

**THE HARYANA RURAL DEVELOPMENT ACT, 1986**

(HARYANA ACT No. 6 OF 1986)

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**<sup>1</sup>THE HARYANA RURAL DEVELOPMENT ACT, 1986**  
(HARYANA ACT NO. 6 OF 1986)

(Received the assent of the Governor of Haryana on the 13th March, 1986 and was first published in the Haryana Government Gazette (Extraordinary), Legislative Supplement Part 1 of the 27th March, 1986.)

1	2	3	4
Year	No.	Short title	Whether repealed or otherwise affected by Legislation
1986	6	The Haryana Rural Development Act, 1986	Amended by Haryana Act 22 of 1988 <sup>2</sup> Amended by Haryana Act 12 of 1991 <sup>3</sup> Amended by Haryana Act 19 of 1998 <sup>4</sup> Amended by Haryana Act 15 of 1999 <sup>5</sup> Amended by Haryana Act 7 of 2012 <sup>6</sup> Amended by Haryana Act 9 of 2013 <sup>7</sup> Amended by Haryana Act 19 of 2014 <sup>8</sup>

AN

ACT

*to provide for the establishment of the Haryana Rural Development Fund  
Administration Board for augmenting agricultural production and  
improving its marketing and sale.*

Be it enacted by the Legislature of the State of Haryana in the Thirty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Haryana Rural Development Act, 1986. Short title and commencement.

(2) It shall be deemed to have come into force with effect from the 30th September, 1983.

- 1 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 26th February, 1986, Page 295.
- 2 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 23rd March 1988, Page No. 402.
- 3 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated 22nd February, 1991, Page 458.
- 4 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 15th July, 1998, Page 1080.
- 5 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 23rd June, 1999, Page 1314.
- 6 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 1st March, 2012, Page 694.
- 7 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 22nd February, 2013, Page 899.
- 8 For Statement of Objects and Reasons, see Haryana Government Gazette (Extraordinary), dated the 1st March, 2014, Page 971.

Definitions.

2. In this Act, unless there is anything repugnant to the context,—

- (a) “agricultural produce” means all produce whether processed or not, of agriculture, horticulture, animal husbandry or forest as may be prescribed;
- (b) “Board” means the Haryana Rural Development Fund Administration Board constituted under section 3 of the Act;
- (c) “dealer” means any person who within the notified market area sets up, establishes or continues or allows to be continued any place for the purchase, sale, storage or processing of agricultural produce, or in the notified market area purchases, sells, stores or processes such agricultural produce;
- (d) “Fund” means the Haryana Rural Development Fund;
- (e) “rural area” means area other than the area of a municipality administered under the Haryana Municipal Act, 1973;
- (f) “prescribed” means prescribed by rules made under this Act;
- (g) “processing” means giving a treatment or a series of treatment to an agricultural produce in order to make it fit for use or consumption and includes manufacturing out of agricultural produce; and
- (h) words and expressions not defined in this Act shall have the meaning assigned to them in the Punjab Agricultural Produce Markets Act, 1961.

Establishment of Board, its constitution, powers and duties.

3. (1) The State Government shall, for exercising powers conferred on and performing the functions and duties assigned to the Board by or under this Act, establish and constitute the Haryana Rural Development Fund Administration Board.

(2) The Board constituted and established by the State Government in terms of sub-section (1) shall consist of a Chairman and such other official and non-official members as the Government may determine and appoint.

(3) The Board so constituted shall be a body corporate having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property and shall by the said name sue and be sued.

(4) The term of office of the non-official members of the Board shall be three years.

<sup>1</sup>[(4-A) The non-official members shall hold office during the pleasure of the State Government.]

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1. Inserted by Haryana Act 22 of 1988.

(5) No person shall be eligible to become a member of the Board who—

- (a) does not ordinarily reside within the State of Haryana;
- (b) is below twenty-five years of age;
- (c) is of unsound mind; or
- (d) has been declared as insolvent or sentenced by a criminal court, whether with in or outside the State of Haryana for an offence involving moral turpitude:

Provided that the disqualification incurred under clause (d) on the ground of a sentence by a criminal court, shall not apply after the expiry of four years from the date on which the sentence has expired.

