

THE PUNJAB AGRICULTURAL PRODUCE MARKETS ACT, 1961 (Punjab Act No. 23 of 1961)

(Received the assent of the President of India on the 18th May, 1961, and first published for general information in the **PUNJAB GOVERNMENT GAZETTE (EXTRA ORDINARY)**, Legislative Supplement, of the 26th May, 1961).

An Act to consolidate and amend the law relating to the better regulation of the purchase, sale, storage and processing of agricultural produce and the establishment of markets for agricultural produce in the State of Punjab.

Be it enacted by the Legislature of the State of Punjab in the Twelfth year of the Republic of India as follows: -

1. Short title, extent and commencement

(1) This Act may be called the Punjab Agricultural Produce Markets Act, 1961.

¹[(2) *It extends to the States of Punjab and Haryana, the territories transferred to the Union Territory of Himachal Pradesh under section 5 of the Punjab Reorganisation Act, 1966 (31 of 1966) and the Union Territory of Chandigarh.]*

(3) It shall come into force at once.

Definitions:

²[(2) *In this Act, unless the context otherwise requires,-*

(1) **"ad-hoc buyer"** means a buyer who is registered under this Act as such;

(2) **"agricultural produce"** means all produce, whether processed or not, of agriculture, horticulture, medicinal plants, animal husbandry, livestock or forest as specified in the Schedule to this Act;

(3) **"assaying lab"** means laboratory set up as prescribed for testing of quality parameters as per the tradable parameters or grade-standards or any other parameters notified by the competent authority;

(4) **"Board"** means the Punjab State Agricultural Marketing Board established under this Act for the State of Punjab;

(5) **"broker"** means a person, other than a private servant or an auctioneer, usually employed on commission to enter into contracts on behalf of others for the purchase or sale of agricultural produce;

(6) **"buyer"** means a person, who himself or on behalf of any person or an agent who buys or agrees to buy agricultural produce in the market or notified market area, as the case may be;

(7) **"Committee"** means a market committee established and constituted under sections 11 and 12;

¹ Substituted vide G.O.I.S.O.No. 3021 dated 18th July, 1969

² Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

- (8) **"Competent Authority"** means an authority as may be notified by the State Government ;
- (9) **"contract farming"** means an agreement between the contract farming sponsors who offers to purchase and the contract farming producer who agrees to produce under which the production and marketing of an agricultural produce is carried out as per the terms and conditions laid down in the agreement;
- (10) **"Co-operative Society"** means a Co-operative Society registered or deemed to be registered under the Punjab Co-operative Societies Act, 1961, or any other corresponding law for the time being in force which deals in the purchase, sale processing or storage of agricultural produce, or is otherwise engaged in the business of disposal of agricultural produce;
- (11) **"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 notified under sub-section (1) of section 6 or purchases, sells, stores or processes such agricultural produce;
- (12) **"direct marketing"** means the sale of agricultural produce by the producer directly to the buyer may be outside or inside the principal market yard or sub-market yard or any other market yard notified under this Act;
- (13) **"e-trading"** means trading of agricultural produce in which registration, billing, booking, contracting, auctioning, tendering, information exchanging, record keeping and other connected activities as are done electronically on computer network/ internet;
- (14) **"e-trading platform"** means electronic platform set up either by State Government or its agencies or a person licenced under this Act for sale or purchase of agricultural produce through electronic media or by any means of communication in which registration, buying and selling, billing, booking, contracting, auctioning and tendering are carried out online through computer network/ internet or any other such electronic device, where physical transaction takes place;
- (15) **"farmer producer company"** means a company of farmer-producer members registered under sub- section (1) of section 465 of the Companies Act, 2013;
- (16) **"Godown Keeper"** means a person, other than a producer, who stores agricultural produce for himself for sale or stores agricultural produce of others in lieu of storage charges;
- (17) **"licensee"** means a person to whom a licence is granted under section 10 and the rules made under this Act and includes any person who buys or sells agricultural produce and to whom a licence is granted as Kacha Arhtia or commission agent or otherwise but does not include a person licensed under section 13;
- (18) **"livestock"** means cattle, goat, sheep, poultry, fish and such other animals and products thereof as specified in the Schedule of this Act ;
- (19) **"market"** means a market established and regulated under this Act for the notified market area, and includes a market proper, a principal market yard, sub-market yard and private market yard;
- (20) **"marketing"** means all agricultural activities involved in the flow of agricultural produce from the production points commencing from the stage of harvest till these reach the ultimate consumers such as purchase, sale, storage, processing, trading, transportation, cleaning, weighing, standardization, grading, packing for the value addition and other connected activities of agricultural produce and all other functions connected therewith including the marketing under contract farming;

- (21) **“market proper”** means any area including all lands with the buildings thereon, within such distance of the principal market or sub-market yard, as may be notified in the Official Gazette by the State Government, to be a market proper;
- (22) **“member”** includes the Chairman of the Board;
- (23) **“notified market area”** means any area notified under section 6;
- (24) **“over trading”** means the amount exceeding the value of the agricultural produce including livestock purchased at any point of time vis-a-vis to the amount of security deposited with or the bank guarantee furnished to the market committee as prescribed;
- (25) **“person”** means an individual, registered or unregistered firm, Hindu Undivided Family, Company, Co-operative Society, Government agency or Public Sector Undertaking or Corporation, as the case may be;
- (26) **“prescribed”** means prescribed by rules made under this Act;
- (27) **“price stabilization fund”** means any fund constituted for the purpose of curtailing extreme volatility in prices of specified agricultural produce;
- (28) **“principal market yard”** and **“sub-market yard”** mean an enclosure, building or locality declared to be a principal market yard and sub-market yard under section 7;
- (29) **“private enterprises”** means an economic activity undertaken by private individuals or organization under private ownership;
- (30) **“private market yard”** means an enclosure, building or locality other than the principal market yard or sub-market yard in notified market area, owned and operated by any person or company or co-operative society in accordance with the terms and conditions of a licence, granted by the State Government and where infrastructure has been developed by such person or company or co-operative society as the case may be;
- Explanation:** - For the purpose of this clause, company shall mean a company incorporated under the Companies Act, 2013;
- (31) **“processing”** means any one or more of a series of treatments relating to powdering, crushing, decorticating, de-husking, parboiling, curing or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce or its product is subjected to;
- (32) **“producer”** means a person who in his normal course of avocation grows, manufactures, rears or produces, as the case may be, agricultural produce personally, through tenants or otherwise, but does not include a person who works as a dealer or a broker or who is a partner of a firm of dealers or brokers or is otherwise engaged in the business of disposal of agricultural produce other than that grown, manufactured, reared, or produced by himself, through his tenants or otherwise. If a question arises as to whether any person is a producer or not for the purposes of this Act, the decision of the Deputy Commissioner of the District in which the person carries on his business or profession shall be final:

Provided that no person shall be disqualified from being a producer merely on the ground that he is a member of a Co-operative Society;

Explanation: - The term ‘producer’ shall also include tenant;

