

THE UTTAR PRADESH KRISHI UTPADAN MANDI

ADHINIYAM, 1964¹

[U. P. Act No. XXV of 1964]

Amended by

U. P. Act No. 10 of 1970

President's Act no. 13 of 1973 (as enacted with modifications by
U. P. Act no. 30, 1974)

U. P. Act No. 13 of 1973

U. P. Act No. 30 of 1974

U. P. Act No. 06 of 1977

U. P. Act No. 07 of 1978

U. P. Act No. 19 of 1979

U. P. Act No. 20 of 1984

U. P. Act No. 12 of 1985

U. P. Act No. 12 of 1987

U. P. Act No. 10 of 1991

U. P. Act No. 24 of 1994

U. P. Act No. 04 of 1999

U. P. Act No. 01 of 2000

U. P. Act No. 18 of 2001

U. P. Act No. 07 of 2002

U. P. Act No. 13 of 2004

U. P. Act No. 17 of 2005

U. P. Act No. 02 of 2006

U. P. Act No. 34 of 2006

U. P. Act No. 40 of 2007

U. P. Act No. 27 of 2013

U. P. Act No. 04 of 2015

U. P. Act No. 11 of 2015

U. P. Act No. 03 of 2016

U. P. Act No. 24 of 2018

U.P. Act No. 07 of 2020

U.P. Act No. 18 of 2020

U.P. Act No. 07 of 2023

1. For Statement of Objects and Reasons see *Uttar Pradesh Gazette Extraordinary*, dated December 10, 1963.

[Passed in Hindi by the Uttar Pradesh Legislative Assembly on August 7, 1964 and by the Uttar Pradesh Legislative Council on September 8, 1964.

Received the assent of the President on October 28, 1964, under Article 201 of the Constitution of India and was published in the *Uttar Pradesh Gazette, Extraordinary* dated November 10, 1964.]

AN

ACT

to provide for the regulation of sale and purchase of agricultural produce and for the establishment, superintendence and control of markets therefor in Uttar Pradesh.

It is hereby enacted in the Fifteenth Year of the republic of India as follows :—

CHAPTER — I

Preliminary

**Short title
and extent**

1. (1) This Act may be called the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964.

(2) It extends to the whole of the Uttar Pradesh.

Definitions

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

¹ [(a) “agricultural produce” means such items of produce of agriculture, horticulture, viticulture, apiculture, sericulture, pisciculture, animal husbandry or forest as are specified in the Schedule, and includes admixture of two or more of such items, and also includes any such item in processed form, and further includes gur, rab, shakkar, khandsari and jiggery ;]

[²(a-1) “Board” means the State Agricultural Produce Markets Board constituted under section 26-A ;] ³

(b) “Broker” or “Dalal” means a person who, in the ordinary course of business, negotiates or arranges contracts for the purchase or sale of agricultural produce, on behalf of his, principal on payment of commission or remuneration, whether in cash or kind, but does not include the servant of such principal whether engaged in negotiating or arranging such contracts ;

(c) “bye-laws” means by-laws made in accordance with the provisions of section 39 ;

[1. Sub. and be deemed always to have been subs. by Section 2 of U. P. Act no. 10, 1970.](#)

[2. Renumbered by item 2 \(b\) of the Schedule of U. P. Act no. 30 of 1974.](#)

[3. Ins. by section 2 \(i\) of President Act no. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

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(d) “Central Warehousing Corporation” means the Central Warehousing Corporation established or deemed to be established under the warehousing Corporations Act, 1962 ;

[(d-1)¹ [Collector], in relation to a Committee for a Market area means the Collector of the District where the Principal Market Yard of that Market Area is situated, and includes such other officer as may be authorized by him in that behalf ;]

²[(d-2) “Cold Storage” in relation to market yard means cold storage declared as market sub-yard under section 7-A of this Act ;]

(e) “commission agent” or “Aarhatiya” means a person who, in the ordinary course of business, makes or offers to make, a purchase or sale of agricultural produce, on behalf of the owner or seller or purchaser of agricultural produce, for Arhat or commission ;

(f) “Committee” means a Committee constituted under this Act ;

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1912**

(g) “Co-operative Marketing Society” means a co-operative society of producers ³[registered or deemed to be registered under the Uttar Pradesh Co-operative Societies Act, 1965] which has, as its principal object, the promotion of sale or purchase of agricultural produce ;

[(h) “Director” means an officer appointed by the State Government as Director of Mandis and includes any other officer authorized by the Director to perform all or any of his functions under this Act ;]

⁴ [(h-1) “Director Agricultural Marketing” means an officer, appointed by the State Government as Director Agricultural Marketing, to perform the powers and functions of the Director of Agricultural Marketing under this Act ;

⁴(h-1a) “Direct Marketing” in relation to specified agricultural produce, means direct wholesale purchase of specified agricultural produce from the farmers by the processors, exporters, bulk buyers, etc. outside the principal market yard, sub-market yard, private market yard and market sub-yard ;

[1. Renumbered by item 2 \(v\) of the Schedule of U. P. Act no. 30 of 1974 and Ins. by sec. 2\(ii\) of President Act no. 13 of 1973.](#)

[2. Ins. by sec. 2\(a\) of U.P. Act No. 24 of 2018.](#)

[3. Subs. by sec. 2 \(a\) of U. P. Act No. 06 of 1977.](#)

[4. Ins. by sec. 2 \(b\) of U. P. Act No. 24 of 2018.](#)

¹ [(h-1b) “Farmer Producer Organisation (FPO)” means an association of farmers, by whatever name/form it is called/exists, registered under any law for the time being in force, which is to mobilize farmers and build their capacity to collectively leverage their production and marketing strength.]

² [(h-2) “Export” means export of specified agricultural produce outside India by a licensee.]

³ [(h-3) “e-trading” means trading in which billing, contracting, negotiating, information exchange, record keeping and other connected activities are done electronically on computer network/internet ;]

(i) “licensee” means a person who is granted a licence under this Act ;

(j) “Local Body” means a ⁴[Municipal Corporation], ³[Municipal Council], Notified Area Committee, Town Area Committee, Antarim Zila Parishad, Zila Parishad or a ³[Gram Panchayat] constituted or established under any enactment in force in Uttar Pradesh ;

(k) “Market Area” means an area notified as such under section 6, or as modified under section 8 ;

⁵ [(k-1) “Main Market Committee” means the Mandi Samiti which is authorized to issue a unified license ;]

⁶ [(k-2) “Market sub-yard” means warehouse/silos/cold storage or other such structure or place declared to be market sub-yard under section 7-A of this Act.]

(l) “member” means a member of the Committee ;

⁷ [(l-1) “Other Backward Classes of citizens”, means the backward classes of citizen specified in schedule 1 of the Uttar Pradesh Public Services (Reservation for Scheduled Castes, Scheduled Tribes and Other Backward Class) Act, 1994]

(m) “Palledar” means a labourer engaged for “Dara-making”, loading, unloading, filling, emptying or carrying any agricultural produce ;

⁸ [(m-1) “Person” includes individual, a co-operative society, Hindu Undivided Family, a company or firm or an association or a body of individuals, whether incorporated or not.]

(n) “prescribed” means prescribed by rules made under this Act ;

[1. Ins. by sec. 2\(b\) of U.P. Act No. 24 of 2018.](#)

[2. Ins. by sec. 2 \(a\) of U. P. Act No. 17 of 2005.](#)

[3. Ins. by sec. 2 \(a\) of U. P. Act No. 03 of 2016.](#)

[4. Subs. by sec. 2\(c\) of U. P. Act No. 18 of 2001.](#)

[5. Ins. by sec. 2 \(b\) of U. P. Act No. 03 of 2016.](#)

[6. Ins. by sec. 2 \(c\) of U. P. Act No. 24 of 2018.](#)

[7. Ins. by sec. 3 of U.P. Act No. 18 of 2001.](#)

[8. Ins. by sec. 2\(f\) of U.P. Act No. 24 of 2018.](#)

(o) “Principal Market Yard” means the portion of a Market Area, declared as such under section 7 ;

¹ [(o-1) “Processing” means any one or more of a series of treatments relating to powdering, crushing, decorticating, dehusking, parboiling, polishing, ginning, pressing, occurring or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce or its product is subjected to but shall not mean more cleaning, washing grading and packaging and other like activities;]

² [(o-2) “Private Market Yard” means such place other than Principal Market Yard, Sub-Market Yard and Market-Sub Yard in the market area, where infrastructure has been developed and managed by a person for marketing of agricultural produce, holding a license for this purpose under this Act ;

(o-3) “Processor” in relation to agriculture produce means a person who undertakes processing of any notified agricultural produce on his own accord or on payment of a charge.]

(p) “producer” means a person who, whether by himself or through hired labour, produces, rears or catches, any agricultural produce, not being a producer who also works as a trader, broker or *Dalal*, commission agent or *Aarhatiya* or who is otherwise ordinarily engaged in the business of storage of agricultural produce :

Provided that if a question arises as to whether any person is a producer or not for the purposes of this Act, the decision of the Director, made after an enquiry conducted in such manner as may be prescribed, shall be final.

(q) “purchase” includes barter or receipt of goods by way of pledge or as security for the amount advanced ;

³[(q-1)³ “Regulations” means regulations made by the Board in accordance with the provisions of section 26-X ;]⁴

⁵ [(q-2) “retail sale” in relation to any specified agricultural produce means sale of that produce, not exceeding such quantity, as a market committee may specify in its bye-laws to be the limit of retail sale ;]

(r) “sale” includes barter or deposit of goods by way of pledge or as security for the amount received as advance ;

(s) “Secretary” means the person appointed as such under section 23 ;

[1. Ins. by sec. 2 \(b\) of U. P. Act No. 17 of 2005.](#)

[2. Ins. by sec. 2 \(e\) of U. P. Act No. 24 of 2018.](#)

[3. Renumbered by item 2 \(b\) of the Schedule of U. P. Act no. 30 of 1974.](#)

[4. Ins. by section 2 \(iv\) of President Act no. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[5. Ins. by sec. 2 \(i\) of U. P. Act No. 19 of 1979.](#)

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¹[(s-1) “Silo” means silo declared as market sub-yard under section 7-A of this Act ;

(s-2) “Special Commodity Market Yard” means a market yard as notified under section 7-C of this Act.]

(t) “specified agricultural produce” means a agricultural produce specified in the notification under section 6 or as modified under section 8 ;

²[(t-1) “State” means a State as specified in 1st Schedule of the Constitution of India.]

(u) “State Government” means the Government of Uttar Pradesh ;

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of 1962**

(v) “State Warehousing Corporation” means the State Warehousing Corporation for Uttar Pradesh established or deemed to be established under the Warehousing Corporation Act, 1962 ;

(w) “Sub-Market Yard” means a portion of a Market Area, declared as such under section 7 ;

³[(x) “trade-charge” means any charge, by whatever name called, which is realized or may be realized by, or may be payable to, a trader in respect of any transaction of sale or purchase of any specified agricultural produce under or purporting to be under any custom or usage of trade, or otherwise ;

Explanation — Every deduction other than a deduction made on account of deviation from sample when the purchase is made by sample, or on account of deviation from standard when the purchase is made by reference to a known standard, or on account of difference between actual and the standard weight or measure shall be deemed as a trade charge.]

(y) “trader” means a person who in the ordinary course of business is engaged in buying or selling agricultural produce as a principal or as a duly authorized agent of one or more principals and includes a person, engaged in processing of agricultural produce ;

⁴[(y-1) “Unified License” means a license granted under section 9-A.]

⁵[(aa) “village” shall have the same meaning as in the Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950.]

[1. Ins. by sec. 2 \(f\) of U. P. Act No. 24 of 2018.](#)

[2. Ins. by sec. 2 \(G\) of U. P. Act No. 24 of 2018.](#)

[3. Subs. by sec. 3 of U. P. Act No. 07 of 1978.](#)

[4. Ins. by sec. 2 \(c\) of U. P. Act No. 03 of 2016.](#)

[5. Subs. by sec. 2 \(c\) of U. P. Act No. 06 of 1977.](#)

	<p>¹[(aa-1) “Warehouse” in relation to market yard means warehouse declared as market sub-yard under section 7-A of this Act.]</p> <p>(bb) “weighman” means a person who, in the ordinary course of business, is engaged in weighing of agricultural produce in connection with a transaction of sale or purchase thereof ;</p> <p>(cc) “weighing or measuring instrument” means a weighing instrument or a measuring instrument as defined in the Uttar Pradesh Weights and Measures (Enforcement) Act, 1959 ;</p> <p>(dd) “weight or measure” means commercial weight or measure or a standard weight or measure, as defined in the measure or a standard weight or measure, as defined in the U. P. Weights and Measures (Enforcement) Act, 1959 ;</p> <p>² [(ee) “whole-sale transaction” in relation to any specified agricultural produce means sale and purchase of that produce exceeding such quantity as a market committee may specify in its bye-laws to be the limit of retail sale.]</p> <p>³[(ff) “User charges”, means the amount paid in consideration of material or science.]</p>
U. P. Act no. V of 1959	
Marketing Freedom to Agriculturist/ Producer	<p>⁴[2-A. The agriculturist/producer may sell his produce according to his choice anywhere in or outside this State :</p> <p>Provided that no market fee shall be collected for wholesale transition from agriculturist – seller :</p> <p>Provided further that no market fee shall be levied or collected on the retail sale of any specified agricultural produce, where such sale is made by an agriculturist or a producer directly to the consumer for his domestic consumption.]</p> <p>3. ⁵[X X X X]</p>
Repugnancy with other law	<p>4. (1) Subject to the provisions of sub-section (2), the provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law, custom, usage or agreement.</p>
Act no. X of 1955	<p>(2) The provisions of section 3 of the Essential Commodities Act, 1955, and the orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in this Act or in any rule, by-law or order made thereunder.</p>
Power to amend Schedule	<p>⁶[4-A. The State Government may by notification in the <i>Gazette</i>, add to, amend or omit any of the items of agricultural produce specified in the Schedule, and thereupon the Schedule shall stand amended accordingly.]</p>

[1. Ins. by sec. 2 \(h\) of U. P. Act No. 24 of 2018.](#)

[2. Ins. by sec. 2 \(2\) of U. P. Act No. 19 of 1979.](#)

[3. Ins. by sec. 2 of U.P. Act No. 18 of 2020.](#)

[4. Ins. by sec. 3 of U. P. Act No. 24 of 2018.](#)

[5. Omit. by section 3 of President Act no. XIII of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[6. Ins. by sec. 3 of U. P. Act No. 10 of 1970.](#)

CHAPTER – II

Market Area and Market Yards

Declaration of intention to regulate and control sale and purchase of agricultural produce in any area

5. (1) Where the State Government is of opinion that it is necessary or expedient in the public interest to regulate the sale and purchase of any agricultural produce in any area, ¹[* * *] and for that purpose to declare that area as a Market Area, it may, by notification in the *Gazette*, and in such other manner as may be prescribed, declare its intention so to do and invite objections against the proposed declaration.

