithstanding anything contained in contract farming agreement, no title, rights, ownership or possession of contract farming producer on his land under contract farming shall be transferred or alienated or vest in the contract farming buyer or his successor or his agent as a consequence arising out of the contract farming agreement.

(4) If any dispute arises between the parties in respect of the provisions of the agreement either of the parties may submit an application to the market committee to arbitrate upon the disputes. The market committee shall resolve the disputes after giving the parties a reasonable opportunity of being heard.

(5) The party aggrieved by the decision of the market committee under sub-section(4) may prefer an appeal to the Director within thirty days from the date of decision. The director shall dispose off the appeal after giving the parties a reasonable opportunity of being heard and the decision of Director shall be final.

(6) The decision of the market committee under sub-section(4) and decision in appeal under sub-section(5) shall have force of the decree of a civil court and shall be enforceable as such and decretal amount shall be recovered as arrears of land revenue.

(7) Disputes relating to and arising out of contract farming agreement shall be settled in accordance with the provisions made herein above and shall not be called in question in any civil court.

(8) The agricultural produce under contract farming may be sold to the contract farming buyer at places other than the market yard except in market proper. The

market fee shall be payable by the contract farming buyer of agricultural produce at the rates prescribed under section 17 and in such manner as may be prescribed.

(9) Contract farming agreement may be made for fruits, vegetables, medicinal plants or aromatic plants and such other agricultural produce as may be specified by the State Government from time to time by notification in the Official Gazette.

CHAPTER V

Miscellaneous

23. Liability of Chairman, Vice-Chairman and members for removal from office.

– (1) Every Chairman and Vice-Chairman shall, after an opportunity of being heard is afforded to him, be removed from his office as such Chairman and Vice-Chairman by the Government for misconduct in the discharge of his duties or for neglect of or incapacity to perform his duties or for making persistent defaults in the discharge of his duties and the Chairman and Vice-Chairman so removed who does not cease to be a member under clause (b) of sub-section (2) shall not be eligible for re-election as Chairman and Vice-Chairman during the remainder of his term of office as member of the market committee.

(2)(a) The Government may if it thinks fit on the recommendation of the market committee or on any complaint or for other sufficient reason and after giving him an opportunity of being heard and after such enquiry as it deems necessary, remove a member of the market committee, if such member, in the opinion of the Government has been guilty of misconduct in the discharge of his duties or of any disgraceful conduct, or has become incapable of performing his duties as a member or does anything against the interest of the market committee.

(b) When under sub-section (1) any person is removed from office of the Chairman and Vice-Chairman for misconduct in the discharge of his duties, he shall, from the date of such removal cease to be a member and shall be deemed to have been removed from the membership of the market committee also.

24. Personal liability of members for loss or mis-applications. –Every member of the market committee shall be personally liable for the loss or mis-application of any portion of the fund, if he shall have been a party to such loss or mis-

application or if the same shall have happened through, or been facilitated by gross neglect of his duty as such member and may be sued for the recovery of the sum of money so lost or misapplied as if such sum of money had been the property of the State Government.

25. Duty of officers and members of committee to furnish information. – When the affairs of a market committee are investigated for the proceedings of such committee are examined by the Director under section 39, all officers and members of such committee shall furnish such information in their possession in regard to the affairs of the committee as the director may require.

26. Power to enforce attendance etc. – The Director while investigating the affairs of a market committee or examining the proceedings of such committee under section 25, shall have power to summon and enforce the attendance of officers or members of the market committee and to compel them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a civil court by the code of civil procedure, 1908 (Central Act 5 of 1908)

27. Supersession of market committee. – (1) If, in the opinion of the State Government, a market committee is not competent to perform or persistently makes default in performing the duties imposed on it by or under this Act or abuses its powers, the State Government may by notification in the official gazette supersede such market committee.

Provided that, before issuing a notification under this sub-section, the State Government shall give a reasonable opportunity to the market committee for showing cause why it should not be superseded and shall consider the explanation and objections, if any, of the market committee.