- (33) **"producer and consumer market yard"** means an enclosure, building or locality in the notified market area, owned and operated by a person or by a group of producers or by the Market Committee in accordance with the terms and conditions of the license granted for this purpose and where the infrastructure has been developed, maintained and operated by such person under section 7-F;
- (34) **"producer market yard (Kissan Mandi)"** means a place where the sale of agricultural produce is made by the producer directly to the buyer/retailer whether inside or outside the principal market yard or sub-market yard in the notified market area. A Kissan Mandi yard may be set up with suitable infrastructure in accordance with the provisions of this Act, by a group of producers, Farmer Producer Organization, Farmer Agri. Business Consortium, Farmer Producer Company or by the Market Committee in any notified market area;
- (35) **"public private partnership"** means providing of services by the Board or the Committee or a group of committees or private enterprises which is funded and operated through a partnership of Board or Committee or a group of committees with one or more private sector entities including companies, private firms or co-operative societies or any other entity established under a law in force in the State of Punjab by pooling resources or man power for the set up and creation of a market yard, as the case may be;
- (36) **"retail sale"** means sale of agricultural produce not exceeding such quantity as may be prescribed;
- (37) **"seasonal market yard"** means an enclosure, building or locality declared to be a seasonal market yard in the notified market area under section 7-A;
- (38) **"secretary"** means the Executive Officer of a committee and includes an Assistant Secretary or a person officiating or acting as Secretary;
- (39) **"self help groups"** means a small voluntary association of producers preferably from the same socio- economic background;
- (40) **"special market yard"** means an enclosure, building, having specially designed infrastructure provided in the Notified Market Area notified under section 7-B and managed by the Board or Committee or Special Purpose Vehicle or company, as the case may be;
- (41) **"State Government"** means the Government of the State of Punjab in the Department of Agriculture;
- (42) **"trade allowance"** includes an allowance having the sanction of custom in the notified market area concerned and market charges payable to various functionaries;
- (43) **"trading"** means the buying or selling of agricultural produce in a notified market area;
- (44) **"user charges"** means charges levied for the use of infrastructure or for services rendered by the Board or the Committee or by any other entity authorized by the competent authority in this behalf; and
- (45) **"value addition"** includes cleaning, processing, standardization, grading, packing or other such activities which enhance the value of agricultural produce.".]

¹ [2 A. Construction of certain references in the Act

In the application of the provisions of this Act-

(1) to the State of Haryana, any reference therein to any expression mentioned in column :-
(1) of the Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table.

TABLE

| (1) | (2) |
|---|--|
| State Government. | The Government of the State of Haryana. |
| Punjab State or State of Punjab except in section 1 of the Act. | State of Haryana. |
| State Agricultural Marketing | Haryana State Agricultural Marketing Board |

1. Deleted vide G.O.I.S.O. No.3021 dated 18th July, 1969.br> 22 & 3. Inserted vide G.O.I.S.O. No. 3021, dated 18th July, 1969.

(2) to the territory transferred to Himachal Pradesh any reference therein to any expression mentioned in column (1) of the Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table.

TABLE

| (1) | (2) |
|---|---|
| State Government. | Administrator of the Union Territory of Himachal Pradesh. |
| Punjab State or State of Punjab except in section 1 of the Act. | Transferred territory. |
| State Agricultural Marketing Board | Administrator of the Union Territory of Himachal Pradesh. |

(3) to the Union Territory of Chandigarh, any reference, therein to any expression mentioned in column (1) of the Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table.

TABLE

| (1) | (2) |
|---|---|
| State Government. | Administrator of the Union Territory of Chandigarh. |
| Punjab State or State of Punjab except in section 1 of the Act. | Union Territory of Chandigarh. |
| State Agricultural Marketing Board | Administrator of the Union Territory of Chandigarh. |

¹ Inserted vide G.O.I.S.O No. 3021 dated 18th july 1969

3. State Agricultural Marketing Board, Constitution, Powers and Duties

¹[(1) *The State Government may, for exercising powers conferred on and performing the functions and duties assigned to the Board by or under this Act, establish and constitute the Punjab State Agricultural Marketing Board, consisting of a ²[chairman and vice chairman to be nominated by State Government] and twenty other members of whom, ten shall be officials and ten non-officials, to be nominated by the state Government in the following manner, namely:-*

(a) official members shall include-

- (I) *the Financial Commissioner Development-cum-Principal Secretary to Government of Punjab, Department of Agriculture or his representative;*
- (II) *the Principal Secretary to Government of Punjab, Department of Finance or his representative;*
- (iii) *the Director, Horticulture, Punjab;*
- (iv) *the Director, Agriculture, Punjab*
- (v) *the Secretary of the Board;*
- (vi) *the Registrar, Co-operative Societies, Punjab or his representative;*
- (vii) *the Chairman, Farmers' Commission, Punjab or his representative;*
- (viii) *the Vice-Chancellor, Punjab Agriculture University, Ludhiana or his representative;*
- (ix) *the Director, Colonization, Punjab; and*
- (x) *the representative of the Department of Food and Supplies, Punjab; and*

(b) non-official members shall include –

- (i) *one producer member of a committee;*
- (ii) *one representative from amongst the members of a Committee, who has a licence under Section 10;*
- (iii) *one person from amongst the licensees under Section 10;*
- (iv) *one representative from amongst the members of a Committee, who has licence under Section 13;*
- (v) *one representative from amongst the members of a registered organization of Farmers;*
- (vi) *Four members from amongst the progressive producers of the State of Punjab (i.e. one from each division); and*
- (vii) *one representative of the Co-operative societies;*

Provided that when the non-official members referred to in sub-clauses (i), (ii) and (iii) of clause (b) cannot be nominated owing to all the Market Committees being under supersession the Board shall consist of all the members, including the ³[Chairman and Vice Chairman], referred to in this sub-section excepting the members referred to in the aforesaid sub-clauses and the same shall be deemed to be validly constituted Board till such members are nominated by the State Government after the Market committees are constituted.]

⁴[(2) *There shall be a Secretary of the Board who shall be appointed by the State Government from amongst those members of the Indian Administrative Service, the Punjab Civil Service (Executive Branch) or the Punjab Agricultural Service (Class I) who have put in not less than five years service as such member].*

(3) *The Board shall be a body corporate as well as a local authority by the name of the State Agricultural Marketing Board having perpetual succession and a common seal, with power, subject to the provisions of this Act, to ⁵ [acquire, ⁶[hold, sell] lease or otherwise transfer*

¹ Substituted vide Notification No. 8-Leg./2009 (Pb. Act No. 7 of 2009) dt. 14-05-2009

² Substituted vide Notification No. 30-Leg./2010 dt 22-11-2010 (Punjab Act No. 22 of 2010)

³ *ibid*

⁴ Substituted vide Punjab Act No.13 of 1979

⁵ Substituted vide Punjab Act No.13 of 1979

⁶ Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

immovable or movable property as may be prescribed for a period specified in the transfer deed] and shall be the said name sue and be sued.

- (4) The term of office of the non-official members of the Board shall be three years.
- (5) No person shall be eligible to become a member of the Board who :-
- (a) does not ordinarily reside within the Punjab State;
 - (b) is below twenty-five years of age;
 - (c) has been removed under sub-section (7) or section 15;
 - (d) is of unsound mind; or
 - (e) has been declared as insolvent or sentenced by a criminal court, whether within or outside the Punjab State, for an offence involving moral turpitude:

Provided that the disqualification under Clause (e) 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 of such person has expired.