(2) Any objection under sub-section (1) may be preferred within such period as may be prescribed and shall be addressed to the Director who shall forward the same, with his comments thereon, to the State Government.

Declaration of Market Area

6. On the expiry of the period referred to in section 5, the State Government shall consider the objections received within the said period and may thereupon declare, by notification in the *Gazette*, and in such other manner as may be prescribed, that the whole or any specified portion of the area mentioned in the notification under section 5 shall be the Market Area in respect of such agricultural produce, and with effect from such date as may be specified in the declaration.

Declaration of Principal Market yard and sub-market yard

[**7.** ²(1) As soon as may be after the publication of the notification under section 6 the State Government may by notification in the *Gazette*, declare such portion of the market area as may be specified as the principal market yard and such other portions as may be specified as sub-market yard :] :

³[Provided that the whole of the Principal Market Yard shall be located within the limits of one district only.]

⁴[(2) The State Government, where it considers necessary or expedient in the public interest so to do, may, by notification —

(a) include any area in or exclude any area from the area of a principal market yard or sub-market yard or abolish the existing principal market yard or sub-market yards and declare a new principal market yard or sub-market yards ;

⁵[(b) declare that the whole-sale transactions of all or any of the specified agricultural produce in respect of a market area shall be carried on only at a specified place or places within its principal market yard or sub-market yards.

[1. Omit. by sec. 3 of U. P. Act No. 06 of 1977.](#)

[2. Sec. 7 renumbered and inserted sub-sec. 2 by sec. 4 of U.P. Act No. 6 of 1977.](#)

[3. Ins. by section 4 of President Act no. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[4. Subs. by sec. 3 of U. P. Act No. 19 of 1979.](#)

[5. Subs. by sec. 4 of U. P. Act No. 24 of 2018.](#)

¹[Provided that the proviso of this clause shall have no effect on the following –

1. Market sub yard;
2. Direct Marketing;
3. Private Mandi Yard;
4. Trade through Unified License;
5. Purchase Centres under minimum support price scheme;
6. Trade through digital platform approved by Director, Mandi Parishad :

Provided that the licenses issued by Mandi Samiti or Director, Agriculture Marketing shall not be within the specified distance from the declared and constructed principal market yard/sub-market yard, determined by Director, Mandi Parishad.]

**Declaring
warehouse/
silo/cold
storage/or
other such
structure or
places as
market sub-
yard**

² [7-A. (1) Save as otherwise provided in this Act, the State Government may, by notification declare such warehouse/silo/cold storage/or other such structure or place with infrastructure and facilities as may be prescribed, to function as market sub-yard] :

Provided that a place of retail trade shall not be declared as market sub-yard.

Explanation :— The expression “place” mentioned in this sub-section shall include any structure, enclosure, open space, locality, street including warehouse/silo/cold storage/pack house/cleaning, grading & processing unit etc.

(2) The owner of a warehouse/silo/cold storage, or other such structure or ‘place’, as the case may be, desirous of declaration of such place as market sub-yard under sub-section (1), shall apply to the Director Agricultural Marketing or an officer authorized by him, in such form, in such manner with such fee and for such period but not less than three years, as may be prescribed.

³ [(3) The person transacting within such warehouse/silo/cold storage or other structure or place, in declared market sub-yard, shall have to pay 75% of the applicable market fee to the market committee on the value of transacted notified agriculture produce. The owner/licensee of the market sub-yard may levy and collect up to 25% of the market fee as user charge on the specified agriculture produce, which can be spent for maintenance and development of the yard.] :

Provided that no market fee shall be collected from an agriculturist-seller.]

**Direct
marketing
(wholesale
direct
purchase
from farmers
outside the
market yard,
sub-market
yard, private
market yard)**

⁴ [7-B. (1) Subject to such reasonable conditions and such fee as may be prescribed, the Director, Agricultural Marketing may grant a license to a person to establish Collection aggregation centers in the proximity of the production area with infrastructure, as may be prescribed in accordance with the provisions of this Act and the rules made thereunder for marketing of notified agricultural produce :

Provided that the direct wholesale purchase may be carried out outside the principal market yard, sub-market yards, market sub-yards, private market yards by declaring the place of such purchase, without establishment of any permanent collection/aggregation center, as may be prescribed.

(2) The direct marketing licensee shall maintain records and all

1. [Subs. by sec. 3 of U.P. Act No. 18 of 2020.](#)

2. [Ins. by sec. 5 of U. P. Act No. 24 of 2018.](#)

3. [Subs. by sec. 4 of U.P. Act No. 18 of 2020.](#)

4. [Ins. by sec. 5 of U. P. Act No. 24 of 2018.](#)

accounts relating to daily trade transactions and submit monthly report, as may be prescribed, to the licensing authority.

(3) The licensing authority licensee shall maintain records and all accounts relating to daily trade transactions and submit monthly report, as may be prescribed, to the licensing authority.

(4) The direct marketing licensee shall pay market fee on transaction of sale of specified agricultural produce to the Uttar Pradesh State marketing Development Fund maintained by the Board.]

Establishment and notification of "Special Commodity Market Yard"

¹[**7-C.** (1) The State Government, where it considers necessary or expedient in the public interest so to do, may, by notification declare existing market yard established under clause (b) of sub-section (2) of section 7 as Special yard as Special Commodity Market Yard of all or any of the specified agricultural produce in respect of a market area.

(2) Provisions for and in relation to the Market Committee of this Act shall *mutatis mutandis* apply to the Market Committee established for Special Commodity Market Yard.]

Establishment of private market yard

²[**7-D.** (1) Subject to such reasonable conditions and such fee as may be prescribed, the Director, Agricultural Marketing may grant a license to a person to establish a private market yard, for trading of notified agricultural produce.

(2) the private market yard licensee, or its management committee, may collect user charge on notified agricultural produce transacted in the private market yard, at the rate *ad valorem* not exceeding as notified by the State Government :

Provided that no user charge shall be collected from agriculturist-seller.

(3) The private market yard licensee shall contribute license fee and one-fourth of the user charge collection, to a separate fund maintained and operated by the Director, Agricultural Marketing. The Director, Agricultural Marketing shall utilize the fund, in skill development, training, research and such other activities, as will aid in creating an efficient marketing system in the State.]

³[**7-E.** Establishment of Producer Consumer market yard (Sale of agriculture produce within retain limit by producer to the consumer)–

(1) Subject to prescribed fee, conditions and restrictions, the officer authorized by the Government may issue license to the concerned person who establish producer consumer makes in which retail trade of specified agriculture produce can take place.

(2) The license may establish and develop the infrastructure in the producer consumer market, within the reach of producer and consumers, as may be prescribed:

Provided that the consumer shall purchase within the retail limit.]

1. [Ins. by sec. 5 of U. P. Act No. 24 of 2018.](#)

2. [Ins. by sec. 5 of U. P. Act No. 24 of 2018.](#)

3. [Ins. by Sec. 5 of U.P. Act No. 18 of 2020.](#)

**Alteration of
Market Area
and
modification
of the list of
agricultural
produce**

8. (1) The State Government, where it considers necessary or expedient in the public interest so to do, may, by notification in the Gazette and in such other manner as may be prescribed and with effect from the date specified in the notification —

(a) include any agricultural produce in, or exclude any agricultural produce from, the list of agricultural produce specified in the notification under section 6 ;

(b) include any area in, or exclude any area from, the Market Area specified in the notification under section 6 ;

(c) divide a market Area specified in the notification under section 6 into two or more separate Market Areas ;

(d) amalgamate two or more market Areas specified in the notification under section 6 into one Market Area ; or

(e) declare that Market Area specified in the notification under section 6 shall cease to be such area :

Provided that before action under this sub-section is taken the State Government shall invite and consider, in the prescribed manner, objections, if any, against the proposed action.

(2) When during the term of a Market Committee the limits of the Market Area for which it is established are altered under clause (b), clause (c) or clause (d) of sub-section (1), the following consequences shall, with effect from the date specified in the notification, follow :—

(a) the Market Committee shall stand dissolved and its members shall vacate their offices as such members ;

¹ [(b) a new Market Committee shall be constituted for the modified or newly created Market Area in accordance with the provisions of section 13.]

² [(c) all property and assets, all rights, liabilities and obligations of the dissolved Market Committee in respect of civil or criminal proceedings, contracts, agreements or any other matter or thing arising in relation to any part of the Market Area of a dissolved Market Committee shall be vested in and stand transferred to the new Market Committee having jurisdiction over that part.]

(3) Where a Market Area ceases to be such area under clause (e) of sub-section (1), the following consequences shall, with effect from the date specified in the notification, follow :—

(a) the Market Committee shall stand dissolved and its members shall vacate their offices as such members ;

(b) the Principal Market Yard and Sub-Market Yards, if any, established therein shall cease to be such ;

(c) the unspent balanced of the Market Committee Fund and other assets and liabilities of the Market Committee shall vest in the State Government :

Provided that the liability of the State Government shall not extend beyond the assets so vested.

[1. Subs. by sec. 3 of U. P. Act No. 13 of 2004.](#)

[2. Subs. by section 5 of President Act no. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

**Effects of
declaration
of Market
Area**

9. (1) As from the date of declaration of an area as Market Area no Local Body or other person shall, within the Market Area, set up, establish or continue, or allow to be set up, established or continued, any place for the sale, purchase, storage, weighment or processing of the specified agricultural produce, except under and in accordance with the conditions of a license granted by the Committee concerned, anything to the contrary contained in any other law, custom, usage or agreement notwithstanding :

Provided that the provisions of this sub-section shall not apply to a producer in respect of agricultural produce produced, reared, caught or processed by him or to any person who purchases or stores any agricultural produce for his domestic consumption.

¹[Provided further that in case of direct purchase from farmers, to set up collection/ aggregation centers in the proximity of the production area and for the private market yard, Director, Agricultural Marketing shall be the Licensing Authority for that market area.]

(2) No person shall, in a Principal Market Yard or nay Sub-Market Yard, carry on business or work as a trader, broker, commission agent, warehouseman, weighman, *palledar* or in such other capacity as may be prescribed, in respect of any specified agricultural produce except under and in accordance with the conditions of a license obtained therefor from the Committee concerned.

²[(3) The provisions of sub-sections (1) and (2) shall not apply in relation to any specified agricultural produce pledged or hypothecated in favour of a bank as security for any amount advanced by such bank.

Explanation— For the purposes of this sub-section, the word “bank” shall have the meaning assigned to it in the Uttar Pradesh Regulation of Money Lending Act, 1976.]

**³[Unified
License for
certain
purpose]**

³[9-A. (1) Any Market which shall be main Mandi Samiti, may grant unified license to purchase specified agriculture produce from the farmers and traders in such a manner as may be prescribed in the bye laws, in the pre-communicated places in the whole State, for one or more of the following purposes :—

(a) processing of specified agricultural produce ;

(b) trading of specified agricultural produce ;

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

⁴[(2) Market fee and development cess as provided in this Act, shall be payable on sale and purchase of specified agricultural produce

[1. Ins. by sec. 6 of U. P. Act No. 24 of 2018.](#)

[2. Ins. by sec. 4 of U. P. Act No. 07 of 1978.](#)

[3. Subs. by sec. 6 of U. P. Act No. 18 of 2020.](#)

[4. Subs. by sec. 7 of U.P. Act No. 24 of 2018.](#)

to that market committee, where the specified agricultural produce is actually transacted.]

¹ [(3) Notwithstanding anything contained in sub-section (1) licence issued to a wholesale trader by any Mandi Samiti, in the manner as maybe prescribed, shall be treated as Unified Licence. The Unified Licencee shall be authorized to trade in any market area of the State]

No trade charges permissible except as prescribed by rules or bye-laws

10. (1) As from the date to be notified by the State Government in the Gazette, ²[* * *] no person shall, in a Principal Market Yard or Sub Market Yard, levy, charge or realize, any trade charges, other than those prescribed by rules or bye-laws made under this Act, in respect of any transaction of sale or purchase of the specified agricultural produce and no Court shall, in any suit or proceeding arising out of any such transaction, allow in any claim or counter claim, any trade charges not so prescribed.

(2) all trade charges shall be payable by the purchaser.

Application of certain provisions relating to Market Yards to the remaining part of Market Area

11. The State Government, where it considers necessary or expedient in the public interest so to do, may, by notification in the *Gazette* and *in such other manner* as may be prescribed, declare that the provisions of sub-section (2) of section 9 and the provisions of section 10 shall also apply to the whole or any part of the Market Area outside the Principal Market Yard and Sub-Market Yards as may be specified in the notification and thereupon the said provisions shall with effect from the date specified in the notification apply accordingly, and the remaining provisions of this Act relating to a Principal Market Yard or Sub-Market Yards shall also, with effect from the same date, *mutatis mutandis*, apply to the area so specified.

CHAPTER – III

Market Committee

Establishment and incorporation of Committee

12. (1) For every Market Area there shall be a Committee to be called the *Mandi Samiti* of that Market Area, which shall be a body corporate having perpetual succession and an *official seal* and, subject to such restrictions *or qualifications*, if any, as may be imposed by this or any other enactment, may sue or be sued in its corporate name and acquire, hold and dispose of property and enter into contracts :

Provided that the Committee shall not transfer any movable property except in accordance with a resolution duly passed at any of its meetings by a majority of not less than three-fourths of the total number of its members and with the previous approval in writing of [the Board]³.