(2) Upon the publication of a notification under sub-section (1) superseding a market committee, the following consequences shall ensue –

- i. All the members as well as the Chairman and Vice-Chairman of the market committee shall, as from the date of such publication, be deemed to have vacated their offices;

- ii. The State Government may, in its discretion, by order either constitute a new market committee under section 7 or make such arrangements for carrying out of the functions of the market committee as it thinks fit for a period of six months in a time but not exceeding eighteen months in aggregate and before the expiry of the said period of the said period of eighteen months a new market committee shall be constituted under section 7.
- iii. All the assets vesting in the market committee shall, subject to all its liabilities, vest in the State Government.

(3) If the State Government makes an order under clause(ii) of sub-section(2), it shall transfer the assets and liabilities of the market committee, as on the date of such transfer, to the new market committee constituted under section 7 or to the person or persons ,if any, appointed for carrying out the functions of the market committee, as the case may be.

(4) If the State Government does not make such an order, it shall transfer all the assets of the market committee, which remain after the satisfaction of all its liabilities, to the local authority within whose jurisdiction the market area for which the market committee was constituted, is situated or, if there are more than one such authority to each of such authorities such portion of the assets as the State Government may determine.

(5) A local authority to which assets of market committee have been transferred under sub-section(4) shall utilise such assets for such object in the area within its jurisdiction as the State Government considers to be for the benefits of the agriculturists in that area.

27-A. Appointment of an Administrator. –(1) Notwithstanding anything contained in this Act or rules, if at any time it appears to the Government that on account of a decision or order of a competent court, a market committee has not been validly constituted under this Act or that it is disabled from functioning or the term of the market committee has expired or if the total number of vacancies exceeds one-third of the [total number of elected members] of the elected market committee or the market committee is otherwise not competent to function, the Government may by notification, cause all or any powers and duties of the market

committee to be exercised and performed by such officer, in such manner and for such period and subject to such conditions as it may, by notification direct.

(2) If a market committee is unable to function on account of any of the reasons specified in sub-section(1), it shall be the duty of the secretary and the director to bring the matter to the notice of the Government as early as possible and to take effective measure to hold all the properties of the market committee in trust till Action under sub-section(1) is taken by the Government.

(3) All the powers and duties of the market committee exercised and performed bona fide till the date of the notification referred to in sub-section(1), by the persons who constituted such market committee, shall be deemed to have been validly exercised and performed by the said persons; and shall not be deemed to be invalid or called in question on the ground merely that they were not members of a validly constituted market committee.

27-B. Power of entry and search. – (1) The secretary of the market committee or any officer authorised by the Government in this behalf may-

- (a) For carrying out any of the duties imposed on the market committee under this Act, inspect at all reasonable times, all accounts, registers and other documents pertaining to the purchase and sale of notified agricultural produce and enter any shop, godown, factory or other place where such account books or registers or documents or such goods are being kept and taken and cause to be taken such copies or extracts from the account books, registers and other documents inspected as may be considered necessary;
- (b) Seize any account books, registers and other documents for reasons to be recorded in writing; and an inventory of the account books and registers shall be prepared and a copy thereof, shall be furnished to the concerned person before their removal;
- (c) Seize any agricultural produce in respect of which he has reason to believe that an offence under this Act has been or is being or is about to be committed and vehicle or animal which he has reason to believe to be in use or to have been used for carrying such agricultural produce and may detain the same for as long as may be necessary in connection with

any proceeding under this Act, or for initiating prosecution under this Act.

Provided that a report of the seizure shall forthwith be made by the person seizing the agricultural produce, vehicle or animal to the Magistrate having jurisdiction to try offences under this Act and the provisions of [Sections 523,524 and 525 of the Code of Criminal Procedure, 1898] shall, so far as may be, apply in relation to the notified agricultural produce, vehicle or animal seized as aforesaid as they apply to property seized by a police officer:

Provided further that the grounds for seizing any such agricultural produce, vehicle or animal shall be communicated in writing within twenty four hours of the seizure to the person from whose possession the same was seized and to the Magistrate having jurisdiction to try offences under this Act.

(2) Any person aggrieved by such Action may file an appeal to the Director or any other officer authorised by him who shall proceed to decide the case, after giving the secretary or the officer so authorized and the owner of the seized property a reasonable opportunity of being heard and the decision of the Director or authorised officer shall be complied with.