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

¹ [Provided that the Chairman ²[and the Vice Chairman] may resign by tendering his resignation to the State Government]

- ³[(7) The State Government may, by notification remove any member of the Board other than a official member :-

- (a) *if he has become subject to any of the disqualifications specified in sub-section (5); or*
- (b) *if he is, in its opinion, remiss in the discharge of his duties; or*
- (c) *if he has without the permission of the Chairman of the Board and in the opinion of the State Government without sufficient cause absented himself for not less than three consecutive meetings of the Board, and may appoint another member in his place in the manner provided in clause (b) of sub-section (1) from the category to which the removed member belongs*

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

Provided further that the term of office of the member so appointed shall expire on the same date as the term of office of the vacating member would have expired had the latter held office for the full period allowed under sub-section (4) unless there be delay in appointing a new member who succeeds the member first mentioned above in which case it shall expire on the date on which his successor is appointed by the State Government].

- (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 ⁴*[and of its Chairman]* as it may think it:

¹ Added vide Punjab Act No. 40 of 1963

² Substituted vide Notification No.30-leg/2010 dated 22.11.2010 (Punjab Act No.22 of 2010)

³ Substituted vide Punjab Act No.13 of 1979

⁴ Inserted vide Punjab Act No.13 of 1979

Provided that the Board shall be constituted within ¹[five years & six months] from the date of its suspension.

*(9) The Board shall exercise superintendence and control over the committees.

** (10) The State Government or the Chairman or the Secretary of the Board or any other officer of the Board authorized in this behalf by the Board may call for any information or return relating to agricultural produce from a committee or a dealer or a go down keeper or other functionaries and shall have the power to inspect the records and accounts of a committee and accounts of any dealer, go down-keeper or other functionaries for that purpose.

(11) The ²[Chairman or subject to his control the Secretary of the Board] may transfer the Secretary or any employee dealing with the accounts of one committee to another committee and they shall exercise such other powers and discharge such other duties as may be prescribed:

Provided that any increase or decrease in emoluments of a transferred employee shall be referred to the State Government whose decision on such reference shall be final.

(12) Subject to the provisions of this Act and the rules and bye-laws made there-under, the Board may employ such persons for the performance of the functions of the Board under this Act, and may give them such remuneration, as it may think fit, and may suspend, remove, dismiss or otherwise punish any person so employed.

(13) 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 the 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.

(14) 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;

(b) the assignment of duties and powers of the Board to its ³[Chairman, Vice Chairman, Secretary] or persons employed by it; and

(c) such other matters as may be prescribed.

(15) ⁴ [Six] members shall constitute a quorum at a meeting of the Board:

Provided that if a meeting is adjourned for want of quorum, no quorum shall be necessary at the next meeting called for transacting the same business.

(16) All questions before a meeting of the Board shall be determined by a majority of votes of the members present and voting and, in case of equality of votes, the Chairman may exercise a casting vote.

Note:- The powers of the 'Board' under sub-section (12) of Section 3 have been delegated to Secretary Board vide Govt. Memo. No. 11 (6) - M-87/221-spl. Dated 11.8.87.

(17) (i)The State Government may delegate to the Board or its ⁵[Chairman, Vice Chairman or Secretary] any of the powers conferred on it by or under this Act; and

¹ Substituted vide Punjab Ordinance No.1 of 1992 dated 19.06.1992

² Substituted vide Punjab Act No.5 of 1974

³ Substituted vide Notification No.30 leg/2010 dated 22.11.2010 (Punjab Act No.22 of 2010)

* The powers under section 3 (9) have been delegated to Secretary Board vide Memo No. 18 (50) M-1-87/1048 dt. 08.12.87 and subsequently superseded vide memo No. 11/11/93-M-1/8270 dated 16.7.93 and powers delegated to Chairman of the Board..

** Powers have been delegated to secretary market committee, Assistant District Mandi Officer, Deputy District Mandi Officer, District Mandi Officer, Enforcement chief and Manager Marketing vide office order No. 887 (1991) dt.: 6-6-1991

⁴ Substituted vide Punjab Act No.13 of 1979

⁵ Substituted vide Notification No.30 leg/2010 dated 22.11.2010 (Punjab Act No.22 of 2010)

(ii)The Board may ¹*[with the prior approval of the State Government]*, delegate any of its powers to its ² *[Chairman, Vice Chairman, Secretary or any of its officers.]*

- (18) The headquarter of the Board shall be located at a place to be determined by the State Government.
- (19) No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy among its members or any defect in the constitution thereof.

³[3-A The powers of the Board in respect of the transferred territory and the Union Territory of Chandigarh.

Notwithstanding anything contained in this Act, the Administrator of the Union Territory of Himachal Pradesh in relation to the transferred territory and the Administrator of the Union Territory of Chandigarh in relation to that territory, shall, until other provision is made by law, be deemed to be the Board constituted under this Act, respectively for the transferred territory and the Union Territory of Chandigarh and accordingly shall perform the functions, discharge the duties and exercise the powers of the Board in relation to these areas].

4. ⁴[Advisory committee omitted]

5. Notification of intention of exercising control over purchase, sale, storage and processing of agricultural produce in specified area.

The state Government may, by notification, declare its intention of exercising control over the purchase, sale, storage and processing of such agricultural produce, and in such area as may be specified in the notification. Such notification shall state that any objections or suggestions, which may be received by the State Government within a period of not less than thirty days to be specified in the notification, will be considered.

6. Declaration of notified market area

- (1) After the expiry of the period specified in the notification under section 5 and after considering such objections and suggestions as may, be received before the expiry of such period, the State Government may by notification and in any other manner that may be prescribed, declare the area notified under section 5 or any portion thereof to be a notified market area for the purposes of this Act in respect of the agricultural produce notified under section 5 or any part thereof.
- (2) The State Government if satisfied that in any notified market area a committee is not functioning ⁵*[or two such areas or parts thereof are to be amalgamated or a part of any such area is to be amalgamated with another such area or is to be constituted into a separate notified market area]*, may by notification denotify any market area notified under sub-section (1) or any part thereof and, when the whole of such area is denotified, cancel a committee and transfer all with the assets of that committee which remain after satisfaction of all, its liabilities to the Board. Such assets shall be utilized by the Board for such objects in the area as it may consider to be for the benefit of the producers of that area.

¹ Substituted vide Punjab Act No.22 of 1978

² Substituted vide Notification No.30 leg/2010 dated 22.11.2010 (Punjab Act No.22 of 2010)

³ Inserted vide G.O.I.S.O. No. 3021, dated 18th July, 1969.

⁴ Omitted vide Punjab Act No. 13 of 1979.

⁵ Substituted for certain words Punjab Act 40 of 1963

- (3) After the date of issue of such notification or from such later date as may be specified therein, no person, unless exempted by rules made under this Act, shall, either for himself or on behalf of another person or of the State Government within the notified market area, set up, establish or continue or allow to be continued any place for the purchase, sale, storage and processing of the agricultural produce so notified, or purchase, sell, store or process such agricultural produce except under a licence granted in accordance with the provisions of this act, the rules and bye-laws made there under and the conditions specified in the licence:

Provided that a licence shall not be required by a producer who sells himself or through a bona-fide agent, not being a commission agent, his own agricultural produce or the agricultural produce of his tenants on their behalf or by a person who purchases any agricultural produce for his private use.