Act no. 1, 1894

(2) The Committee shall be deemed to be a local authority for the purposes of Land Acquisition Act, 1894 [and any other law for the time being in force]⁴.

Constitution of the Committee

⁵[**13.** (1) The Committee referred to in section 12 shall consist

[1. Ins. by sec. 2 of U.P. Act no. 7 of 2023.](#)

[2. Omit. by sec. 5 of U. P. Act No. 10 of 1970.](#)

[3. Subs. by section 6 \(i\) of President Act no. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[4. Ins. by sec. 6 \(ii\) *ibid*.](#)

[5. Subs. by sec. 8 of U. P. Act No. 24 of 2018.](#)

of the following members to be nominated by the State Government in such manner as may be prescribed :—

- (a) nine representative of producers of the Market Area ;
- (b) two representative of traders carrying on business in the Market Area and holding license therefor under this Act ;
- (c) two representative of commission agents carrying on business in the Market Area and holding license therefor under this Act ;
- (d) two representative of palledar and measurer carrying on business in the Market Area and holding license therefor under this Act;
- (e) Secretary of the Market Committee who shall be the member secretary.

(2) The members referred to in clause (a) of sub-section (1), who have sold notified agricultural produce in the market yards and obtained sale vouchers in Form VI of last three years from the committee, cumulatively highest in value, shall be eligible for nomination :

Provided that out of nine producer members, three members shall be from marginal farmers, three members from small farmers and three members from large farmers.

(3) Every committee shall have a Chairman and Vice-Chairman elected by the members referred to in clauses (a) to (d) of sub-section (1) in such manner as may be prescribed :

Provided that the Chairman and Vice-Chairman shall be the member referred in clause (a) of sub-section (1).

(4) (a) The term of the committee constituted under sub-section (1) shall be three years from the date of publication of the constitution of the committee, if not terminated earlier by the State Government;

(b) The term of the office of the Chairman, the Vice-Chairman and the members shall be Co-terminus with the committee.

(5) The name of the every member nominated under sub-section (1) shall be registered with the Director within 21 days of the nomination thereof.

(6) No proceeding, or act done by or on behalf of the committee shall be questioned on the ground of want of any qualification, or defect in the nomination, of any person a Chairman, Vice-Chairman or member of the committee, or on the ground of any vacancy, or any other defect in the Constitution of the Committee.]¹

Resignation of members and nomination in certain circumstances

²[**13-A.** (a) A member of the Committee may resign from his office by writing under his hand addressed to the Chairman. The

1. [Subs. by sec. 8 of U.P. Act No. 24 of 2018.](#)

2. [Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

resignation shall take effect from the date on which it is accepted by the Chairman with the prior approval of the Director ;

(b) The State Government may by notification nominate persons from the respective category of members to fill the vacancies of the members who have resigned and the persons so nominated shall hold office for remainder of the term of the Committee.]

Removal of members, Vice-Chairman and Chairman of the Committee

¹[**13-B.** The State Government may, on the recommendation of the Director, remove any member including the Chairman or the Vice-Chairman if he has been found guilty of neglect or misconduct in the discharge of his duties or of any disgraceful conduct or has become incapable of performing his duties as a member or has been adjudged insolvent and the vacancy of such members shall be filled in accordance with the provisions of sub-section (3) of section 13 or clause (b) of section 13-A as the case may be :

Provided that no such member shall be removed from office unless he has been given a reasonable opportunity of being heard.]

Suspension of the Committee

²[**13-C.** Where the Director, is satisfied that, —

(a) any Committee has willfully failed in the performance of its functions, or discharge of its duties, or has exceeded or abused the powers conferred on it by or under this Act or any other enactment ;

(b) continuance or the functioning of the Committee is prejudicial; to maintenance of public order or to the maintenance of supplies and services of commodities essential to the community in the market area or its part or in the other market areas ; and

(c) it is necessary so to do, he may, after obtaining explanation from the Committee, by order in writing suspend the functioning of the Committee for a period up to six months.]

Consequences of suspension

³[**13-D.** (1) Where a Committee is suspended under section 13-C the Chairman, the Vice-Chairman and the members thereof shall be deemed to have vacated their respective office for the period of suspension and the powers, duties and functions of the Committee shall be exercised, discharged and performed by the District Magistrate who may exercise, discharge or perform such power, duties and functions either himself or through an officer authorized by him not below the rank of the Deputy Collector.

(2) Where the circumstances so warrant the Director may sent its report for dissolution of the Committee to the State Government within three months from the date of its suspension.

(3) The director shall forthwith report about suspension under section 13-C to the State Government and if no adverse direction or

[¹ Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

[² Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

[³ Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

order is received to the Director from the State Government within 15 days the suspension shall continue, for the period directed in the first order otherwise he shall act according to the directions of the State Government in the matter.

Dissolution of Committee

¹[**13-E.** If at any time the State Government, on the report of the Director is satisfied that nay Committee has made a willful default in the performance of any duty imposed upon it by or under this Act, or any other enactment or has exceeded or abused its powers, after taking into consideration the explanation of the Committee, it may, by order stating the reasons therefor dissolve the Committee by publication thereof in the official *Gazette*.

Explanation— 1. Willful default means a failure to perform duties of the committee, lack of willingness or it disinclination to perform that duty and such failure should not be the result of any accident or inadvertent error.

Explanation— 2. The purpose of stating reasons is to ensure that the reasons which impelled the action are genuine and relevant to the content and scope of the power vested in the State Government ;

Consequences of dissolution

²[**13-F.** On the dissolution of the Committee,—

(a) all the members, including the Chairman and the Vice-Chairman, of the Committee shall, be deemed to have vacated their offices from the date of dissolution;

(b) The Collector shall become the administrator of the Committee and shall either himself or through an officer not below the rank of deputy Collector exercise, discharge and perform the powers, duties and functions of Chairman, Vice-Chairman and the Committee, until the new Committee is constituted under section 13.]

Constitution of First Committee or new Committee

³[**14.** (1) The State Government shall, by notification in the Gazette, appoint all the members of the First Committee, or of a new Committee mentioned in clause (b) of sub-section (2) of section 8, including the Chairman and the Vice-Chairman, from amongst the persons who, in the opinion of the State Government, are suitable to represent the different interests referred to in sub-section (1) of section 13.]³

(2) The term of the First Committee shall be one year from the date of its constitution under sub-section (1), but the State Government may, in the public interest, extend or further extend its term, so however that the extended or further extended term shall come to an end on the date of the constitution of the Committee under section 13.

[1. Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

[2. Ins. by sec. 4 of U. P. Act No. 13 of 2004.](#)

[3. Subs. and be deemed always to have been substituted by section 7 of U. P. Act No. 10 of 1970.](#)

(3) The term of office of the members of the First Committee including the Chairman and the Vice-Chairman, shall be for such period, not exceeding the term of the First Committee, as may be fixed by the State Government in this behalf.

Corrupt practices

¹[**14-A.** The provisions of section 123 of Chapter I of part VII of the Representation of the People Act, 1951 shall *mutatis mutandis* apply in the election to a Mandi Samiti.]

Electoral offences

²[**14-B.** The provisions of sections 125, 126, 127, 127-A, 128, 129, 130, 131, 132, 132-A, 134, 134-A, 135, 135-A and 136 of Chapter III of Part VII of the Representation of the People Act, 1951 shall have effect as if, —

(a) the reference therein to an election were a reference to an election held under this Act ;

(b) in section 127-A, in sub-section (2), in clause (b), in sub-clause (i) for the words “Chief Electoral Officer” the words “Director of Election” had been *substituted* ;

(c) in sections 134 and 136, for the words “by or under this Act” the words “by or under the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964” had been substituted ;

(d) in section 135-A, —

(i) for the word “government” the words “Government, the Board or a Mandi Samiti” had been *substituted*.

(ii) in the explanation for the words “this sub-section and section 20-B” the words, “this section” had been substituted.]

Filling or casual vacancies

15. Where a vacancy occurs by reason of death, resignation or removal of a member, or for any other reason, it shall be filled in by a person belonging to the class to which the person ceasing to be member belonged, and the person so ³[nominated or appointed by the State Government] shall be a member for the unexpired portion of the term of the member in whole vacancy he has become a member :

Provided that a vacancy for a period not exceeding six months may not be filled, if so ordered by the Director :

[Provided further that in respect of vacancies to be filled by nomination by the State Government, the first proviso shall be so construed as if for the words “the Director” the words “the State Government” were substituted.]⁴

Function and duties of the Committee

16. (1) A Committee shall enforce the provisions of this Act, the rules and bye-laws made thereunder in the Market Area, provide such

1. [Ins. by sec. 5 of U. P. Act No. 18 of 2001.](#)

2. [Ins. by sec. 5 of U. P. Act No. 18 of 2001.](#)

3. [Subs. by sec. 5 of U. P. Act No. 13 of 2004.](#)

4. [Add. by sec. 8 of U.P. Act No. 10 of 1970.](#)

facilities for sale and purchase of specified agricultural produce therein, [as may be specified in any directions given by the Board to the Committee from time to time] ¹ or considered necessary by the Committee and do such other acts as may be necessary for regulating sale and purchase of specified agricultural produce in that Market Area, and for that purpose may exercise such powers and perform such duties, and is charge such functions as may be provided by or under this Act.

(2) Without prejudice to the generality of the provisions contained in sub-section (1) a Committee shall —

(i) ensure fair dealings between the producers and persons engaged in the sale or purchase of specified agricultural produce ;

(ii) ensure prompt payment to ²[sellers] in respect of specified agricultural produce sold by them in the Principal Market Yard or Sub-Market Yards ;

(iii) grade and standardize specified agricultural produce ;

**U. P. Act no.
V of 1959**

(iv) check and verify weights, measures, weighing and measuring instruments used in the Market Area and report infringement of the provisions of the U. P. Weights and Measures (Enforcement) Act, 1959, to the authorities concerned ;

(v) collect and disseminate all such information as may be of advantage to the producers and other persons engaged in the sale or purchase of specified agricultural produce and in particular keep itself informed of the prevailing prices of such agricultural produce at places where it can be profitably exported and from where it can be economically imported in the Market Area ;

(vi) Standardize and regulate trade charges, market practices and customary methods of sale and purchase of specified agricultural produce ;

(vii) provide suitable amenities in the Principal Market Yard and Sub-Market Yards to the producers and persons engaged in transactions of sale or purchase therein, and in particular to construct, repair and maintain roads, pathways, market lanes and bye-lanes, shops, shelters, parking places, accommodation for storage, and such other amenities and facilities as may be prescribed in this behalf ;

³[(vii-a) provide suitable facilities, for the proper development of hats and painths in the market area and to the persons engaged in transactions of sale and purchase therein ;

(vii-b) construct, repair and maintain link roads, path ways, market lanes and bye-lanes in the market area ;]

1. [Subs. by section 8 \(i\) of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

2. [Subs. by sec. 8 \(ii\) \(a\).](#)

3. [Ins. by sec. 2 of U. P. Act No. 10 of 1991.](#)

¹[(vii-c) Mandi Samiti will construct, repair and maintain kisan Bazar in its Mandi area for sale of agricultural produce by the farmers directly to consumers, exhibition of art by folk artists; exhibition and sale of items made by handicraft and handloom artisans, sale of other products by different sellers, installment of shops selling the food or refreshment items or daily use items for farmers and consumers, setting up Kisan Rest House and Community Centre, and related activities.]

(viii) act as mediator or arbitrator in all matters of differences and disputed between the licensees inter se or between them and persons entering into transactions of sale or purchase of specified agricultural produce in the Principal Market Yard or Sub-Market Yards;

(ix) maintain proper accounts and get the same regularly audited in such manner as may be prescribed ;

(x) prepare the annual budget, wherein shall be shown the estimates of all advances, loans and grants for and the expenses to be incurred in the ensuing year, and wherein provision shall be made [for the payment of interest on or repayment of, loans raised by it from or advances made to it by, the State Government, the Board or any financial institution including a Co-operative Bank recognized as such by the State Government by general or special or special order (hereinafter referred to as a recognized financial institution) and submit the same for approval to the Board ;]²

**Act no. 1 of
1894**

(xi) prepare plans and estimates for works proposed to be undertaken by it in the Principal Market Yard and Sub-Market Yards and for that purpose take necessary steps for the acquisition of land under the Land Acquisition Act, 1894 ;

(xii) prosecute or defend any suit, action or proceedings in connection with its affairs, or for contravention of any of the provisions of this Act ;

(xiii) provide for safe custody and maintenance of its seal, account books and all other records ;

(xiv) control and regulate admission to and use of the Principal Market Yard and Sub-Market Yards ; and

(xv) perform such other functions and duties as may be prescribed.