(6) A member of the Board may resign from membership by tendering his resignation to the State Government and the seat of such member shall become vacant on the date of acceptance of his resignation.

<sup>1</sup>[(6-A) The State Government may appoint a member against a vacancy caused by the death or resignation of a member:

Provided that the term of the member so appointed shall expire on the same date as the term of office of vacating member would have expired.]

(7) The State Government may remove the Chairman or any member of the Board who has become subject to any of the disqualifications specified in sub-section (5) or who is, in its opinion, remiss in the discharge of his duties and may appoint another member in his place:

Provided that before removing any member the reason for the proposed action shall be conveyed to him and his reply invited within specified period and duly considered:

Provided further that the term of the member so appointed shall expire on the same date as the term of office of the vacating member would have expired.

(8) The State Government shall exercise superintendence and control over the Board and its officers and may call for such information as it may deem necessary and, in the event of its being satisfied that the Board is not functioning properly or is abusing its powers, or is guilty of corruption or mismanagement, it may suspend the Board and, till such time as a new Board is constituted, make such arrangements for the exercise of the functions of the Board as it may think fit:

Provided that the Board shall be constituted within six months from the date of its suspension.

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1 Inserted by Haryana Act 12 of 1991.

(9) Subject to rules, made under this Act, an estimate of the annual income and expenditure of the Board for the ensuing year shall be prepared and passed by the Board and submitted every year for sanction of the State Government not later than the prescribed date. The State Government shall sanction and return the budget within two months from the date of the receipt thereof. If it is not received within two months, it shall be presumed to have been sanctioned.

(10) Subject to rules made under this Act, the Board may, with the approval of the State Government, frame bye-laws for—

- (a) regulating the transaction of business at its meetings; and
- (b) such other matters as may be specified.

Officers and  
servants of Board.

**4.** (1) The Board may with the prior approval of the State Government create such posts and appoint officers and servants thereto as it may consider necessary for the efficient discharge of its duties.

(2) The conditions of service, functions and duties of the officers and servants of the Board shall be such as may be prescribed.

Imposition and  
collection of fee.

**5.** (1) With effect from such date, as the State Government may by notification appoint in this behalf, there shall be levied on the dealer for the purposes of this Act, a fee on ad-valorem basis, at the rate of <sup>1</sup>[two] per centum of the sale proceeds of agricultural produce bought or sold or brought for processing in the notified market area:

Provided that except in case of agricultural produce brought for processing—

- (a) no fee shall be leviable in respect of any transaction in which delivery of the agricultural produce bought or sold is not actually made; and
- (b) the fee shall be leviable on the dealer only in respect of a transaction in which delivery is actually made :

<sup>2</sup>[Provided further that rate of fee on cotton with effect from 1st November, 2011 shall be 0.8 per centum :

Provided further that rate of fee on potato during the period from 22nd December, 2011 to 31st March, 2012 shall be 1 per centum :]

<sup>3</sup>[Provided further that with effect from 1st September, 2012, the rate of fee on vegetables and fruits only, as mentioned in Schedule under clause (b) of rule 2 of the Haryana Rural Development Rules, 1987, shall be one per centum :]

<sup>4</sup>[Provided further that from the date of notification of the Haryana Rural Development (Amendment) Act, 2014, no fee shall be charged on vegetables and fruits, as mentioned in Schedule under clause (b) of rule 2 of the Haryana Rural Development Rules, 1987.]

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1. Substituted By Haryana Act 15 of 1999.

2. Added by Haryana Act 7 of 2012.

3. Added by Haryana Act 9 of 2013.

4. Added by Haryana Act 19 of 2014.

(2) The fee as hereinafter provided shall be paid by the dealer, in such manner as may be prescribed, to such officer or person, as may be appointed or designated by the Board in this behalf.