- (4) For the removal of doubts, it is hereby declared that a notification published in the official gazette under this section or section 5 shall have full force and effect notwithstanding any omission to publish, or any irregularity or defect in the publication of a notification under this section or under section 5 as the case may be.

¹7. Declaration of Market Yards

- (1) *For each notified market area, there shall be one principal market yard, one or more sub-market yards, one or more seasonal market yards, one or more special market yards, one or more producer and consumer market yards, one or more producer market yards and one or more private market yards as may be necessary.*
- (2) *The State Government may, by notification, declare any enclosure, building or locality in any notified market area to be principal market yard for the area and other enclosures, buildings or localities to be one or more sub-market yards, one or more seasonal market yards, one or more special market yards, one or more producer and consumer market yards, one or more producer market yards and one or more private market yards for the area.*

7- A. Establishment of Seasonal Market Yard

- (1) *The Secretary of the Board may for a particular crop or crops notify any enclosure or building or locality in a notified market area to be a seasonal market yard which shall be established, maintained and operated by market committee concerned primarily in the harvesting season of that particular crop or crops, as the case may be.*
- (2) *In the notified market yard under sub-section (1), the Market Committee concerned have to establish a market therein and provide such facilities for marketing of agricultural produce and also for persons visiting it in connection with the purchase, sale, storage, weighment and processing of agricultural produce concerned as the Secretary of the Board may direct from time to time.*

¹ 7 – 7 H, Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14-8-17.

7--B. Establishment of Special Market Yard

- (1) *In order to notify a special market yard under section 7, the State Government, apart from other things shall also consider such aspects as turnover, serving area and special infrastructural requirements of particular commodities to be marketed therein as may be prescribed.*
- (2) *Such special market yards may be managed either directly by the Board or through Public Private Partnership or through a co-operative or corporate body or Special Purpose Vehicle or individuals as may be notified from time to time and shall not be under the control of the Market Committee concerned.*

7- C. Establishment of Private Yard

- (1) *A private market yard may be set up by any person with suitable infrastructure in accordance with the provisions of this Act and rules made there under for the sale or purchase of agricultural produce as may be specified by the State Government.*
- (2) *The owner of the private market yard, referred to in sub-section (1) shall neither be permitted himself for sale or purchase of agricultural produce in the private market yard so developed and managed by him nor any other person shall do so on his behalf, as the case may be.*
- (3) *Save as otherwise provided in this Act, the owner of the private market yard or its management committee, by whatever name called, referred to in sub-section (1) shall perform such functions and duties of the Market Committee as prescribed and under the overall supervision of the Competent Authority or any other officer authorised in this behalf.*
- (4) *The private market yard referred to in sub-section (1) shall be established subject to the fulfilment of such terms and conditions in such manner as may be prescribed.*

7- D. Establishment of Producer and Consumer Market Yard

A producer and consumer market yard may be set up with suitable infrastructure in accordance with the provisions of this Act and rules made there under, by any person or a group of producers or the Market Committee, as the case may be, in any notified market area, on fulfillment of such terms and conditions in such manner as may be prescribed:

Provided that producer shall sell such quantity of agriculture produce directly to the consumer at a time as may be prescribed.

7-E. Establishment of Producer Market Yard (Kissan Mandi)

Producer Market Yard (Kissan Mandi) may be established outside the principal market yard or sub-market yard in the notified market area. Such market yard may be set up with suitable infrastructure in accordance with the provisions of this Act and the rules made there under, by a group of producers or Farmer Producer Organization or Farmer Agri. business Consortium or Farmer Producer Company or the Market Committee in any notified market area for sale to whole sellers or institutional buyer or any other buyer as may be prescribed.

7- F . Permission for e-trading platform

Subject to the provisions of this Act and the rules made there under, the State Government may grant permission to any person for setting up a platform for spot marketing of notified agricultural produce in the State, on fulfillment of such terms and conditions in such manner as may be prescribed:

Provided that owner or service provider of "e-trading platform" shall neither be permitted himself for the sale or purchase of agricultural produce in the "e-trading platform" so developed and managed by him nor any other person shall do so on his behalf, as the case may be.

7- G. Permission for Direct Marketing

Subject to the provisions of this Act and the rules made there under, the State Government may grant permission to any person for purchase of the agricultural produce directly from producers outside the principal market yard or sub-market yard or at any place specified in the notified market area, on fulfillment of such terms and conditions in such manner as may be prescribed.

7- H. Public private partnership

The Board or with the permission of the Board, a Committee or group of Committees may create, promote, manage and maintain infrastructure for a market yard or for value addition such as cleaning, standardization, grading and post harvest handling of agricultural produce including cold storages, pre-cooling facilities and pack houses in notified market area through public private partnership.".]

8. No private market to be opened in or near places declared to be markets

¹[Save as otherwise provided in section 7, on and after] the date on which the State Government have by a notification under section 7 declared any place to be a principal or sub-market yard, no person or Municipal committee, District Board, Panchayat or any Local Authority, notwithstanding anything contained in any enactment relating to such Municipal committee, District Board, Panchayat or Local Authority shall be competent to set up, establish or continue or allow to be continued any place within the limits of such market or within a distance thereof to be notified in the official gazette in this behalf in each case by the State Government for the purchase, sale, storage and processing of any agricultural produce:

Provided that a producer shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase, sale, storage or processing of agricultural produce if he sells his own agricultural produce outside the premises set apart by the committee for the purpose of purchase, sale, storage and processing of agricultural produce.

9. Authority to whom applications for grant of licences are to be made

The ² [Secretary of the Board] or any other officer authorized by him in writing in this behalf shall be the authority for granting licences required under section 6.

¹ Substituted vide Punjab Act No. 13 of 2005, dated 23-05-2005 (Notification No. 19 Leg./2005 dt. 23-05-2005).

² Substituted vide Punjab Act No. 40 of 1963

10. Applications for licences , fees to be paid and cancellation or suspension of licences

- ¹“(1) Any person may apply to the authority specified in section 9 for a licence which may be granted for such period, in such form, on such conditions and on payment of such fees as may be prescribed:

Provided that the license granted to commission agent and other market functionaries under sub-section (1) shall be valid for all the market yards notified under section 7:

Provided further that if any person carrying on any business of the nature specified in sub-section (3) of section 6 in a notified market area on the date of issue of notification under sub-section (1) of that section, fails to apply for a licence on or before the date specified therein for obtaining licence, the prescribed authority may, before a licence is issued, impose on him such penalty as may be prescribed.

- (1 A) Any person may apply to the competent authority for a licence applicable to the whole of the State, which may be granted for such period, in such form, on such conditions and on payment of such fees as may be prescribed and shall be valid for all the market yards notified under section 7.”.]

- (2) The ²[Secretary of the Board] may, on being satisfied that there has been a breach of any of the conditions specified in a licence, by an order in writing, cancel or suspend such licence and may also direct that such licence shall not be renewed for such period not exceeding five months for the first breach and not exceeding nine months for the second breach and not exceeding one year for every subsequent breach, as may be specified in that order:

Provided that the Chairman of a committee of the area concerned may under intimation to the Secretary of the Board suspend a licence for a period not exceeding fifteen days:

Provided further that no such order shall be made without giving the licensee an opportunity to show cause why such an order should not be made.