**Powers of the
Committee**

17. A Committee shall, for the purposes of this Act, have the power to —

(i) issue or renew licenses under this Act on such terms and conditions and subject to such restrictions as may be prescribed, or,

1. Ins. by sec. 2 of U. P. Act No. 04 of 2015.

2. Subs. by section 8 (ii) (b) of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.

after recording reasons therefor, refuse to issues or renew any such license ;

(ii) suspend or cancel licenses issued or renewed under this Act :

Provided that before cancelling a license except on the ground of conduct which has led to the conviction of the licensee under section 37, the Committee shall afford reasonable opportunity to him to show cause against the action proposed ;

¹[(iii) levy and collect, —

(a) such fees as may be prescribed for the issue or renewal of licenses ; and

(b) market fee which shall be payable on transactions of sale of specified agricultural produce in the market area at such rates, being not less than one percentum and ²[not more than two percentum] of the price of the agricultural produce so sold as the State Government may specify by notification, and development cess which shall be payable on such transactions of sale at the rate of half percentum of the price of the agricultural produce so sold, and such fee or development cess shall be realized in the following manner :—

(1) if the produce is sold through a commission agent, the commission agent may realize the market fee and the development cess from the purchaser and shall be liable to pay the same to the Committee;

(2) if the produce is purchased directly by a trader from a producer, the trader shall be liable to pay the market fee and development cess to the Committee ;

(3) if the produce is purchased by a trader from another trader, the trader selling the produce may realize it from the purchaser and shall be liable to pay the market fee and development cess to the Committee :

Provided that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, the trader selling the produce shall be liable and be deemed always to have been liable with effect from June 12, 1973 to pay the market fee to the Committee and shall not be absolved from such liability on the ground that he has realized it from the purchaser ;

Provided further that the trader selling the produce shall not be absolved from the liability to pay the development cess on the ground that he has not realized it from the purchaser ;

(4) in any other case of sale of such produce, the purchaser shall be liable to pay the market fee and development cess to the Committee :

[1. Subs. by sec. 2 of U. P. Act No. 04 of 1999.](#)

[2. Subs. by sec. 9 of U. P. Act No. 24 of 2018.](#)

Provided that no market fee or development cess shall be levied or collected on the retail sale of any specified agricultural produce where such sale is made to the consumer for his domestic consumption only :

Provided further that notwithstanding anything contained in this Act, the Committee may at the option of, as the case may be, the commission agent, trader or purchaser, who has obtained the license, accept a lump sum in lieu of the amount of market fee or development cess that may be payable by him for an agricultural year in respect of such specified agricultural produce, for such period, or such terms and in such manner as the State Government may, by notified order specify :

Provided also that ¹[* * *] no market fee or development cess shall be levied on transactions of sale of specified agricultural produce on which market fee or development cess has been levied in any market area if the trader furnishes in the form and manner prescribed, a declaration or certificate that on such specified agricultural produce market fee or development cess has already been levied in any other market area.]

²[(c) User charge shall be levied and collected by the market committee in consideration to the rendered material or services in the principal market yard/sub-market yard/market sub-yard, as prescribed by the state government.]

³[(iii-a) realize interest calculated in the manner prescribed in the bye-laws ⁴[at the rate prescribed in the Uttar Pradesh Trade Tax Act, 1948 for the unpaid amount of Trade tax] on the unpaid amount of market fee from the date immediately following the period prescribed for payment of market fee in the bye-laws ;]

(iv) operate and utilize the Market Committee Fund for all or any of the purposes of this Act ;

⁵[(v) raise from the State Government or the Board or, subject to previous sanction by the Board, from any other Committee or a recognized financial institution, moneys required for discharging its functions under this Act ;]

⁶[(v-a) advance loans to the Board on such terms and conditions as may be mutually agreed upon between the Board and the Committee;

(v-b) advance loans to any other Committee subject to previous sanction of the Director on such terms and conditions as the Board may determine ;]

[1. Omit. by sec. 2 of U. P. Act No. 1 of 2000.](#)

[2. Ins. by sec. 7 of U.P. Act No. 18 of 2020.](#)

[3. Ins. by sec. 3\(b\) of U. P. Act No. 10 of 1991.](#)

[4. Subs. by sec. 2 of U. P. Act No. 34 of 2006.](#)

[5. Subs. by sec. 7\(b\) of U. P. Act No. 06 of 1977.](#)

[6. Ins. by sec. 7\(c\) of U. P. Act No. 06 of 1977.](#)

(vi) employ, subject to the provisions of section 23, officers and servants of the Committee ;

(vii) appoint Sub-Committees, each consisting of two or more of its members, for exercising such powers, performing such duties and discharging such functions as may be assigned to them by the Committee ; and

(viii) exercise such other powers as may be prescribed.

¹[**Explanation** — For the purpose of clause (iii), unless the contrary is proved, any specified agricultural produce taken out or proposed to be taken out of a market area by or on behalf of a licensed trader shall be presumed to have been sold within such area and in such case, the price of such produce presumed to be sold shall be deemed to be such reasonable price as may be ascertained in the manner prescribed.]

²[**17-A.** [Notwithstanding anything to the contrary contained in any other provision of this Act, —

³[(a) Where the State Government or an authority as may be prescribed, is of the opinion that it is necessary and expedient in the public interest so to do in encourage the establishment of Industrial or Agro Processing Units in the State and to promote the marketing of the specified agricultural produces to be used as raw material by the said units, it may on an application in such for as may be prescribed, by notification exempt mandi fee (excluding development cess) on such specified agricultural produce or produces as may be used by such newly established agro processing units as fulfill the condition that the cost of plant and machinery shall not be less than five crore rupees, for such period as may be specified in the notification no exceeding five years subject to such conditions as may be specified in the notification.

Provided that the State Government may be exempt market fee (excluding development cess) on a finished product of Industria or Agro Processing Units which is a specified agricultural produce and the material used therein is not a specified agricultural produce.]

⁴[(b) Where the State Government is of the opinion that it is necessary and expedient in the public interest so to do to encourage the export of specified agricultural produce, it may on an application or otherwise by notification, exempt from mandi fee and development cess, on such specified agricultural produce or produces as may be exported in the prescribed manner by a licensee and for such period as may be specified in the notification not exceeding five years subject to

1. [*Ins. by sec. 2 of U. P. Act No. 12 of 1987.*](#)

2. [*Ins. by sec. 6 of U. P. Act No. 13 of 2004.*](#)

3. [*Subs. by sec. 2 of U.P. Act No. 7 of 2020.*](#)

4. [*Subs. by sec. 3\(b\) of U.P. Act No. 17 of 2005.*](#)

such conditions and restrictions as may be specified in the notification;

Provided that in the case of a new total export-oriented industrial or agro processing unit that use perishable specified agricultural produce as raw material, the period of exemption under this clause may be extended for a period not exceeding ten years.]

¹[(c) Where the State Government is of the opinion it is necessary and expedient to encourage the establishment of processing units in the State, it may exempt market fee and development cess on specified agricultural produce brought from outside the State for processing, in such manner as as may be prescribed;

Provided that the agricultural produce brought from outside the State shall be purchased directly by the processing unit and the market fee and cess on specified agricultural produce, if any, shall be duly paid according to the law, if any, in force in the State Government from where the agricultural produce is brought.

(d) Notwithstanding anything contained in clause (a), where the State Government is of the opinion that it is necessary and expedient in public interest to encourage the establishment of processing unit in the State and to promote the marketing of specified agricultural produced cultivated in the State and to be used as raw material by said units, it is exempt market fee and development cess on such specified agricultural produce in such manner us may be prescribed;

Provided that the processing unit shall purchase specified agricultural produce directly from the farmers in the State of Uttar Pradesh, in such manner us may prescribed by the State Government.

(e) The State Government shall reimbursed the total short fall, calculated in the prescribed manner, in the income of all market committees of the State as a result of the exemption given under the aforesaid clauses (c) and (d) through annual Income Expenditure.]

(2) The State Government on being satisfied that it is expedient so to do, in public interest may, by notification, rescind any of the notification issued under sub-section (1) before the expiry of the period for which it was to remain in force.]

**Contract,
etc. on behalf
of the
Committee**

18. (1) Every contract by or on behalf of the Committee shall be made in the prescribed manner.

(2) No contract made by or on behalf of the Committee in contravention of the provisions of sub-section (1) shall be binding on it.

(3) Every order of the Committee shall be authenticated by its official seal and the signature of the Chairman, or during his absence or incapacity, of the Vice-Chairman or, where so authorized by it, of the Secretary.

**Market
Committee
Fund and its
utilizations**

19. (1) There shall be established for each Committee, a fund to be called "Market Committee Fund" to which shall be credited all moneys received by it including all loans raised by it and advances and grants made to it.

1. [Ins. by sec. 3 of the U.P. Act no. 7 of 2023](#)

(2) all expenditure incurred by the Committee in carrying out the purposes of this Act shall be defrayed out of the said fund, and the surplus, if any, shall be invested in such manner as may be prescribed.

(3) Without prejudice to the generality of the provisions contained in section 16, the Committee may utilize its funds for payment of all or any of the following —

(i) expenses incurred in auditing the account of the Committee ;

(ii) salaries, pensions and allowances including allowances for leave, gratuities, compassionate allowance, medical aid and contributions towards provident fund and pensions of the officers and servants employed by or for it ;

(iii) expenses of and incidental to elections under this Act ;

¹[(iv) the principal amount of or interest on loans and advances referred to in clause (x) of sub-section (2) of section 16 ;

(iv-a) the rent of and taxes on any land and building in possession of the Committee ;]

(v) expenses on collection, maintenance dissemination and supply of all such information as may be of interest to the producers and other persons engaged in sale and purchase of agricultural produce including that relating to crop statistics and market intelligence ;

(vi) cost of land or buildings acquired for the purposes of this Act;

(vii) cost of construction and repairs of buildings necessary for the Market Yards and for the health, convenience and safety of the persons using them ;

(viii) cost of maintenance, development and improvement of the Market Yards ;

² [(ix) expenses in providing facilities and comforts such as shelter, shed, parking accommodation and water for persons, draught cattle, pack animals and vehicles coming to the Market Area and on agricultural improvement and development of agricultural marketing in the Market Area including the construction, maintenance and repair of link roads, culverts, bridges and other such purposes ;]

(x) travelling and other allowances to the members of the Market Committee ;

(xi) loans and advances to the employee of the Market Committee;

³ [(xi-a) financial assistance to charitable institutions approved by the Board or recognized educational institutions, subject to a maximum of four per cent of total receipts excluding money raised under clause (v) of section 17 and grants made by Government in the previous financial year.]

(xii) such other expenses as may be prescribed :

1. [Subs. by section 10 \(i\) \(a\) of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

2. [Subs. by sec. 2 of U. P. Act No. 12 of 1985.](#)

3. [Subs. by sec. 3 of U.P. Act No. 7 of 2020.](#)

¹[Provided that the annual expenditure in respect of matters specified in clause (ii) shall not exceed ten per cent of the total annual receipts of the Committee, excluding loans raised by it and advances or grants made to it, except with the prior approval of the [Board.]²]

³[Provided further that all moneys realized as additional market fee under the Uttar Pradesh Krishi Utpadan Mandi (Amendment) Ordinance, 1983 shall be utilized in the Market Area only for the purposes specified in clause (ix).]

(4) [* * * * *]⁴

(5) ⁵[(5) Every committee shall, out of its total receipts excluding moneys raised under clause (v) of section 17, money realized as development cess ad grants made by the State or Central Government in the financial year, keep only fifty per cent or rupees ten crore, whichever is less and transfer the remaining amount to the Board as contribution.]

(6) ⁶[(6) Every Committee shall pay to the Board every month all moneys realized as development cess which shall be credited to the Central Mandi Fund established under section 26-PPP.]

Priorities of liabilities of the Committees

[19-A. The revenues of a Committee, shall, after meeting its operating, maintenance and management expenses, be applied as far as they are available in the following order, namely :—

(i) the repayment of principal amount of, and interest on, loans not guaranteed by the State Government ;

(ii) the repayment of principal amount of, and interest on, loans guaranteed by the State Government ;

(iii) the repayment of principal amount of, and interest on, sums paid by the State Government under guarantees, if any, by that Government ;

(iv) the repayment of principal amount of, and interest on loans taken from the State Government ;

(v) the balance remaining to be utilized for the education of fees payable to the Committee under this Act or for expenses incurred in the discharge of any of the functions of the Committee, as the Committee may think fit or the Board may direct.]

Market development fund

⁷**[19-B.** (1) There shall be established for each committee, a fund to be called Market Development Fund to which the following amounts shall be credited —

(a) sixty five per cent of the amount standing to the credit of the Market Committee Fund immediately before the commencement of the Uttar Pradesh Krishi Utpadan Mandi Laws (Amendment) Act, 1978 ;

(b) such other amounts as may from time to time be directed by the Board to be credited to this fund.

[1. Add. by sec. 9 of U. P. Act No. 10 of 1970.](#)

[2. Subs. by section 10 \(1\) \(d\) of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[3. Ins. by sec. 2 of U. P. Act No. 12 of 1985.](#)

[4. Omit. by sec. 8 of U. P. Act No. 06 of 1977.](#)

[5. Subs. by sec. 10 of U. P. Act No. 24 of 2018.](#)

[6. Ins. by sec. 3 \(b\) of U. P. Act No. 04 of 1999.](#)

[7. Ins. by sec. 6 of U. P. Act No. 07 of 1978.](#)

(2) The Market Development Fund shall be applied for the purposes of the development of the market area, and no amount shall either be spent from the fund or be invested except in accordance with the directions issued by the Board from time to time.]

¹[(3) Without prejudice to the generality of the provisions of sub-section (2), the Market Development Fund shall be utilized for the following purposes, namely —

(i) facilities to the agriculturists, other producers and payers of market fees in the form of amenities, market, intelligence, proper weighment, grading, quality control, storage and infrastructure for value addition activities, reduction of mal-practices, multiple trade charges, levies and other exactions, special facilities for different trades in the New Market Yard, and such other facilities for as may be deemed necessary under the provisions of the Act in the market area ;

(ii) development of principal market yards, sub-market yards hats and painths and construction of new Market Yards and construction, maintenance and repair of link roads and other development works in the market area ;

(iii) other development and regulatory purposes under the Act.

Explanation — ‘New Market Yard’ means the place or places specified under clause (b) of sub-section (2) of section 7, for carrying on wholesale transactions.]

Recovery of sums due to Committee as arrears of land revenue and power to write off irrecoverable dues

20. (1) Any amount due to the Committee, if not paid within the prescribed period, may be recovered as arrears of land revenue.

(2) A Committee may write off any amount due to it, if it is certified by the Collector to be irrecoverable :

Provided that no amount exceeding Rs. 200 shall be written off without the prior approval of the Director.

Surcharge

[**21.** (1) The Chairman, Vice-Chairman and every member, officer and servant of the Committee shall be liable to surcharge for the loss, waste or misapplication of any money or property of the Committee, if such a loss, waste or misapplication is a direct consequence of his neglect or misconduct while acting as Chairman, Vice-Chairman, member, officer or servant.

(2) The procedure of surcharge and the manner of the recovery of the amount involved in loss, waste or misapplication shall be such as may be prescribed.

(3) No suit shall lie in any court for the recovery of any sum recoverable in the manner prescribed under sub-section (2).]²

CHAPTER – IV

Officers and Servants of the Committee

Powers and duties of the Chairman and the Vice-Chairman

22. (1) The Chairman, and in his absence the Vice-Chairman, shall, subject to the provisions of this Act and the rules and bye-laws made thereunder and the resolutions, if any, of the Committee, exercise superintendence and control over the officers and servants of the Committee and shall exercise such other powers and perform such duties as may be prescribed or delegated to him by the Committee by a resolution passed by it in this behalf.