(3) Since the burden of fee imposed by sub-section (1) is not intended to be put on the dealer, the dealer shall be under a statutory obligation to add the amount of fee in the purchase price recoverable by him from the next purchaser of agricultural produce or the goods processed or manufactured out of it.

(4) The arrears of fee shall be recoverable as arrears of land revenue.

**6.** (1) There shall be constituted a fund called the Haryana Rural Development Fund which shall vest in the Board. Constitution of fund.

(2) It shall be administered by such officer or officers of the Board as may be appointed by it in this behalf.

(3) The amount of fee paid to the officer or the person shall be credited to the Haryana Rural Development Fund within such period as may be prescribed.

(4) To the credit of the Fund shall be placed—

- (a) all collections of fee under section 5;
- (b) grants from the State Government and local authorities; and
- (c) <sup>1</sup>[contributions made by corporations, institutions, other agencies or individuals.]

(5) The fund shall be applied by the Board to meet the expenditure incurred in the rural areas in connection with the development of roads, establishment of dispensaries, making arrangements for water supply, sanitation and other public facilities, welfare of agricultural labour, conversion of the notified market areas falling in rural area as defined under this Act, into model market areas by utilizing technical know-how thereto and bringing about other necessary improvements therein, construction of godowns and other places of storage, for the agricultural produce brought in the market area for sale/purchase and the construction of rest houses, equipped with all modern amenities, to make the stay of visitors (both sellers and purchasers) in the market area, comfortable and for any other purpose which may be considered by the Board to be in the interest of and for the benefit of the person paying the fee. The Fund may also be utilized by the Board to meet the cost of administering it.

(6) The Board shall publish annually a report of the activities financed from the Fund, together with an estimate of receipts and expenditure of the Fund and a statement of accounts.

**7.** Any person who contravenes the provisions of this Act or the rules framed there under shall be punishable with fine which may extend to five hundred rupees or upto the amount of fee which, the dealer is liable to pay, whichever is more. Penalty.

**8.** (1) The State Government may make rules to carry into effect the purposes of this Act. Power to make rules.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

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1. Added by Haryana Act 19 of 1998.

- (a) the preparation and submission for sanction of an annual budget under sub-section (9) of section 3;
- (b) the making of refunds and recoveries of the fee imposed under section 5;
- (c) period within which the amount is to be deposited under sub-section (3) of section 6; and
- (d) any other matter which has to be or may be prescribed.

Protection of  
action taken in  
good faith.

**9.** No suit, prosecution or other legal proceeding shall lie against the State Government or any officer of the State Government or Board or local authority in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or orders made thereunder.

Power to remove  
difficulties.

**10.** If any difficulty arises in giving effect to the provisions of this Act, the State Government may by order do anything not inconsistent with such provisions which appears to it to be necessary or expedient for the purpose of removing the difficulty.

Retention of cess.

**11.** (1) The cess/fee levied and collected under the provisions of the Haryana Rural Development Fund Act, 1983 for the period commencing from the 30th September, 1983 to the date of notification issued under sub-section (1) of section 5 of this Act, shall be deemed to have been levied and collected under this Act and notwithstanding anything contained in any judgment, decree or order of any court, it shall be lawful for the State Government to retain the cess so levied and collected from the dealer if the burden of such cess was passed on by the dealer to the next purchaser of the agricultural produce or the goods processed or manufactured out of it in respect whereof such cess was levied or collected.

(2) No suit or other proceedings shall be instituted, maintained or continued in any court for the refund of whole or any part of the cess retained by the Government under sub-section (1) and no court shall enforce any decree or order directing the refund of whole or any part of such cess.

(3) If any dispute arises, as to the refund of any cess retained by the Government by virtue of sub-section (1) and the question is whether the burden of such cess was passed on by the dealer to the next purchaser, it shall be presumed that such burden was passed on by the dealer.

(4) If the amount of cess retainable by the Government under sub-section (1) has not been paid by, or has been refunded to, any dealer the same shall be recoverable by the Government as arrear of land revenue.

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