- (3) The ³[Secretary of the Board] after such enquiry as he may consider necessary, refuse a licence to a person who in his opinion: -

(a) is a benamidar for or a partner with any person to whom a licence has been refused, or whose licence is cancelled or suspended under sub-section (2) for the period of such cancellation or suspension; or

(b) is convicted of an offence affecting the said person's integrity as a man of business within two years of such conviction; or

(c) is undischarged insolvent:

Provided that no such order shall be made without giving such person an opportunity to show cause why such an order should not be made.

- (4) Any person aggrieved by an order made under this section may at any time within one month of the making thereof, appeal to the State Government if such order is passed by the ⁴[Secretary of the Board] and to the Secretary of the Board if such order is passed by the Chairman of the committee.

¹Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

² Substituted vide Punjab Act No. 40 of 1963.

³ Substituted vide ibid.

⁴Substituted for the words "Chairman of the Board" vide Punjab Act No.40 of 1963.

¹[10-A. **Certain persons to be licensees**

Any person to whom a licence is granted under section 10 shall be deemed to be licensee under that section for the purposes of this Act and the rules made there under including that of levy of fees under section 23 on the agricultural produce bought or sold by him in the notified market area, irrespective of the fact whether the business of buying or selling of agricultural produce is specified in his licence or not].

²[10-B. **Granting of Licence to private person**

Any person who desires to establish a private special market yard, private market yard, private e-trading platform, private producer and consumer market yard or private producer market yard (Kissan Mandi) in any notified market area under section 7, shall apply to the competent authority along with requisite fee for grant of license and the competent authority shall grant the licence for such period, in such form, on such terms and conditions as may be prescribed.

10-C. **Settlements of dispute.**

Any dispute concerning private yards licenced under section 10-B shall be referred to the competent authority or any officer authorised by it and the decision thereon shall be final.

10-D. **Registration of ad-hoc buyer.**

Any person desirous of wholesale buying from the principal market yard or sub-market yard for his own consumption without obtaining licence under section 10 shall have to get himself registered with the concerned Market Committee, in the form and in the manner, as may be prescribed and he shall have to specify the day of purchase of agricultural produce at the time of registration and shall be liable to pay market fee at the prescribed rate to the said Committee before lifting the agricultural produce:

Provided that the buyer shall not make such wholesale purchases more than three times in a month across the State.

10-E. **Sale of agricultural produce.**

- (1) *No agricultural produce shall be sold at any place other than the markets notified under section 7.*
- (2) *Nothing in sub-section (1) shall apply to the sale of agricultural produce made by the producer to any person for his domestic consumption up to such quantity as may be prescribed.*
- (3) *The agricultural produce may be sold by the producer at any place outside the market yards notified under section 7 to a license holder especially permitted in this behalf by the prescribed authority, subject to such terms and conditions as may be prescribed:*

Provided that the provisions of this Act shall not apply to the sale or purchase of agricultural produce covered under the provisions of the Punjab Contract Farming Act, 2013.".]

¹ Added vide Punjab Act No. 34 of 1976.

² 10B to 10E inserted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

11. Establishment of market committee

The State Government shall by notification establish a market committee for every notified market area and shall specify its headquarters.

¹[12. Constitution of committees

- (1) A committee shall consist of ²[twelve] or sixteen members as the State Government may in each case determine, out of whom one shall be appointed by the State Government from amongst its officials:

Provided that where in a notified market area, there is in existence a Co-operative Society, the committee shall consist of ³[thirteen] or seventeen members, as the case may be:

- (2) The remaining members shall be nominated by the State Government by notification in the Official Gazette as follows:-

- (a) If the committee is to consist of ⁴[twelve] members, there shall be nominated-

(i) ⁵[six] members from amongst such producers, who are members of Gram Panchayats or Panchayat Samitis situated in the notified market area:

Provided that out of the six members, one may or may not be a member of the Gram Panchayat or Panchayat Samiti situated in the notified market area:

Provided further that out of the six members, one shall be an expert in the field of production or marketing or processing of agricultural produce:

Provided further that in case no such expert is available, then the nomination shall be made in the manner hereinbefore mentioned;]

(ii) ⁶[three] members from amongst the persons licensed under section 10 ; and

(iii) ⁷[two] member from amongst the persons licensed under section 13:

Provided that the members nominated under this clause shall include one member belonging to Scheduled Castes or Backward Classes and one woman member, who are members of Gram Panchayats or Panchayat Samitis of the concerned notified market area and who are otherwise qualified to be nominated as members of the Committee;

- (b) If the committee is to consist of ⁸[thirteen] members, there shall be nominated, in addition to the members specified in sub-clauses (i), (ii) and (iii), of clause (a), one member representing the Co-operative Societies;

- (c) If the committee is to consist of sixteen members, there shall be nominated-

(i) nine members from amongst such producers, who are members of Gram Panchayats or Panchayat Samitis situated in the notified market area:

Provided that out of the nine members, one shall be an expert in the field of production or marketing or processing of agricultural produce:

¹ Substituted vide Notification No.7 legal/96 dated 17.04.1996 (Punjab Act No. 5 of 1996)

² Substituted vide Notification No. 14/Leg.-2006/dated 4-5-2006 (Punjab Act No. 14 of 2006.

³ Substituted vide ibid.

⁴ Substituted vide ibid.

⁵ Substituted vide ibid.

⁶ Substituted vide ibid.

⁷ Substituted vide ibid.

⁸ Substituted vide ibid.

Provided further that in case no such expert is available, then the nomination shall be made in the manner herein before mentioned;

(ii) four members from amongst the persons licensed under section 10 ; and

(iii) two members from amongst the persons licensed under section 13 :

Provided that the members nominated under this clause shall include two members belonging to Scheduled Castes or Backward Classes and one woman member, who are members of Gram Panchayats or Panchayat Samitis of the concerned notified market area and who are otherwise qualified to be nominated as members of the committee;

- (d) if the committee is to consist of seventeen members, here shall be nominated, in addition to the members specified in sub-clauses (i), (ii) and (iii) of clause (c), one member representing the Co-operative Societies:*

Provided that where in the case of sub-clause (iii) of clause (a) or sub-clause (iii) of clause (c), there are no persons licensed under section 13, or the number of such persons is less than those required to be nominated, the deficiency shall be made up by nominating members from amongst the persons licensed under section 10.

- (3) No act, done or proceeding taken, under this Act, by the Committee, shall be invalid merely on the ground of-*

*(a) any vacancy or defect in the constitution of the Committee ;or
(b) any defect or irregularity in the nomination of a person acting as member thereof; or
(c) any defect or irregularity in such act or proceeding not affecting the merits of the case.*

- (4) Subject to the rules made under this Act, the disqualifications specified in sub-section (5) of section 3, shall also apply for purposes of becoming a member of the committee.*

- (5) The State Government shall constitute Committees in accordance with the provisions of this section:*

Provided that the State Government may, until such Committees are constituted and their Chairman and Vice-Chairman are appointed in accordance with the provisions of this Act, allow the persons already appointed under section 36 of this Act to hold office and exercise the powers and perform the functions of such committees].