[1. Ins. by sec. 5 of U. P. Act No. 10 of 1991.](#)

[2. Subs. and be deemed always to have been substituted by sec. 12 of President Act No. 13 of 1973.](#)

(2) The Chairman, and in his absence the Vice-Chairman, shall preside over the meetings of the Committee. In the absence of both, any member chosen by the members present in a meeting shall preside at that meeting.

**Appointment
of officers
and servants
of the Market
Committee
and their
conditions of
service**

23. (1) Subject to the provisions of this Act and the rules made in this behalf, the Committee, its Chairman or Secretary to the extent empowered under the bye-laws or resolutions passed by the Committee, may appoint such officers and servants as may be necessary for carrying out the purposes of this Act on such terms and conditions of service as may be provided for in the bye-laws of the Committee.

¹[(2) Every Committee shall have ²[such number of Secretaries] and such other offices as may be considered necessary by the Board for the efficient discharge of the functions of the Committee, appointed by the Board on such terms and conditions as may be provided for in the regulations made by it ;]

(3) [* * * *]³

**Constitution
of
Centralized
service and
transfer of
employees**

⁴[**23-A.** (1) Notwithstanding anything contained in any other provisions of this Act, the Board may constitute cadres of secretaries and such other officers common to all committee as it may deem fit to appoint under sub-section (2) of section 23.

⁵[(2) Subject to the provisions of sub-section (2-B) —

(a) every person, other than a Government servant, serving in any committee on deputation, who holds a post comprised in the cadre referred to in sub-section (1), and

(b) every Government servant, serving in any committee on deputation on a post in the said cadre, who is not found to be unsuitable, suitability being determined in such manner as may be laid down in regulations.

Shall on and from the date of the constitution of the said cadre (hereafter in this section to be referred to as the said date) become member of the cadre on the terms and conditions mentioned in sub-section (2-A).

[1. Subs. by sec. 13 of U. P. President Act 13 of 1973.](#)

[2. Subs. by sec. 6 of U. P. Act No. 10 of 1991.](#)

[3. Omit. by sec. 13 \(ii\) of U.P. President Act 13 of 1973.](#)

[4. New sec. 23-A Ins. by sec. 14 of U.P. President Act 13 of 1973.](#)

[5. Subs. by sec. 3 of U. P. Act No. 20 of 1984.](#)

(2-A) Every person, who becomes a member of the cadre under sub-section (2) shall hold office by the same tenure, at the same remuneration, upon the same terms and conditions, and which the same rights and privileges as to pension, gratuity and other matters as he could have been entitled to on the said date but for the constitution of the cadre and shall continue to be so entitled until his employment as a member of the cadre is terminated or until his remuneration or other terms and conditions of service are revised or altered by the Board under or in pursuance of any law or in accordance with any provision which for the time being governs his service.

(2-B) Nothing contained in sub-section (2) shall apply to a person who, by notice in writing, given to the State Government, within such time as the State Government may, by general or special order specify intimates his intention of not becoming a member of the said cadre.

(2-C) The services of an employee, under a committee, who opts against absorption, shall stand terminated on the ground of abolition of post and, on such termination, he shall be entitled to receive from the concerned committee compensation equivalent to —

- (a) three months emoluments in case of permanent employee ;
- (b) one month's emoluments in case of temporary employee,

(2-D) A Government servant serving in any committee on deputation on any post in the cadre, referred to in sub-section (1) who opts against absorption or who is not found suitable, shall be reverted to his parent department and, if having regard to his seniority, a post is not available for him in the parent department his services shall stand terminated with effect from the date of the order of reversion. on the ground of abolition of post and, on such termination, he shall be entitled to receive, from the State Government, compensation equivalent to the amount mentioned in sub-section (2-C).]¹

(3) Notwithstanding anything in sub-section (2) but subject to any express agreement to the contrary, any person referred to therein, who becomes a member of the cadre shall be liable to be transferred from any Committee in which he was employed immediately before the said date to any other Committee at the same remuneration and on the same terms and conditions as governed him immediately before such transfer.

(4) The sums standing to the credit of the employees referred to in sub-section (2) in any pension, provident fund, gratuity or other like funds constituted for them shall be transferred by the State Government or the Committee concerned, as the case may be, to the Board along with any accumulated interest due till the said date, along with the accounts relating to such funds, and the Board shall, to the exclusion of the State Government and of any Committee, be liable for the payment of pension, provident fund, gratuity or other like dues as

[1. Subs. by sec. 3 of U.P. Act No. 20 of 1984.](#)

may be payable to such employees at the appropriate time in accordance with the conditions of their service.

(5) Notwithstanding anything contained in any law for the time being in force the transfer of services of any employee to any cadre under sub-section (2) shall not entitle any such employee to any compensation under such law, and no such claim shall be entertained by any court, tribunal or authority.

(6) Every permanent or temporary employee of the State Government or of a Committee becoming a member of the Cadre under sub-section (2) shall, on and from the said date become a permanent or temporary member of the cadre as the case may be, against a permanent or temporary post which shall stand created in such cadre with effect from the said date.

(7) Nothing in para 426 or 436 of the Civil Service Regulations as applicable to Government servants under the rule making control of the State Government or in any other rules relating to employees of the Committees in relation to retrenchment or abolition of post shall, except to the extent provided in this section, apply to any employee referred to in sub-section (2).]¹

**Functions,
powers and
duties of the
Secretaries**

24. ² [(1) The Secretary of a Committee shall be its chief executive officer, and shall, subject to the provisions of this Act, perform such functions, exercise such powers and discharge such duties, as may be prescribed, or provided for in the bye-laws or as the Board or the Director, may, by order in writing direct :

Provided that when more than one Secretaries are posted in a Committee, the Director shall nominate one of the Secretaries to be its Chief executive officer and shall determine the functions to be performed, powers to be exercised and duties to be discharged by each of them.]

(2) Without prejudice to the generality of the foregoing provisions, but subject to the provisions of this Act and the rules and bye-laws made thereunder the Secretary shall —

(a) exercise all powers of superintendence and control over —

(i) all officers and servants of the Committee so as to ensure proper and efficient discharge of the duties assigned to them by or under this Act ; and

(ii) the affairs of the Committee ;

³[(b) report cases of neglect, misconduct or dereliction of duty by an employee of the Committee to the appointing authority for

1. [Ins. by section 14 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

2. [Subs. by sec. 7 of U. P. Act No. 10 of 1991.](#)

3. [Subs. by sec. 9 of U. P. Act No. 06 of 1977.](#)

[The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964]

necessary action, and where so empowered, take disciplinary action against any of the employees of the Committee.]

(c) ensure proper execution of all orders issued by [the Board.]¹ the Chairman or the Committee ;

(d) ensure proper maintenance of —

(i) accounts of all moneys received and of all moneys expended for and on behalf of the Committee ;

(ii) records of disputes coming up for decision under this Act or the rules or bye-laws framed thereunder ; and

(iii) a record of the disputes settled by him in such form as may be prescribed.

(3) All licenses under this Act shall be issued under his signatures.

Appeals

²[**25.** Subject to rules made in this behalf under this Act, any person aggrieved by an order passed by a Committee under clause (i) or clause (ii) of section 17 may, within 30 days of such order, prefer an appeal to the Board in such manner as may be prescribed, and the Board shall decide it after giving an opportunity of hearing both to the appellant and to the committee.]

Terms and conditions of employment of officers and servants of Committees

³[**25-A.** Subject to rules made in this behalf under this Act, the terms and conditions of employment of the members of a cadre constituted under section 23-A and matters relating to discipline control and punishment including dismissal and removal of such officers shall be governed by such regulations as may be made by the Board.]

Protection of person acting under this Act

26. Every officer or servant of ⁴[the Board or a Committee] shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

CHAPTER - V

Establishment of the Board

⁵[**26-A.** (1) The State Government shall by notification⁶ in the *Gazette*, and with effect from a date to be specified therein, constitute a Board by the name of the State Agricultural Produce Markets Board with its head office at Lucknow.

1. *Ins. by section 15 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.*

2. *Subs. by sec. 16 *ibid.**

3. *Ins. by sec. 17 *ibid.**

4. *Subs. by sec. 10 of U. P. Act No. 06 of 1977.*

5. *New sections 26-A to 26-X inserted by sec. 18 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.*

6. State Agricultural Produce Markets Board established with effect from June 27, 1973 *vide* notification no. A-5256/12 (5)-96-73, dated June 26, 1973.

[The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964]

(2) The Board shall be a body corporated by the said name having perpetual succession and a common seal and may sue or be sued by the said name and acquire, hold and dispose of property and enter into contracts.

(3) The Board shall for all purposes be deemed to be a local authority.

**Constitution
of the Board**

26-B. (1) The Board shall consist of ¹[The Principal Secretary/ Secretary to the Government of Uttar Pradesh in Agriculture Marketing and Foreign Trade Department as the *ex-official* Chairman and three Vice-Chairman who shall be non-official members appointed by the State Government] besides the following other members namely:—

[(a) the Agriculture Production Commissioner, Uttar Pradesh ²[or his services not below the rank of Secretary] ;]

(b) the ³[Principal Secretary/Secretary] to the State Government in the Finance Department ;

(c) the ⁴[Principal Secretary/Secretary] to the State Government in the Food and Civil Supplies Department ;

⁵[(d) the Principal Secretary/Secretary to the State Government in the Agriculture Department.]

(e) the Registrar, Co-operative Societies, Uttar Pradesh ;

(f) the Director of Agriculture, Uttar Pradesh ;

⁶[(f-1) the Agricultural Marketing Adviser to the Government of India ;

(f-2) the Director, Horticulture and Fruit Utilization, Uttar Pradesh ;

(f-3) ⁷[the Director, Agricultural Marketing, Uttar Pradesh].

(f-4) the Vice-Chancellor of any of the Universities established under the Uttar Pradesh Krishi Evam Prodyogic Vishwa Vidyalaya Adhiniyam, 1958 to be nominated by the State Government ;]

(g) ⁸[six] persons appointed by the State Government from out

[1. Subs. by sec. 2\(a\) of U. P. Act No. 40 of 2007.](#)

[2. Subs. by sec. 2\(b\) of U. P. Act No. 40 of 2007.](#)

[3. Subs. by sec. 2\(c\) of U. P. Act No. 40 of 2007.](#)

[4. Subs. by sec. 2\(d\) of U. P. Act No. 40 of 2007.](#)

[5. Subs. by sec. 2\(e\) of U. P. Act No. 40 of 2007.](#)

[6. Ins. by sec. \(1\)\(iii\) of U. P. Act No. 06 of 1977.](#)

[7. Subs. by sec. 2 of U. P. Act No. 07 of 2002.](#)

[8. Subs. by sec. II\(v\) of U. P. Act No. 06 of 1977.](#)

of the producers ¹[nominated] as members of the Market Committees and for so long as such ¹[nominated] members are not available, any ²[six] producers appointed by that Government ;

(h) ³[two person] appointed by the State Government from out of the traders or commission agents ¹[nominated] as members of Market Committees and for so long as such ¹[nominated] members are not available, ³[any two traders or commission agents] appointed by that Government ;

(i) the Director of Mandis who shall be *ex-officio* Secretary of the Board (hereinafter in this Chapter referred to as the Member Secretary).

(2) The appointment of ⁴[a Vice-Chairman] and other members shall be notified in the *Gazette*.

(3) A members referred to in clause (a), clause (b), clause (c), or clause (d) may, instead of attending any meeting of the Board himself depute an officer not below the rank of Deputy Secretary and the member referred to in clause (e) may likewise depute an officer not below the rank of Additional Registrar, Co-operative Societies and the member referred to in clause (f) may like wise depute an officer not below the rank of Additional Director of Agriculture ⁵[and the member referred to in clause (f-1) may depute an officer not below the rank of Joint Agricultural Marketing Adviser to the Government of India, and the member referred to in clause (f-2) may depute an officer not below the rank of Additional Director, Horticulture and Fruit Utilization,] and an officer so deputed shall also have the right to vote.

**Disqualification
for being
⁶[Vice-
Chairman] or
other member**

26-C. A person shall be disqualified for being chosen as and for being the ⁶[Vice-Chairman] or other member of the Board if he —

- (a) has been convicted of an offence involving moral turpitude ;
- (b) is an undischarged insolvent ;
- (c) is of unsound mind and stands so declared by a competent Court ;
- (d) holds, except as provided in section 26-D and section 26-E any office of profit under the Board ;
- (e) has, directly or indirectly by himself or by any partner, employer or employee, any share or interest, whether pecuniary or of

1. [Subs. by sec. 7 of U. P. Act No. 13 of 2004.](#)

2. [Subs. by sec. 11\(iv\) of U. P. Act No. 06 of 1977.](#)

3. [Subs. by sec. 11\(v\) of U. P. Act No. 06 of 1977.](#)

4. [Subs. by sec. 2\(2\) of U. P. Act No. 40 of 2007.](#)

5. [Ins. by sec. 11\(5b\) of U. P. Act No. 06 of 1977.](#)

6. [Subs. by sec. 3 of U. P. Act No. 40 of 2007.](#)

any other nature, in any contract or employment, with, by, or on behalf of the Board ; or

(f) is a director or secretary, manager or other officer of any company which has nay share or interest in any contract or employment with, by, or on behalf of, the Board :

Provided that a person shall not be disqualified under clause (e) or clause (f) by reason only of his or the company of which he is a director, secretary, manager or other officer, having a share or interest in —

(i) any sale, purchase, lease or exchange of immovable property or nay agreement for the same ;

(ii) any agreement for loan of money or any security for payment of money only ;

(iii) any newspapers in which any advertisement relating to the affairs of the Board, is published ;

(iv) the occasional sale to the Board, up to a value not exceeding ten thousand rupees in any one year, of any article in which he or the company regularly trades.