(3) The provisions of the section 102, 103 of the (Code of Criminal Procedure, 1898 relating to search and seizure shall, so far as may be, apply to searches and seizures made under this section.)

28. Penalty of contravention of certain provisions. – (1) Whoever contravenes the provision of section 4 shall, on conviction, be punished with simple imprisonment for a term which may extend to 3 months and with fine which may extend to two thousand Rupees and in case of continuing contravention, with a further fine which may extend to five hundred rupees for every day during which the contravention is continued after the first conviction.

(2) Any person who intentionally evades the payment of any market fee payable under section 17 shall, on conviction, be punished with simple imprisonment for a term which may extend to three months and with fine which may extend to one thousand rupees. The Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay to the market committee, the amount of market fees due and may, in his discretion, also recover summarily and pay to the market committee such amount, if any, as he may fix as the cost of prosecution.

(3) Whoever obstructs the secretary or officer authorised for the purpose by the State Government, in entering any shop, godown, factory or any place or taking out the copies of entries in the accounts, registers or other documents or seizing the documents under section 27-B shall, on conviction, be punished with simple imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both; and in case of subsequent contravention, with simple imprisonment for a period upto three months and with a fine which may extend to one thousand rupees for every such contravention.

(4) Whoever contravenes any provision of this Act shall, if no other penalty is provided for the offence in this Act, be punished with fine which may extend to five hundred rupees.

29. Penalty of contravention of section 22. –Whoever contravenes any of the provisions of section 22 shall, on conviction, be punished with simple imprisonment for a term which may extend to one month and with fine which may extend to one thousand rupees. However, for the first offence, he shall be punished only with a fine upto one thousand rupees. The magistrate shall in addition to any fine that may be imposed, direct the person convicted to pay to the market committee the unauthorised amount so collected or deducted.

30. Penalty for contravening provisions of section 25. – If any officer or member of the market committee, when required to furnish information regard to the affairs or proceedings of the market committee under section 25 –

(a) Willfully neglects or refuses to furnish any information, or

(b) Willfully furnishes a false information, he shall, on conviction, be punished with fine which may extend to fifty rupees.

31. Bar of suit in absence of notice. – (1) No suit shall be instituted against any market committee or any member, officer or servant thereof or any person Acting under the direction of any such market committee member, officer or servant for anything done or purporting to be done in good faith as such member, officer or servant under this Act until the expiration of two months next after notice in writing, stating the cause of Action, the name and place of abode of the intending plaintiff and the relief which he claims, has been in the case of a market committee delivered or left his office and in the case of any such member, officer, servant or

person as aforesaid, delivered to him or left his office or usual place of abode and the plaint shall contain a statement that such notice has been so delivered or left.

(2) Every such suit shall be dismissed unless it is instituted within six months from the date of the accrual of the alleged cause of action.

32. Trial of offences. –(1) No offence under this Act or any rule or bye-laws there under, shall be tried by a court other than that of a magistrate of the first class or of a magistrate of the second class specially empowered in this behalf.

(2) No court shall take cognizance of any offence under this Act, except upon the complaint in writing either by the secretary or by any other person specially authorized by the director.

32-A. Composition of offences. – (1) A sub-committee comprising the Chairman, a Government. nominee and the secretary may compound an offence committed under this Act or the rules or bye-laws and may accept from the offender, for the compounding of such an offence, the following sums of money, namely –

- a) Where the offence consists of the failure to pay or the evasion of any fee or other amount recoverable under this Act or the rules, the fee or other amount so recoverable and, in addition, a sum of money not exceeding five hundred rupees or double the amount of fee or other amount, which is greater; and
- b) In respect of offences punishable with fine only a sum of money not exceeding the amount of such fine.

(2) On composition of any offence under sub-section(1) no proceedings shall be taken or continued against the person concerned in respect of such offence and if any proceeding in respect of that offence has already been instituted against him in any Court, upon the composition, the charges against him shall be deemed to have been withdrawn .