¹[12-A. Supersession of nominated Committees

On and from the commencement of the Punjab Agricultural produce markets (Amendment) Act, 2017-

- (a) all the committees, constituted by way of nomination under section 12 as it existed immediately before such commencement, shall stand superseded;*
- (b) all the members including the Chairman and the vice-Chairman of every committee, shall cease to hold office;*
- (c) during the period of supersession of the Committees, all powers and duties conferred and imposed upon the Committee, its Chairman, Vice-Chairman and other members by or under this Act, shall be exercised and performed by such officer, as the Government may appoint in that behalf; and*

¹ substituted vide notification no.22-Leg./2017 dated 18-8-2017(Punjab Act No. 18 of 2017)

- (d) *all the property vested in the committees shall, until these are re-constituted, vest in the Government :*

Provided that the Committees shall be re-constituted, in accordance with the provisions of Section 12 within a period of one year from the date of supersession.]"

Notwithstanding such repeal , anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of the Act.

¹[12-AA. Validation:

- (1) Notwithstanding any judgment, decree or order of any court or other authority, all actions taken or orders made by the officers, appointed by the Government, in pursuance of the provision of the clause (c) of Section 12-A of the principal Act, - vide notification No. 1/1/2007-M-3/3091, dated 4th June, 2007, while exercising their powers and performing duties before the commencement of the Punjab Agricultural Produce Markets (Amendment and validation) Act 2009, shall, for all purposes, be deemed to be and to have always been done or issued in accordance with law and accordingly-
- (a) no suit or other proceeding shall be maintained or continued in any court with regard to any action so taken or order so made; and
- (b) no court shall enforce any degree or order with regard to any action so taken or order so made
- (2) For removal of doubts, it is hereby declared that nothing in sub-section (1) shall be constructed as preventing any person from questioning in accordance with the provisions of the principal Act and the rules, made there under any action so taken or order so made by the said officers"]

²[12-AAA. Validation of Action:

- (1) *Notwithstanding any judgment, decree or order of any court or other authority, all actions taken or orders made by the officers, appointed by the State Government, in pursuance of the provision of the clause (c) of Section 12-A of the principal Act, - vide notification No. 1/1/2007-M-3/3091, dated 4th June, 2007, while exercising their powers and performing duties with effect from the first day of January 2010, shall, for all purposes, be deemed to be and to have always been done or issued in accordance with law, and accordingly –*
- (a) *no suit or other proceeding shall be maintained or continued in any court with regard to any action so taken or order so made; and*

¹ inserted vide notification no 21.-Legal/2009 dated 31-12-2009 (Punjab Act no. 18 of 2009).

² inserted vide notification no. 30–Legal/2010 dated 22-09-2010 (Punjab Act no. 22 of 2010).

- (b) *no court shall enforce any degree or order with regard to any action so taken or order so made;*
- (2) *For removal of doubts, it is hereby declared that nothing in sub-section (1) shall be constructed as preventing any person from questioning in accordance with the provisions of the principal Act and the rules, made there under any action so taken or order so made by the said officers.*

12-B ¹[.....]

*[12-C. Supersession of nominated Committees..... Omitted].

*[12-D. Constitution of nominated Committees by nomination for fixed period..... Omitted].

13. Duties and power of Committee

- (1) It shall be the duty of a Committee-
- (a) to enforce the provisions of this act and the rules and the bye-laws made there under in the notified market area and, when so required by the ²[***] Board, to establish a market therein providing such facilities for persons visiting it in connection with the purchase, sale, storage, weighment and processing of agricultural produce concerned as the ³[***] Board may from time to time direct;
- (b) to control and regulate the admission to the market, to determine the conditions for the use of the market and to prosecute or confiscate the agricultural produce belonging to person trading without a valid licence;
- (c) to bring, prosecute or defend or aid in bringing, prosecuting or defending any suit, action, proceeding, application or arbitration, on behalf of the committee or otherwise when directed by Board ⁴[***].
- (2) Every person licensed under section 10 or section 13 and every person exempted under section 6 from taking out license, shall on demand by the committee or any person authorized by it in this behalf furnish such information and returns, as may be necessary for proper enforcement of Act or the rules and bye-laws made there under.
- (3) Subject to such rules as the State Government may make in this behalf, it shall be the duty of a committee to issue licences to brokers, weigh men, measurer, surveyors, godown

¹ section 12-A and 12-B substituted in section 12-A, vide notification no.22-Leg./2017 dated 18-8-2017(Punjab Act No. 18 of 2017)

² Omitted vide Punjab Act No.4 of 1993. Now the Powers of the Board have been delegated vide Memo No.18(50) M-I- 87/1048 dated 8-12-1987 to Secretary Board, full powers, Enforcement Chief for seasonal arrangements and arrangements regarding Apni Mandis subjects to control of Secretary and District Mandi Officer for seasonal arrangements subjects to control of Secretary Board and Enforcement Chief

³ ibid.

⁴ Omitted vide Punjab Act. No. 40 of 1963.

*12-C & 12-D omitted vide notification No.-1 leg-96 dated 3-1-1996(Punjab Act No. 5 of 1996)

keepers and other functionaries for carrying on their occupation in the notified market area in respect of agricultural produce and to renew, suspend or cancel such licences.

- (4) No broker, weigh men, measurer, surveyor, godown-keeper or other functionary shall, unless duly authorized by licence, carry on his occupation in a notified market area in respect of agricultural produce:

Provided that nothing in sub-section (3) and (4) shall apply to a person carrying on the business of warehouseman who is licensed under the Punjab Warehouses Act, 1957 (Punjab Act No. 2 of 1958).

14. Term of office of members

¹ [Subject to the provisions of Section 17, a nominated member of a Committee shall hold office for a period of three years from the date of his nomination].

15. Removal of members

The State Government may by notification remove any member if, in its opinion, he has been guilty of misconduct or neglect of duty or has lost the qualification on the strength of which he was appointed:

Provided that before the State Government notify the removal of a member under this section, the reasons for his proposed removal, shall be communicated to the member concerned and he shall be given an opportunity of tendering an explanation in writing.

16. Appointment of Chairman and Vice-Chairman

- ²[(1) The State Government shall appoint a Chairman and a Vice-Chairman from amongst the members of the Committee:

Provided that no official member of a Committee shall be entitled to be appointed its chairman or vice-chairman.

- (2) The Committee may by a majority of two-thirds of total members, at a meeting specially convened for the purpose pass a resolution for the removal of any of the office bearers and any resolution so passed shall be subject to confirmation by the Board.

17. Filling of vacancies

- (1) Whenever any member dies, resigns ceases to reside permanently in the notified market area or becomes incapable of acting as a member of a committee or any vacancy occurs through transfer or removal in accordance with the provisions of section 15 or otherwise, the State Government may appoint a member to fill in such vacancy in accordance with the provisions of section 12 :

Provided that the term of office of the member so appointed shall expire on the same date as the term of office of the vacating member would have expired had the latter held office for the full period allowed under section 14 unless there be delay in appointing a new member to succeed the member first mentioned above in which case it shall expire on the date on which his successor is appointed by the State Government.

- (2) Should the State Government decide to raise the number of members of an existing committee from 9 to 16, the additional vacancies shall be filled in accordance with the provisions of sub-

¹ Substituted vide Punjab Act No.5 of 1996 dated 17.4.1996

² Substituted vide Punjab Act No. 5 of 1996

section (1) and the term of office of the additional members appointed shall be the unexpired portion of the term of the existing members of the committee.