**¹Terms of
Office of *via*
Chairman
and other
members**

26-D. (1) Subject to the provisions of sub-section (2) the ¹[Vice-Chairman] and other members of the Board not being *ex-officio* members thereof shall hold office for two years unless the term of the ¹[Vice-Chairman] or such other member is determined earlier by the Government by notification in the Gazette, and shall be eligible for reappointment.

²[(2) A member appointed under clause (f-4) or clause (g) or clause (h) of sub-section (i) of section 26-B shall cease to be a member of the Board as soon as he ceases to be such Vice-Chancellor or elected member of the Market Committee, as the case may be.]

(3) The ¹[Vice-Chairman] or any other member not being an *ex-officio* member may at any time by writing under his hand addressed to the State Government resign his office, and on such resignation being accepted he shall be deemed to have vacated his office.

**Other
provisions
regarding
office of the
chairman and
members
other than
*ex-officio***

26-E. (1) The ¹[Vice-Chairman] and other members not being *ex-officio* members be paid from the Board's fund such remuneration, if any, as may be fixed by the State Government.

(2) If the ¹[Vice-Chairman] or any other member as aforesaid is by infirmity or otherwise rendered temporarily incapable of discharging his functions or is absent on leave otherwise in circumstances not involving the vacation of his appointment, the State Government may appoint another person to discharge his functions under this Act.

[1. Subs. by sec. 3 of U. P. Act No. 40 of 2007.](#)

[2. Subs. by sec. 12 of U. P. Act No. 06 of 1977.](#)

**Appointment of
officers and
servants**

26-F. (1) The Board may appoint such officers and servants as it considers necessary for efficient performance of its functions on such terms and conditions as may be provided for in regulations made by the Board.

(2) The Board may, with the previous approval of the State Government, appoint a servant of the Central Government or the State Government as an officer or servant of the Board or of a Committee on such terms and conditions as it thinks fit.

**Supervision
and control of
the Director**

26-G. Subject to the superintendence of the Board, the general control and direction over all the officers and servants of the Board shall be vested in the Director.

**Authentication
of orders and
other
instruments of
the Board**

26-H. All proceedings of the Board shall be authenticated by the signature of Chairman or the Member-Secretary and all order and other instruments issued by the Board shall be authenticated by the signature of the Member-Secretary or such other Officer of the Board as may be authorized in this behalf by regulations.

**Delegation of
powers**

26-I. Subject to the provisions of this Act, the Board may, by general or special order delegate, either unconditionally or subject to such conditions as may be specified in the order, to any sub-committee appointed by it or to ¹[the Director or] the Member-Secretary or any other officer of the Board such of its powers and duties under this Act, as it may deem fit.

**Disqualification
for
participation in
proceedings of
the Board on
account of
interest**

26-J. (1) ²[a Vice-Chairman] or any other member of the Board or of sub-committee appointed by the Board who —

(a) has any share or interest of the nature described in clause (e) or clause (f) of section 26-C, in respect of any matter ; or

(b) has acted professionally, in relation to any matter, on behalf of any person having therein any such share or interest as aforesaid. shall not, notwithstanding anything contained in the proviso to shall not, notwithstanding anything contained in the proviso to section 26-C, vote or take part in any proceeding of the Board or Committee relating to such matter.

(2) If any member of the Board or of a Committee appointed by the Board has, directly or indirectly, any interest in any area in which it is proposed to acquire land for any of the purposes of this Act, he shall not take part in any meeting of the Board or sub-committee in which any matter relating to such land is considered.

(3) Nothing in sub-section (1) or sub-section (2) shall prevent any member of the Board or sub-committee from voting on, or taking part in discussion of, any resolution or question relating to any subject other than a subject referred to in those sub-sections.

[1. Ins. by sec. 13 of U. P. Act No. 06 of 1977.](#)

[2. Subs. by sec. 4 of U. P. Act No. 40 of 2007.](#)

Acts not to be invalidated by informality, vacancy etc.

26-K. No act done or proceedings taken under this Act by the Board or a sub-committee appointed by the Board shall be invalidated merely on the ground of —

(a) any vacancy or defect in the constitution of the Board or sub-committee ; or

(b) any defect or irregularity in the appointment of a person acting as a member thereof ; or

(c) any defect or irregularity in such act or proceedings, not affecting the substance.

Powers and functions and Board

26-L. (1) The Board, shall, subject to the provisions of this Act, have the following functions and shall have power to do anything which may be necessary or expedient for carrying out those functions—

(i) Superintendence and control over the working of the Market Committees and other affairs thereof including programmes undertaking by such Committees for the ¹[construction of new market yards and development of existing markets and market areas].

(ii) giving such direction to Committee in general or any Committee in particular with a view to ensure efficiency thereof ;

(iii) any other functions entrusted to it by this Act ;

(iv) such other functions as may be entrusted to the Board by the State Government by notification in the *Gazette*.

(2) Without prejudice to the generality of the foregoing provision, such power shall include the power —

(i) to approve proposals of the new sites selected by the Committee for the development of Markets ;

(ii) to supervise and guide the Committees in the preparation of site-plans and estimates for construction programmes undertaken by the Committee ;

(iii) to execute all works chargeable to the Board's fund ;

(iv) to maintain accounts in such forms as may be prescribed and get the same audited in such manner as may be laid down in regulations of the Board ;

(v) to publish annually at the close of the year, its progress report, balance-sheet, and statement of assets and liabilities and send copies thereof to each member of the Board as well as to the Chairman of all the market Committees ;

(vi) to make necessary arrangements for propaganda and publicity on matters related to regulated marketing of agricultural produce ;

[1. Subs. by sec. 14\(a\) of U. P. Act No. 06 of 1977.](#)

(vii) to provide facilities for the training of officers and servants of the Market Committees.

(viii) to prepare and adopt budget for the ensuing year ;

(ix) to make subventions ¹[and loans] to Market Committees for the purposes fo this Act on such terms and conditions as the Board may determine ;

(x) to do such other things as may be of general interest to Market Committees or considered necessary for the efficient functioning of the Board or as may be specified from time to time by the State Government.

Directions on questions of policy

26-M. (1) In the discharge of its functions, the Board shall be guided by such directions on questions of policy as may be given to it by the State Government.

(2) If any question arises whether any matter is or is not a matter as respects which the State Government may issue a direction under sub-section (1), the decision of the State Government shall be final.

Annual reports, statistics, returns and other information

26-N. (1) The Board, shall as soon as may be after the end of each financial year, prepare and submit to the State Government before such date and in such form as the State Government may direct, a report giving an account of its activities during the previous financial year, and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Board in the next financial year, and the State Government shall cause every such report to be laid before the State Government shall cause every such report to be laid before the State Legislature as soon as may be after it is received by the State Government.

(2) The Board shall furnish to the State Government at such times and in such form and manner as the State Government may direct, such statistics and returns and such particulars in regard to any proposed ro existing activities fo the Board or any other matter under the control of the Board as the State Government may from time to time require.

Execution and registration of contracts, etc.

26-O. Every contract or assurance of property on behalf of the Board shall be in writing and executed by such authority and in such manner as may be provided by regulations.

Board's Fund

²[**26-P.** (1) The Board shall have its own fund, which shall be deemed to be a local fund and to which shall be credited all moneys received by or on behalf of the Board, except the moneys required to be credited in the Uttar Pradesh State Marketing Development Fund under section 26-PP.

1. Ins. by sec. 14(b) of U.P. Act No. 6 of 1977.

2. Subs. by sec. 26-P of U. P. Act No. 10 of 1991.

(2) In particular and without prejudice to the generality of the provisions of this Act relating to the purpose and the manner of investment and disposal, the fund referred to in sub-section (1) shall be utilized by the Board for the following purposes, namely —

(i) payment of salary, leave allowance, gratuity, other allowances, loans and advances and provident fund to the officers and servants employed by the Board and pension and other contribution to the Government servants on deputation ;

(ii) payment of travelling and other allowances ¹[to the Vice-Chairman and member] of the Board ;

(iii) other purposes relating to the establishment of the Board or for carrying out the purposes of this Act generally.]

**Uttar Pradesh
State
Marketing
Development
Fund**

²[**26-PP.** (1) There shall be established for the Board, a Fund, to be called the Uttar Pradesh State Marketing Development Fund to the which following amounts shall be credited, namely —

(a) all contributions received from the Committees under sub-section (5) of section 19 except such percentage thereof as the State Government may direct to be credited to the Board's Fund ;

(b) such other amounts as the State Government or the Board may direct.

(2) The fund established under sub-section (1) shall, subject to the provisions of this Act, be utilized by the Board for the following purposes, namely :—

(i) facilities to the agriculturists, other producers and payers of market fee in the market area ;

(ii) development of principal market yards, sub-market yards, hats and painths and construction of New Market Yards in the market area ;

(iii) construction, maintenance and repairs of link roads, market lanes and other development works in the market area ;

(iv) market survey and research, grading and standardization of specified agricultural produce ;

(v) propaganda, publicity and extension services and the matters relating to the general improvement of the conditions of buying and selling of specified agricultural produce ;

(vi) aid to financially weak and under-developed committees in the form of loans and grants ;

(vii) acquisition or construction, or hiring on lease or otherwise of building or land for performing the duties of the Board ;

1. Subs. by sec. 5 of U. P. Act No. 40 of 2007.

2. [Subs. by sec. 8 of U.P. Act No. 10 of 1991.](#)

(viii) better development of market areas and control of market committees ;

(ix) meetings and legal expenses ;

(x) training for officers and staff of the market committees in the State ;

(xi) technical assistance to the market committees in the preparation of site plans and estimates of construction and in the preparation of project reports of master plans for development of principal market yards and sub-market yards and market areas ;

(xii) internal audit of the Board and the market committees ;

(xiii) matters specified in sections 16, 19 and 19-B not covered by the preceding clauses ;

(xiv) any other purpose, to give effect to the provisions of this Act or generally to regulate marketing of specified agricultural produce.]

**Central
Mandi Fund**

1[26-PPP. (1) There shall be established a Fund to be called the “Central Mandi Fund” to which the following amount shall be credited, namely : —

(a) all moneys paid to the Board under sub-section (6) of section 19 ;

(b) such other amount as the State Government or the Board may direct.

(2) The Central Mandi Fund shall be utilized by the Board for the following purposes namely :—

(a) assistance to financially weak and under developed Committees in the form of loans or grants ;

(b) construction, maintenance and repairs of market yards, links roads, culverts and other development works in the market area ;

(c) grants or loans to the committees for development works ;

(d) such other purposes as may be directed by the State Government or the Board in such manner as may be prescribed.]

**Restriction
on
unbudgeted
expenditure**

26-Q. (1) Save where in the opinion of the Board circumstances of extreme urgency have arisen, no sum exceeding such amount as the State Government may from time to time fix in that behalf on account of recurring or non-recurring expenditure shall be spent by the Board in any financial year unless such sum has been included in a statement submitted under sub-section (1) of section 26-V.

(2) Where any such sum is spent in circumstances of extreme urgency a report thereon, indicating the expenditure, shall be made as soon as practicable to the State Government.

**Subvention
to the Board**

26-R. The State Government may, after due appropriation by law of the State Legislature, from time to time make subventions to the Board for the purpose of this Act, on such terms and conditions as the State Government may determine.

**Loans to the
Board**

26-S. The State Government may from time to time advance loans to the Board on such terms and conditions, not inconsistent with the provisions of this Act, as the State Government may determine.

**Power of
Board to
borrow**

26-T. (1) The Board may from time to time, with the previous sanction of the State Government and subject to the provisions of this Act and to such conditions as the State Government may by general or special order determine, borrow any sum required for the purposes of this Act, whether by the issue of bonds or stock or otherwise or by making arrangement with bankers.

(2) The Board may not at any time have on loan under sub-section (1), apart from the amount of loans from the State Government, an amount exceeding such amount as the State Government may, from time to time, fix in that behalf.

(3) Stock issued by the Board under this section shall be issued, transferred, dealt with and redeemed in such manner as the State Government may by general or special order direct.

**Priorities of
Liabilities of
the Board**

26-U. The revenues of the Board shall, after meeting its expenses, be applied, as far as they are available, in the following order, namely —

(i) the repayment of principal amount of and interest on bonds not guaranteed by the State Government ;

(ii) the repayment of principal amount of and interest on stock not guaranteed by the State Government ;

(iii) the repayment of principal amount of and interest on bonds guaranteed by the State Government ;

(iv) the repayment of principal amount of and interest on stock so guaranteed ;

(v) the repayment of principal amount of and interest on sums paid by the State Government under guarantees, if any ;

(vi) the repayment of principal amount of and interest on loans advanced to the Board by the State Government including arrears of such interest.

**Accounts and
Audit**

26-V. (1) The Board shall before the commencement of and may at any time during a financial year, prepare a statement or a supplementary statement, as the case may be, of programmes of its activities during that year as well as financial estimates in respect thereof and submit them to the State Government, in such manner and by such dates as it may by general or special order direct, for its previous approval.

(2) The Board shall cause to be maintained proper books of account and other books in relation to its accounts and prepare the annual balance-sheet.

(3) The accounts of the Board shall be audited by such auditor as the State Government may by general or special order direct, and the auditor so appointed shall have power of requiring the production of documents and the furnishing of information respecting all matters.

(4) The accounts of the Board as certified by the auditor, together with the audit report thereon shall be forwarded annually to the State Government who may issue such directions to the Board in respect thereof as it may deem fit, and the Board shall comply with such directions.

(5) The State Government shall —

(a) cause the accounts of the Board, together with the audit report thereon, received by it under sub-section (4) to be laid annually before each House of the State Legislature ; and

(b) cause the accounts of the Board to be published in such manner as it thinks fit.

Surcharge

26-W. (1) The ¹[Chairman, Vice-Chairman] and other members, officers and servants of the Board shall be liable to surcharge for the less, waste or misapplication of any money or property of the Board, if such less, waste or misapplication is direct consequence of his neglect or misconduct while acting as such ¹“Chairman, Vice-Chairman” or other member, officer or servant.

(2) The procedure of surcharge shall be such as may be prescribed.

(3) Any amount found to be involved in such loss, waste or misapplication as a result of proceedings for surcharge shall be recoverable as arrears of land revenue, and no suit may be instituted in any civil court for the recovery of any such amount.