33. Fines recovered to be paid into market committee fund. – All fines and penalties imposed in prosecutions for offences punishable under this Act or under the rules or bye-laws made there under shall, when realised, be paid into and form part of the market committee fund concerned.

34. Recovery of sums due to Government .or market committee. – (1) Every sum due from a market committee to the State Government shall be recoverable as an arrear of land revenue.

(2)(a) Any sum due to a market committee on account of any charge, costs, expense, fees, rent or any other amount under the provisions of this Act or any rule or bye-law made there under, shall be recoverable from the person from whom such sum is due, in the same manner as an arrear of land revenue by the Government on behalf of the market committee.

(b) If any question arises whether any money is due or not, to the market committee within the meaning of clause(a) it shall be referred to the director or an officer authorised by him and the director or authorised officer shall after making such enquiry as he deems fit, and after giving to the person from whom the money is alleged to be due, an opportunity of being heard, decide the question and his decision shall be final.

34 A. Directions by the State Government. –(1) The State Government may give to the board or market committee general instructions to be followed by the board or such committees for carrying out the purposes of the Act and such instructions may include directions relating to the purposes for which, and the manner in which the market committee fund or the Marketing Development Fund shall be spent and the manner in which, the surpluses with the Boards and Committees shall be kept.

(2) In the exercise of its powers and performances of its duties under this Act, the board or market committees shall not depart from any general instructions issued under sub-section(1) except with the previous permission of the State Government.

35. Delegation of powers. –(1) The State Government may delegate to any officer any of the powers conferred on it by or under this Act except the powers exercisable by it under[xxx] section 7 or under section 36 or under section 40.

(2) The director may, by an order made in this behalf, direct that any of the powers conferred on him by or under this Act shall be exercisable also by such officers subordinate to him as may be specified in such order.

36. **Rules.** (1) The State Government may either generally or specially for any market area or market areas make rules for the purposes of carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for or regulate –

- (a) [the criteria for classification of market areas ;]
 - (aa) the election and nomination of members of the market committee, the manner of election, the preparation and revision of lists of voters from time to time, the qualifications and disqualification of voters and candidates and the payment of all expenditure in connection with or incidental to such election;
- (b) the powers to be exercised and duties to be performed by the market committee and by its Chairman and Vice-Chairman;
- (c) the election of the Chairman and Vice-Chairman of the market committee and his term of office;
- (d) the filling of casual vacancies in the office of Chairman, Vice-Chairman or member of the market committee;
- (e) the management of the market and the manner of collection of market fees by the market committees in the market area;
- (f) the issue of Licenced to traders, brokers, weighmen, measurers, surveyors, warehousemen and other persons operating in the[market area] the form in which and the condition subject to which such Licence shall be issued or renewed and the fee to be charged therefore;
- (g) the trade allowance which may be paid or received by any person in any transaction in the agricultural produce in a market area;
- (h) the prohibition of brokers from Acting in any transaction on behalf of both the buyer and seller of agricultural produce or as a buyer or seller;
- (i) the provision of accommodation, for storing ant agricultural produce brought into the market;
- (j) the preparation of plans and estimates for works proposed to be constructed partly or wholly, at the expense of the market committee and the grant of sanction to such plans and estimates;

- (k) the form in which the account of the market committee shall be kept, the audit and publication of such accounts and the charges, if any, to be made for such audit;
- (l) the preparation and submission for sanction of the annual budget and the reports and returns to be furnished by a market committee;
- (m) the investment and disposal of the surplus funds of a market committee;
- (n) the regulation of advances, if any, given to agriculturists by brokers or traders;
- (o) the prevention of adulteration of the agricultural produce;
- (p) the grading and standardisation of the agricultural produce;
- (q) the keeping of list of prices of agricultural produce in respect of which market is established;
- (r) the manner in which auction of agricultural produce shall be conducted and bids made and accepted in any market;
- (s) the recovery and disposal of [market fees or other fees] leviable by or under the Act;
- (sa) infrastructure for consumer-farmer market, manner of sale in consumer-farmer market, quantity of a commodity that may be purchased at a time in the consumer-farmer market, rate of market service charge chargeable in the consumer-farmer market;
- (sb) manner and form in which application for licence for establishment of private sub-market yard and consumer farmer market may be made, licence fees for establishment of private sub-market and terms and conditions for such licence;
- (sc) manner in which the market committee shall regulate the market of agricultural produce;
- (sd) the manner in which the officers and servants shall be employed by market committees;
- (se) manner in which scales, weights, and measures in use market area, and the books of accounts and other documents maintained by the traders, brokers, weighmen, measurers, surveyors, ware housemen and other persons operating in the market area may be inspected and verified by the market committee;