¹[17-A. Election petition Omitted]

18. Incorporation of committees

Every Committee shall be a body corporate as well as a local authority by such name as the State Government may specify in the notification establishing it, shall have perpetual succession and a common seal, may sue and be sued in its corporate name, and shall subject to the provisions of section 32 be competent to acquire and hold property, both moveable and immovable to lease, sell or otherwise transfer any moveable and immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purposes for which it is established:

Provided that no Committee shall permanently transfer any immovable property except in pursuance of a resolution passed at a meeting specially convened for the purpose by a majority of not less than three-fourth of the members of the committee and with prior approval of the Chairman of the Board.

19. Appointment of sub-committees and joint committees and delegation of powers

A Committee may appoint, one or more of its members or other to be a sub-committee or to be a joint committee or to be an adhoc committee for the administration of the sub-market yard, for the conduct of any work or for reporting on any matter and may delegate to such committee or any one or more of its members such of its powers or duties as it thinks fit:

Provided that when any such committee is to consist of, or the powers of the committee are delegated to, one member the resolution shall operate only after it is duly approved by the ²[***] Secretary board.

20. Appointment and salaries of officers and servants of committees

- (1) Every Committee shall have a person as its Secretary, appointed by the Board as its servant and lent to the committee subject to such terms and conditions and as the Board may prescribe.
- (2) A Committee may, with the previous approval of the ³[*Secretary of the Board*], employ such other officers and servants as may be necessary for the management of the market and may pay such officers and servants salaries as fixed by the Board for different cadres and shall have power to control and punish them :

¹ Omitted vide Notification No.7-Leg./96 dated 17-4-1996. (Punjab Act No. 5 of 1996.

² Omitted by Punjab Act No. 40 of 1963. Now the powers of the Board have been delegated to Secretary Board vide Memo No. 18 50) M-1-87/1048 dated 8.12.1987

³ Substituted by Punjab Act No. 40 of 1963.

Provided that where the basic pay of an employee is less than ¹[five hundred rupees] the previous approval of the Secretary of the Board for the appointment will not be necessary

Provided further that if after examining the records obtained from the Committee or otherwise the ²[Board] is satisfied that any officer or servant of the committee is a negligent in the discharge of his duties the Committee shall on the requirement of the ³[board] suspend or otherwise punish him and if the ⁴[board] is satisfied that he is unfit for employment the Committee shall dismiss him or terminate his services.

- (3) (i) A Committee shall in the case of any other officer or servant of the Board whom it employs, pay such pension and other contribution, gratuity and allowances as may be required by the conditions of his service under the Board.
- (ii) A Committee may also, in the case of any of its officers and servants provide for the payment to them of such leave or other allowances, pensions or gratuities as it deems proper, and may contribute to any provident fund which may be established for the benefit of such officers and servants.
- (iii) A Committee shall, in case of any Government servant whom it employs, pay to the State Government such contributions towards the pension and leave allowances of such servant as may be payable under any regulation in force for the time being.
- (4) The services of the Secretary or any employee dealing with the accounts of a committee shall be transferable within the same ⁵[State].
- (5) The Secretaries in the service of Market Committees constituted under the Punjab Agricultural Produce Markets Act, 1939 and the Patiala Agricultural Produce Markets Act, 2004 B.K., shall be deemed to be the servants of the Board and their emoluments and other conditions of service shall be such as may be determined by the Board.
- (6) The powers conferred by this section on a Committee shall be exercised subject to such rules as may be made in this behalf by the State Government.

21. Persons who are to be deemed Public Servants within the meaning of section 21 of Indian Penal Code

Every member and officer or servant of the Board or a Committee shall be deemed to be a public Servant within the meaning of section 21 of the Indian Penal Code.

¹ Substituted for the words "One hundred & fifteen rupees" by Punjab Act No. 10 of 1982.

² Substituted for the words "Chairman of the Board" by Punjab Act No. 40 of 1963.

³ Substituted vide ibid.

Note: The powers of the Board under sub-section (2) have been delegated to Secretary Board vide Memo No. 18 (50)-• M- 1-87/104 dated 8.12.1987

⁴ Substituted vide ibid.

⁵ Substituted by G.O.I.S.O.No. 3021, dated 18th July, 1969.

22. Execution of contracts

- (1) Every contract entered into by a committee shall be in writing and shall be signed on behalf of the Committee by the Chairman or if for any reason he is unable to act, by the Vice-Chairman, and ¹[one other member and the Secretary] of the Committee and shall be sealed with the common seal of the Committee.
- (2) No contract other than a contract executed as provided in sub-section (1) shall be binding on a committee.

²23. Levy of fees

- (1) ³ [A committee shall subject to such rules as may be made by the State Government in this behalf, levy on ad-valorem basis –
 - (i) fees on the agricultural produce bought or sold by a licensee in the notified market area at a rate not exceeding ⁴[three rupees] for every one hundred rupees; and
 - (ii) also additional fees on the agricultural produce when sold by a producer to a licensee in the notified market area at a rate not exceeding one rupee for every one hundred rupees];

Provided that –

- (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) a fee shall be leviable only on the parties to a transaction in which delivery is actually made.
- (2) Subject to the presentation of requisite documents as prescribed, no fee shall be levied on the agricultural produce bought or sold in respect of which such fee has already been paid in the same or any other notified market area within the State.
 - (3) Any licensee obtaining a license under sub-section (1a) of section 10, can deposit fee and additional fee, if any, with the Board within seven days of transaction irrespective of the transactions carried out in different notified market areas.
 - (4) In the private market yard, private producer and consumer market yard, private e-trading platform and private Producer Market Yard (Kissan Mandi), the user charges shall be levied in lieu and at the rate of market fee, however, producer-seller shall be exempted from the user charges:

Provided that the State Government, in public interest may, from time to time, by notification, put ceiling on the rate of collection of user charge.

- (5) The owner of the private market yard, private producer and consumer market yard, private e-trading platform and private producer market yard (Kissan Mandi) shall be responsible for the

¹ Inserted vide Punjab Act No. 13 of 1979.

² substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17

³Substituted vide Punjab Ordinance No. 5 of 1982(Punjab Act No.3 of 1983. The realisation of "additional fee" levied under Section 23(ii) has been stopped w.e.f. 5.11.85

⁴ Substituted vide The Punjab Agricultural Produce Markets (Third Amendment) Act, 2017 Punjab Act No.22 of 2017 dated 29.12.17.

collection and deposit of any additional fee or cess levied by the State Government from time to time, in the Marketing Development Fund."

¹[23-A. Saving of excess fee charged

- (1) Notwithstanding anything contained in any judgment, decree or order of any court, it shall be lawful for a Committee to retain the fee levied and collected by it from a licensee in excess of that leviable under section 23, if the burden of such fee was passed on by the licensee to the next purchaser of the agricultural produce in respect whereof such fee was levied and 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 fee retained by a Committee under Sub-section (1) and no court shall enforce any decree or order directing the refund of whole or any part of such fee.
- (3) If any dispute arises as to the refund of any fee retained by a Committee by virtue of sub-section (1) and the question is whether the burden of such fee was passed on by the licensee to the next purchaser of the concerned agricultural produce, it shall be presumed unless proved otherwise that such burden was so passed on by the licensee.
- (4) If any amount of fee retainable by a Committee under sub-section (1) has been refunded any licensee, the same shall be recovered by the Committee in the manner indicated in sub-section (2) of section 41.
- (5) The provisions of this section shall not affect the operation of section 6 of the Punjab Agricultural Produce Markets (Amendment and Validation) Act, 1976].