(4) Nothing in sub-section (3) shall prevent the Board from deducting any amount referred to therein from any sum payable by the Board on account of remuneration or otherwise to such Chairman or other member, officer or servant.

Regulations

26-X. (1) The Board may, with the previous approval of the State Government, make regulations, not inconsistent with this Act and rules made thereunder, for the administration of the affairs of the Board.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matter, namely —

[1. Subs. by sec. 6 of U. P. Act No. 40 of 2007.](#)

[The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964]

(a) The summoning and holding of meetings of the Board, the time and place where such meetings are to be held, the conduct of business at such meetings and the member of persons necessary to form a quorum thereat ;

(b) the powers and duties of the officers and other employees of the Board ;

(c) the salaries and allowances and other conditions of service of officers and other employees of the Board and of officers referred to in sub-section (2) of section 23 ;

(d) the management of the property of the Board ;

(e) the execution of contracts and assurances of property on behalf of the Board ;

(f) the maintenance of accounts and the preparation of balance-sheet by the Board ;

(g) the procedure for carrying out the functions of the Board under this Act ;

(h) any other matter form which provision is to be or may be made in regulations.

(3) Until any regulations are made by the Board under sub-section (1), any regulations which may be so made by it may be made by the State Government, and any regulations so made may be altered or rescinded by the Board in exercise of its power under sub-section (1).]¹

External Control

[**27.** (1) Subject to the provisions of this act, the general superintendence, direction and control over the Committee, its Chairman, Vice-Chairman and other members, its Secretary and other officers referred to in sub-section (2) of section 23, shall be vested in the Board.]²

(2) ³[The Board or the Director] may inspect, or cause to be inspected, all documents or records relating to the affairs of the Committee and require the Committee, its Chairman, Vice-Chairman, members, officers or servants to furnish such information or materials may consider necessary.

(3) On receipt of a complaint in respect of an act relating to the affairs of the Committee, the State Government may require the Director to conduct enquiry or institute proceeding against the

1. [Ss. 26-A to 26-X inserted by Sec. 18 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

2. [Subs. by sec. 19 \(a\) *ibid.*](#)

3. [Subs. by sec. 19\(b\) *ibid.*](#)

[The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964]

Committee, its Chairman, Vice-Chairman, member, Secretary, or officer, and the Director shall act accordingly.

Act no. V of 1908

(4) The Director shall, for the purpose of holding any enquiry under this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely —

(a) summoning and enforcing the attendance of any person and examining him on oath ;

(b) requiring the discovery and production of documents ; and

(c) any other matters which may be prescribed.

28. [X X X X]¹

29. [X X X X]²

30. [X X X X]³

Powers of [the Board]⁴ to prohibit execution or further execution of resolution passed or order made by the Committee

31. (1) ⁴[The Board] may, of its own motion, or on report or complaint received, by order, prohibit the execution or further execution of a resolution passed, or order made, by the Committee or its Chairman or any of its officers or servants, if it is of the opinion that such resolution or order is prejudicial to the public interest, or is likely to hinder efficient running of the business in any Market Area, Principal Market Yard or Sub-Market Yard or is against the provisions of this Act, or the rules or bye-laws made thereunder.

(2) Where the execution or further execution of a resolution or order is prohibited by an order made under sub-section (1) and continuing in force, it shall be the duty of the Committee, if so required by ⁴[the Board], to take any action which the Committee would have been entitled to take if the resolution or order had never been made or passed, and which is necessary for preventing the Chairman or any of its officers or servants from doing or continuing to do anything under the resolution or order.

Power of [the Board]⁴ to call for the proceedings of a Committee and pass order thereon

32. ⁴[The Board] may, for the purpose of satisfying itself as to the legality or propriety of any decision of, or order passed by, a Committee, at any time call and examine the proceedings of the Committee, and where it is of the opinion that the decision or order of the Committee should be modified, annulled or reversed, pass such orders thereon as it may deem fit.

Delegation of Powers

⁵[**33.** The Board may, by regulations, delegate subject to such conditions and restrictions and in such manner, as may be specified

1. Omit. by sec. 8 of U. P. Act No. 13 of 2004.

2. Omit. by sec. 29 of U. P. Act No. 13 of 2004.

3. Omit. by sec. 30 of U. P. Act No. 13 of 2004.

4. Subs. by sec. 23 *ibid*.

5. Subs. by sec. 9 of U. P. Act No. 10 of 1991.

therein, any of its powers to the Director.

Powers of Director to ensure performance of duties of market committees

¹[33-A. (1) Where the Director, on a complaint made to him or otherwise is satisfied that a committee has not performed any duty imposed on it by or under this Act, he may require the committee to perform such duty within the period specified by him.

(2) If such duty is not performed within the specified period the Director may appoint a person to perform it any may direct that the expenses incurred in its performance including the reasonable remuneration of such person, shall be paid by the Committee forthwith.

(3) If such expenses are not so paid, the Director may require the Board to pay the same and the amount so paid by the Board shall be recoverable by the Board from the Committee.

Powers of the State Government

¹[33-B. (1) The State Government with a view to satisfying itself that the powers, functions and duties of the Board or a Committee by or under this act are exercised or performed by it properly, may require the Commissioner or the Collector or any other person or persons to inspect or cause to be inspected any property, office, document or any work, of the Board or the Committee or to make inquiries into all or nay of the activities of the Board or the Committee in such manner as may be prescribed and to report to it the result of such inquiry within such period as may be specified.

(2) The Board or the Committee, as the case may be, shall give to the Commissioner or the Collector, or other person or persons, all facilities during inspection and for the proper conduct of the inquiry and shall produce any document or information in its possession when so demanded for the purpose of such inspections or inquiry, as the case may be.]

Grant/ Renewal of license for private market yard

²[33-C. (1) Any person who, desires to establish private market yard under section 7-D shall apply to the Director, Agricultural Marketing or the Officer authorized by him for grant or renewal of license, as the case may be, in such form and in such manner and also for such period but not less than three years, as may be prescribed.

(2) An application for grant or renewal of license, as the case may be, for private market yard, shall be accompanied with such reasonable license fee and security/bank guarantee, as may be prescribed.

(3) An Application received under sub-section (1) for grant or renewal of license may be accepted or rejected for the reasons recorded in writing by the Licensing Authority :

Provided that the application received under this section shall be liable to be rejected on the condition(s), —

1. [*Subs. by sec. 9 of U.P. Act No. 10 of 1991.*](#)

2. [*Ins. by sec. 11 of U. P. Act No. 24 of 2018.*](#)

(a) that, the applicant is a minor not under custodian or not *bona fide* ;

(b) that, the applicant has been declared defaulter under the Act and Rules and Bye-laws made there under ;

(c) that, any dues relating to Market Committee and/or Board and/or department/directorate of agricultural marketing are outstanding against the applicant ;

(d) that, the concerned authority is satisfied that the applicant does not possess the infrastructure credentials, experience of adequate capital for investment or any other requirements as may be prescribed for establishment of a private market yard ; and/or

(e) for any other reasons, as may be prescribed.

(4) The license 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 the terms and conditions of the license as prescribed. The licensee shall also follow the provisions of this Act and Rules made thereunder.]

**Suspension
or
Cancellation
of license
granted/
renewed
under section
33-C**

¹[**33-D.** (1) Subject to the provisions of section 33-C, the Licensing Authority, as the case may be, may suspend or for the reasons to be communicated to the license holder in writing and giving reasonable opportunity of hearing cancel the license, if ;

(a) the license has been obtained through willful misrepresentation or fraud ; and/or

(b) the holder of license or its representative or anyone acting on his behalf with his expressed or implied permission, commits a breach of any of the Rules, regulations and terms or conditions of license ; and/or

(c) the holder of license himself or in combination with other license holder commits any act or abstains from carrying on his normal business in the market area with the intention of willfully obstructing, suspending or stopping the marketing of notified agricultural produce ; and/or

(d) the holder of the license has become insolvent ; and/or

(e) the holder of the license incurs any disqualification, as may be prescribed ; and/or

(f) the holder of the license is convicted of any offence under this Act.

(2) No license shall be cancelled under this section without giving a reasonable opportunity of being heard to its holder.

(3) Subject to the provisions of section 33-D, the Licensing

[1. Ins. by sec. 11 of U. P. Act No. 24 of 2018.](#)

Authority shall communicate to the license holder by speaking order to cancel its license granted or renewal under section 33-C :

Provided that any person aggrieved by an order of the licensing authority may prefer an appeal to the State Government in such manner as may be prescribed.]

**Grant/
Renewal of
license for
direct
marketing**

¹[**33-E.** (1) Any person, including a Farmer's Cooperative, Farmers Producer Organisation (FPO) and Processor/ Exporter, under Section 7-B, desires to purchase agricultural produce directly from farmers outside the principal market yard sub-market yard, market sub-yard, private market yard, shall apply to the Director, Agricultural Marketing for grant or renewal of license, as the case may be, in such form and in such manner ; and also for such period, as may be prescribed.

(2) An application for direct marketing shall accompany such reasonable license fee and security/ bank guarantee, as may be prescribed.

(3) The application received under Section 33-E for grant or renewal of license may be accepted or rejected in the cause and manner *mutatis mutandis* to Section 33-C (3).

(4) A direct marketing license 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 the terms and conditions of the license as prescribed. The licensee shall also follow the provisions of this Act and Rules made thereunder.]

**Suspension
or
Cancellation
of direct
marketing
license**

²[**33-F.** Subject to the provisions of section 7-B, the Licensing Authority, who has issued the license, may suspend or cancel the license granted/renewed under section 33-E in the cause and manner *mutatis mutandis* to Section 33-D :

Provided that any person aggrieved by an order of the licensing authority may prefer an appeal to the State Government in such manner as may be prescribed.]

CHAPTER – VI

Miscellaneous

**Suit against
the
Committee**

34. (1) No suit shall be instituted against any Committee, its Chairman, Vice-Chairman or any member, officer or servant thereof, for anything done, or purporting to be done, in its or his official capacity until the expiration of two months from the date of service of a notice in writing stating the cause of action, the name and place of abode of the plaintiff and the relief claimed.

(2) The notice under sub-section (1) shall ,—

[1. Ins. by sec. 11 of U. P. Act No. 24 of 2018.](#)

[2. Ins. by sec. 11 of U. P. Act No. 24 of 2018.](#)

(i) where it is a notice to the Committee, be delivered at its office on any working day or handed to its Chairman, Vice-Chairman or Secretary or shall be sent by registered post ; and

(ii) in every other case, be delivered to the person concerned or sent by registered post.

(3) No suit referred to in sub-section (1) shall, unless it is a suit for recovery of immovable property or for a declaration of title thereto, be instituted otherwise than within six months next after the accrual of the cause of action.

(4) Nothing in sub-section (1) shall be construed to apply to a suit wherein the only relief claimed is an injunction of which the object would be defeated by the giving of the notice or the post pavement of the commencement of the suit or proceeding.

**Recovery of
dues as Land
Revenue**

¹[**35.** Any sum due to the State Government from the Board or a Committee, or to the Board from a Committee, or to a Committee from another Committee may be recovered as arrears of land revenue.]

**Powers of
entry, search
and seizure**

²[**36.** (1) The Secretary of the market Committee or any officer authorized by the State Government or the Board in this behalf, may,—

(a) for carrying out any of the duties imposed on the Market Committee under this Act, inspect at all reasonable time, all accounts, registers and other documents pertaining to the purchase and sale of agricultural produce and enter any shop, godown, factory or other place where such account books or registers or other documents or such goods are kept and take or cause to be taken such copies or extracts from such account books, registers and other documents as may be considered necessary ;

(b) seize any account books, registers or other documents for reasons to be recorded in writing and prepare an inventory of such account books, registers and other documents, provided that a copy of such inventory shall be furnished to the person in charge of such accounts books, registers or other documents ;

(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 ;

(d) seize any vehicle or animal which he has reason to believe to be in use or to have been used for carrying such agricultural produce and detain the same for so long as may be necessary in connection with any proceedings or 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

[1. Subs. by sec. 16 of U. P. Act No. 06 of 1977.](#)

[2. Subs. by sec. 17 of U. P. Act No. 06 of 1977.](#)

provisions of Sections 457, 458 and 459 of the Code of Criminal Procedure, 1973, shall, as far as may be, apply in relation to the 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) The provisions of section 100 of the Code of Criminal Procedure, 1973, relating to search and seizure shall so far as may be, apply to searches and seizures made under this section.]¹

²[**37.** (1) Any person who contravenes any of the provisions of section 9 or Section 10 or the rules or bye-laws made thereunder shall, on conviction, be punished, —

(a) for the first offence, with fine which may extend to ³[fifty thousand rupees] ;

(b) for a second and any subsequent offence of the same nature with imprisonment which may extend to one year, or with fine which may extend to ⁴[one lakh rupees] or with both and in case of continuing contravention, with a further fine up to ⁴[rupees ten thousand] for every day subsequent to the date of second conviction or nay subsequent conviction for which the contravention has continued :

Provided that in the absence of special and adequate reasons to the contrary mentioned in the judgment of the court the fine for the first offence shall not be less than ⁵[two thousand and five hundred rupees] and for the second or subsequent offence, shall not be less than ⁵[five thousand rupees].

(2) Any person who contrivances any of the provisions of this Act or the rules or bye-laws made thereunder, except the provisions of Sections 9 and 10 and the rules and bye-laws made thereunder shall be punishable with fine which may extend to ⁶[twenty thousand rupees] and in the case of continuing contravention with a further fine upto ⁶[rupees two thousand] for every day subsequent to the date of the first conviction for which the contravention has continued.

(3) Whenever any person is convicted of an offence punishable under this Act, the Magistrate shall in addition to any fine which may

[1. Subs. by sec. 17 of U.P. Act No. 6 of 1977.](#)

[2. Subs. by sec. 5 of U. P. Act No. 04 of 1999.](#)

[3. Subs. by sec. 4\(a\)\(i\) of U. P. Act No. 03 of 2016.](#)

[4. Subs. by sec. 4\(a\)\(ii\) of U. P. Act No. 03 of 2016.](#)

[5. Subs. by sec. 4\(a\)\(iii\) of U. P. Act No. 03 of 2016.](#)

[6. Subs. by sec. 4\(b\)\(iii\) of U. P. Act No. 03 of 2016.](#)

be imposed recover summarily and pay to the Market Committee, the amount of fee or any other amount due from him under this Act or the rules or bye-laws made thereunder and may, in his discretion also recover summarily and pay to the Market Committee cost of the prosecution.]