- (sf) form in which agreement shall be executed by the person who buys agricultural produce in the market area;
- (sg) manner in which contract farming buyer shall be registered with the market committee, form of contract farming agreement and particulars and terms and conditions to be contained in such form and the manner in which market fee shall be payable by the contract farming buyer.
- (t) Any matter which, by any provision of this Act, may be or is required to be prescribed or for which by such provision rules may be or are required to be made;
- (u) Generally for carrying out the purposes and provisions of this Act.

(3) Any rule made under this Act may provide that any contravention thereof or of any of the conditions of any Licence issued or renewed there under shall, on conviction, be punishable with fine which may extend to two thousand rupees.

(4) The power to make rules conferred by this section in subject to the condition of rule being made after previous publication.

[Provided that any rules may be made without previous publication, if the State Government considers that it should be brought into force at once.]

(5) All rules finally made under this Act shall be laid, as soon as may be after they are so made, before the house of the State legislature, while it is in session, for a period of not less than fourteen days which may be comprised in one session or in two successive sessions and is before the expiry of session in which they are so laid or of the session immediately following, the house of the State legislature makes any modification in any of such rules or resolves that any such rule should not be made, such rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done there under.

37. Bye-laws. – (1) Subject to any rules made by State Government under section 36, the market committee may, in respect of the market area under its management make bye-laws for the regulation of business and conditions of trading therein.

(2) Any bye-law made under this section may provide that any contravention thereof shall on conviction be punishable with fine which may extend to fifty rupees.

(3) No bye-law made under this section shall have effect unless and until it has been sanctioned by the Director or any other officer specially empowered in this behalf by the State Government.

38. Power of Director to make bye-laws. – (1) If a the market committee fails to make in respect of the market area under its management, the necessary bye-laws under section 37 within a period of 6 months from the date of its constitution, the Director may make such bye-laws and may also provide punishment for the contravention thereof in accordance with sub-section(2) of section 37.

(2) Such bye-laws shall remain in force until superseded by fresh bye-laws made by the market committee under section 37.

39. Power of Director to call for proceedings of market committee and to pass orders thereon. – The Director may at any time call for and examine the proceedings of any market committee for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by the market committee under the rules. If in any case, it appears to the Director that any decision or order or proceeding so-called for should be modified, annulled or reversed, the Director may pass such order thereon as he thinks fit.

40. Power of Government to amend the Schedule. – The State Government may by notification in the official gazette add to, amend or cancel any of the items of agricultural produce specified in the Schedule.

40.A- “Power to grant exemption from market fee- If the State Government is satisfied that it is expedient in the public interest so to do, it may, by notification in the Official Gazette, exempt, whether prospectively or retrospectively, any Licencee or class of Licencees specified in the notification from payment to market fee payable on any agricultural produce bought or sold by him in the market area without any condition or with such condition as may be specified in the notification.”

41. **Savings.** – Nothing contained in any law for the time being in force relating to the establishment, maintenance or regulation of a market shall apply to any market area declared as such under section 4 or after in any way –

- 1) The rights of a holder of a Licence granted under the provision to sub-section(2) of section 4 or of a market committee or a co-operative marketing society, required or permitted under section 9 to do so, to setup, established or continued a market in the market area for the sale and purchase of any agricultural produce notified under sub-section(1) of section 4, or
- 2) The rights of the holder of a Licence granted under section 14.

42. **Power to remove difficulties.** –If any difficulty arises in giving effect to the provisions of this Act, the State Government may as occasion requires, by order, do anything which appears to it to be necessary for the purpose of removing the difficulty.