Composition of offences

¹[**37-A.** ²(1) A market committee or its sub-committee or with the authorization by a resolution of a committee its Chairman may accept from any person who has committed or is reasonably suspected of having committed an offence punishable under this Act in addition to the fee or other amount recoverable from him, a sum of money equal to ten times the sum of market fee and development cess assessed due on the equivalent agricultural produce in accordance with the explanation given in the proviso to sub-rule (1) of Rule 66 of the Uttar Pradesh Krishi Utpadan Mandi Niyamavali, 1965 or Rupees Two Lakh, whichever is less and for other offence, a sum of money not exceeding rupees ³[twenty thousand] by way of composition fee and compound the offence.]

(2) On the composition of any offence under sub-section (1) no proceeding shall be taken or continued against the person concerned in respect of such offence, and if any proceedings in respect of that offence have already been instituted against him in any Court, the composition shall have the effect of his acquittal.]

Trial of offences

38. (1) No offence punishable under this Act shall be tried by a court inferior to that of a Magistrate of the First Class.

(2) No court shall take cognizance of any offence under this Act except on the complaint of the Director or Secretary or such other person as may be authorized by the Committee by resolution passed in this behalf.

Bye-laws

39. (1) A market Committee may make bye-laws not inconsistent with this Act and the rules made thereunder, to provide for,—

- (i) regulation of its business ;
- (ii) appointment, powers, duties and functions of the Sub-Committee, if any, appointed under clause (vii) of section 17 ;
- (iii) duties of traders, brokers, commission agents, warehousemen, weighmen and palledars ; and
- (iv) any other matter which by or under this Act is required to be provided or by bye-laws :

⁴[Provided that no bye-law, other than a bye-law made by adopting draft or model bye-law suggested by the ⁵[Board], shall be

[1. Ins. by sec. 19 of U. P. Act No. 06 of 1977.](#)

[2. Subs. by sec. 12 of U. P. Act No. 24 of 2018.](#)

[3. Subs. by sec. 6 of U.P. Act No. 4 of 1999.](#)

[4. Subs. and be deemed always to have been substituted by sec. 10 of U. P. Act no. 10 of 1970.](#)

[5. Subs. by sec. 26 of Presidents Act 13 of 1973.](#)

valid unless approved by the ¹[Board]].

(2) If, in respect of any matter specified in sub-section (1), the Committee has failed to make any bye-laws or if the bye-laws made by the Committee are not, in the opinion of the ¹[Board], adequate, the ¹[Board] may make bye-laws providing for such matters to such extent as it thinks fit.

²[(3) The power under this Section to make bye-laws shall be exercised subject to any general or special directions issued by the State Government in that behalf.]

**Submission
of statement
of purchases
and sales**

³[**39-A.** Every wholesale trader or commission agent, shall before the thirtieth day of April every year submit to the Market Committee a Statement of purchases and sales of specified agricultural produce by or through him during the previous year in such Form and in such a manner and setting forth such other particulars as may be specified in the by-laws.

Explanation :— For the purposes of this section, previous year means the financial year immediately preceding the year in which such statement is required to be submitted.]

Rules

40. ⁴[(1) The State Government may make rules for carrying out the purpose of this Act.]

(2) In particular and without prejudice to the generality of the foregoing power, the rules may provide for all or any of the following matters :—

(i) ⁵[* * * *]

⁶[(ii) for the constitution of the Committee under section 12 or for the modified and newly created Market Areas under clause (b), clause (c) or clause (d) of sub-section (1) of Section 8 by nomination by the State Government and for their consequential matters.]

(iii) ⁷[* * * *]

(iv) matters relating to the functions, powers and duties of a Committee, its chairman members, officers and servants ;

(v) the travelling and other allowances that may be paid to the members of a Committee ;

(vi) matters relating to the functions, powers and duties of a Committee, its chairman members, officers and servants ;

[1. Subs. by section 26 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.](#)

[2. Ins. by sec. 5 of U. P. Act No. 19 of 1979.](#)

[3. Ins. by sec. 7 of U. P. Act No. 04 of 1999.](#)

[4. Subs. by sec. 4 of U. P. Act No. 20 of 1984.](#)

[5. Omit. by sec. 9\(a\) of U. P. Act No. 13 of 2004.](#)

[6. Subs. by sec. 9\(b\) of U.P. Act No. 13 of 2004.](#)

[7. Omit. by sec. 9\(c\) of U. P. Act No. 13 of 2004.](#)

(vii) license fee and market fees which may be levied and realized by the Committee, and their mode of recovery ;

(viii) the terms and conditions for issue and renewal of licenses under this Act ;

(ix) the procedure to be followed in regard to the settlement of differences and disputes under this Act ;

(x) the manner in which plans and estimates for the work to be carried out by a Committee shall be prepared and submitted for sanction or approval under this Act ;

(xi) the registers and books to be maintained by a Committee ;

(xii) the form in which the accounts of a Committee shall be kept, the manner in which the same shall be audited, and the time or times at which they shall be published ;

(xiii) the form and particulars to be mentioned in reports and returns to be submitted by a Committee ;

(xiv) the manner of investment and disposal of surplus funds of a Committee ;

¹ [(xiv-a) the manner of deposit in withdrawal from and maintenance and utilization of the Uttar Pradesh State Marketing Development Fund ;]

(xv) matters in regard to the inspection of weights and measures, and weighing and measuring instruments in use in the Market Area ;

(xvi) the trade charges which may be received by any person in any transaction of the specified agricultural produce in the Principal Market Yard or Sub-Market Yards ;

(xvii) the grading and standardization of the specified agricultural produce ;

(xviii) exhibition by traders of price lists of specified agriculturally produce ;

(xix) the manner in which the sale or auction of the specified agricultural produce shall be conducted and bids made and accepted in the Market Area ;

(xx) the conditions subject to which a Committee may lease, sell or otherwise transfer any property ;

(xxi) the authority for and the manner of, making contracts, on behalf of a Committee ;

(xxii) the terms and conditions of employment of the officers and servants of a Committee and matters relating to discipline,

[1. Ins. by sec. 11 of U. P. Act No. 10 of 1991.](#)

control, punishment, dismissal, discharge, and removal of such officers and servants ;

(xxiii) the procedure for the hearing and disposal of appeals under this Act ;

(xxiv) the regulation of advances, if any, given to agriculturists by brokers commission agents or traders ;

(xxv) fees for arbitration and appeals ;

(xxvi) maintenance and submission of account books by traders, commission agents, brokers and weighmen and their inspection ;

(xxvii) the time, place and manner of sampling, sale, purchase, weighmen and recording of transactions and mode of payments ;

(xxviii) provisions of accommodation for storing any of the specified agricultural produce brought into the market Area ;

(xxix) procedure for preparation and submission for approval of annual budget ;

(xxx) matters relating to the inspection of the working of Committee ;

(xxxi) prohibition of brokers from acting in any transaction on behalf of both the buyers and the sellers of any of the specified agricultural produce ; [X X X]¹

(xxxi-a) [* * * *]²

(xxxi-b) constitution of Centralized service under section 23-A ;
and

(xxxi-c) the procedure in respect of surcharge under Section 26-W; and]³

(xxxii) any other matter which is to be or may be prescribed.

(3) All rules made under this Act,, shall, as soon as may be after they are made, be laid before each House of the State Legislature while it is in session, for a total period of fourteen days extending in its one session or more than one successive sessions and shall, unless some later date is appointed, take effect from the date of their publication in the *Gazette*, subject to such modifications or amendments as the two Houses of Legislature may agree to make, so, however, that any such modification or amendment shall be without prejudice to the validity of anything previously done thereunder.

1. *Del.* by section 27 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.

2. *Omit.* by sec. 9(d) of U. P. Act No. 13 of 2004.

3. *Ins.* by section 27 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.

SCHEDULE¹

[SECTIONS 2 (a) AND 4-A]

A — AGRICULTURE

I. *Cereals* —

- | | |
|-------------|------------|
| 1. Wheat. | 2. Barley. |
| 3. Paddy | 4. Rice. |
| 5. Jowar | 6. Bajra. |
| 7. Maize. | 8. Bejhar |
| 9. Manduwa. | 10. Oats. |
| 11. Kakun. | 12. Kodon. |
| 13. Kutki. | 14. Sawan. |

II. *Legumes* —

- | | |
|----------------------|-------------------|
| 1. Gram. | 2. Peas. |
| 3. Arhar. | 4. Urd. |
| 5. Moong. | 6. Masoor. |
| 7. Lobia (seed). | 8. Soyabean. |
| 9. Khesari. | 10. Sanai (seed). |
| 11. Dhaincha (seed). | 12. Guar. |
| 13. Moth. | 14. Kulthi. |

III. *Oilseeds* —

- | | |
|---|--------------------|
| 1. Mustard and tape seed (including rye, duwan, taramira, and toria), of all kinds. | 2. Shuwan (seed). |
| 3. Linseed. | 4. Castor seed. |
| 5. Groundnut. | 6. Til seed. |
| 7. Mahuwa seed. | 8. Gullu. |
| 9. Cotton seed. | 10. Saflower seed. |

IV. *Fibres* —

- | | |
|--------------------------------------|--------------------|
| 1. Jute. | 2. Sunnhemp fibre. |
| 3. Cotton
(ginned and ungi-nned). | 4. Patson. |
| 5. Dhaincha. | 6. Rambans. |
| 7. Mesta. | |

1. *Ins.* by section 27 of President Act No. 13 of 1973 as re-enacted by U. P. Act No. 30 of 1974.

V. *Narcotics* —

1. Tobacco.

VI. *Spices* —

- | | |
|------------------------------------|-------------------|
| 1. Coriander. | 2. Ripe chillies. |
| 3. Methi (seed). | 4. Dry ginger. |
| 5. Sonf (aniseed). | 6. Turmeric. |
| 7. Dry mango slices and
amchoor | 8. Cumin seed. |

VII. *Grass and Fodder* —

- | | |
|--|-----------|
| 1. All types of grass and fodder
(green and dried). | 2. Bhusa. |
|--|-----------|

VIII. *Miscellaneous* —

- | | |
|-------------------------|--------------------|
| 1. Chulai (seed). | 2. Poppyseed. |
| 3. Ramdana. | 4. Walnuts. |
| 5. Ban. | 6. Neem seed. |
| 7. Celery seed. | 8. Ambri seed. |
| 9. Mahuwa flower (dry). | 10. Chiraunjee. |
| 11. Derseem (seed). | 12. Lucern (seed). |
| 13. Makhana. | 14. Sugarcane. |
| 15. Mesta seed. | |

B-HORTICULTURE

I. *Vegetables* —

- | | |
|-------------------------|--|
| 1. Potato. | 2. Onion. |
| 3. Garlic. | 4. Sweet potato. |
| 5. Colocasia. | 6. Ginger (green). |
| 7. Kachalu. | 8. Chillies. |
| 9. Tomato. | 10. Cabbage, cauliflower knol
khol. |
| 11. Carrot. | |
| 12. Radish. | 13. Brinjal. |
| 14. Tinda. | 15. Bottle gourd. |
| 16. Green peas. | 17. Turnip. |
| 18. Parwal. | 19. Beans. |
| 20. Saag (of all kinds) | 21. Betal leaves. |

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|--------------------|-------------------------|
| 22. Beet root. | 23. Yam. |
| 24. Elephant foot. | 25. Lettuce. |
| 26. Dill. | 27. Jack fruit (green). |
| 28. Cucumber. | 29. Snake gourd. |
| 30. Bitter gourd. | 31. Sponage gourd. |
| 32. White gourd | 33. Lady's finger. |
| 34. Pumpkin. | 35. Cluster beans. |
| 36. Tamarind. | 37. Banda. |
| 38. Singhara. | 39. Lobia (green). |

II. *Fruits* —

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|------------------|--------------------------|
| 1. Lemons. | 2. Orange. |
| 3. Mosambi. | 4. Sweet orange (Malta). |
| 5. Grape fruit. | 6. Banana. |
| 7. Pomegranates. | 8. Strawberries. |
| 9. Musk melon. | 10. Water melon. |
| 11. Snap melon. | 12. Papaya. |
| 13. Phalsa. | 14. Poppy. |
| 15. Apple. | 16. Guava. |
| 17. Ber. | 18. Aonla. |
| 19. Litchi. | 20. Chiku. |
| 21. Peaches. | 22. Loquat. |
| 23. Bela. | 24. Pineapple. |
| 25. Mango. | 26. Plum. |
| 27. Fig. | 28. Jack fruit (ripe). |
| 29. Kamrakh. | 30. Karonda. |
| 31. Dates. | 32. Khirni. |
| 33. Apricot. | 34. Jamun. |
| 35. Pear. | 36. Custard apple. |
| 37. Mulberry. | 38. Pumelo. |
| 39. Raspberry. | |

C — VITICULTURE

1. Grapes.

D — APICULTURE

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|-----------|---------|
| 1. Honey. | 2. Wax. |
|-----------|---------|

E — SERICULTURE

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| 1. Silk. |
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F — PISCICULTURE.

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| 1. Fish. |
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G — ANIMAL HUSBANDRY PRODUCTS

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|----------------------|---------------|
| 1. Poultry. | 2. Eggs. |
| 3. Cattle. | 4. Sheep. |
| 5. Goat. | 6. Butter. |
| 7. Ghee. | 8. Khoya. |
| 9. Cottage cheese | 10. Milk. |
| 11. Hides and skins. | 12. Bones. |
| 13. Meat. | 14. Bristles. |
| 15. Wool. | |

H — FOREST PRODUCTS

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|------------------|-------------|
| 1. Gum. | 2. Wood. |
| 3. Tendu leaves. | 4. Lac. |
| 5. Reetha. | 6. Catechu. |