²[23-B Levy of user charges

The Board shall levy user charges for the use of infrastructure provided in the principal market yard or sub- market yard or special market yard, seasonal market yard, as the case may be, at the rate as may be prescribed.".]

24. Octroi not payable on certain agricultural produce

Notwithstanding anything to the contrary contained in the Punjab Municipal Act, 1911, ³ [and any other corresponding law for the time being in force], the State Government may by notification direct that in respect of such agricultural produce, notified under section 6, brought or received within a notified market area, as may be specified in the notification no octroi shall be payable by any person to Municipal committee from such date as may be specified therein.

25. Marketing Development Fund

- (1) All receipts of the Board shall be credited into a fund to be called the Marketing Development Fund.
- (2) ⁴[All expenditure incurred by the Board shall be defrayed out of such fund which

¹ Added vide Punjab Act No.7 of 1981 passed on by the licensee to the next purchaser of the concerned agricultural produce, it shall be presumed unless proved otherwise that such burden was so passed on by the licensee.

² Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

³ Inserted vide G.O.I.S.O. 3021 dated 18th July 1969.

⁴ substituted vide Punjab Act of 13 of 1979.

shall be operated upon in such manner as may be prescribed].

¹["25- A Price Stabilization Fund

- (1) The State Government may by notification levy Agricultural Produce Stabilization Fee on the commission paid to a licensed commission agent on sale, purchase or both, of agricultural produce in the market yards declared under sections 7 to 7-F of this Act, at such rate, as may be notified by the Government from time to time.
- (2) All receipts under sub-section(1) shall be credited into a fund to be called the Price Stabilization Fund and the account of said Fund shall be maintained separately, which shall not be utilized for the purpose other than it is made for."]

26. Purposes for which the Marketing Development Fund may be expended

- The Marketing Development Fund shall be utilized out of following purposes
- (i) better marketing of agricultural produce;
 - (ii) marketing of agricultural produce on cooperative lines;
 - (iii) collection and dissemination of market rates and news;
 - (iv) grading and standardization of agricultural produce;
 - (v) general improvements in the markets or their respective notified market areas;
 - (vi) maintenance of the office of the Board and construction and repair of its office buildings, rest house and staff quarters;
 - (vii) giving aid to financially weak Committees in the shape of loans and grants;
 - ²[(vii-a) repayment of loans and payment of interest thereon];
 - (viii) payment of salary, leave allowance, gratuity, compassionate allowance, compensation for injuries or death resulting from accidents while on duty, medical aid, pension or provident fund to the persons employed by the Board and leave and pension contribution to Government servants on deputation;
 - (ix) travelling and other allowances to the employees of the Board, its members and members of Advisory committees;
 - ³[(x) Omitted]
 - ⁴[(xi) Omitted]
 - ⁵[(xi-a) payment of premium on insurance of farmers, who sell their produce in the markets established under this act;"]
 - (xii) meeting any legal expenses incurred by the Board;

¹ Inserted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17. Again substituted vide notification No. 21.Leg./2018 dated 26th Sep. 2018

² Inserted vide Notification No. 24 Leg/98 dated 23.7.1998.

³ The operation of clause (x) has been restricted by Supreme Court vide Judgment dated 4/5/79 (K.K. Puri. v/s State of Punjab) A.I.R. 1980 (SC) 1008. & Omitted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017

⁴ The operation of clause (xi) has been restricted by Supreme Court vide judgment dated 4.5.79 (K.K. Puri v/s State of Punjab) A.I.R. 1980 (SC) 1008. & Omitted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017.

⁵ Inserted vide Punjab Act. No. 14 of 2016, Notification No. 17-Leg./2016. Dated 4th May, 2016

- ¹[(xiii) imparting education in marketing or agriculture directly by the Board or through Punjab Agricultural University, Ludhiana or any other body as may be specified by the state government by notification.
- (xiv) Construction of godowns and construction or repair of link roads, approach roads, culverts, bridges and other such purposes]
- (xv) loans and advances to the employees;
- (xvi) expenses incurred in auditing the accounts of the Board;
- ²[(xvii) with the previous sanction of the State Government, any other purpose which is calculated to promote the general interests of the Board and the Committees;]
- Provided that if the Board decides to give aid of more than five thousands rupees to a financially weak Committees under clause (vii), the prior approval of the State Government to such payment shall be obtained.
- ³[(xviii) establishment of regulatory system and to create infrastructure for e-trading platform e-marketing, direct marketing, e-trading, producer and consumer marketing and producer marketing ;
- (xix) providing infrastructure for grading, standardization and packaging of agricultural produce;
- (xx) To create and promote an infrastructure on its own or through public private partnership for a market yard of a notified market area and value addition such as cleaning, ripening standardization, grading, packaging and post harvest handling of agricultural produce;
- (xxi) construction, repair, maintenance of link roads and passages to market yard ;]
- ⁴[(xxii) providing relief to debt stressed farmers of the State."] and
- ⁵[xxiii) contribution for Price Stabilization Fund".]

27. Market Committee Fund

- (1) All moneys received by a Committee shall be paid into a fund to be called the Market Committee Fund and all expenditure incurred by the Committee under or for the purposes of this Act shall be defrayed out of such fund, and any surplus remaining after such expenditure has been met shall be invested in such manner as may be prescribed.
- (2)(a) Every Committee shall, out of its funds pay to the Board as contribution such percentage of its income derived from licence fee, market fee and fines levied by the Courts as is specified below to defray expenses of the office establishment of the Board and such other expenses incurred by it in the interest of the Committees generally and also pay to the State Government the cost of any special or additional staff employed by the State Government in consultation with the Committee for giving effect to the provisions of this Act.
- | | | |
|-------------------|--|-------------------|
| ⁶ [(i) | if the annual income of a Committee does not exceed Rs. 20,00,000; | Twenty per centum |
| a. | if the annual income of a Committee exceeds Rs. 20,00,000; | |

¹ Substituted vide Punjab Act No. 14 of 2005, dated 23-5-05 (Notification No.20-Leg./2005 dated 23.5.05).

² Inserted by Punjab Act 23 of 1962 (operation of clause (xvii) has been restricted by Supreme Court vide judgment dated 4.5.79, AIR 1980 (SC) 1008. Again Substituted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

³ Inserted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017 dated 14.8.17.

⁴ Inserted vide Punjab Act No. 22 of 2017, notification no. 32-Leg/2017 dated 29th Dec 2017

⁵ Inserted vide Punjab Act No. 20 of 2018, notification No. 21-Leg./2018 dated 26th Sept. 2018 & corrigendum no. (xiii) vide 25th january 2019

⁶ Substituted vide Punjab Act No. 28 of 1993

- | | |
|-------------------------------------|----------------------|
| (a) on the first of Rs. 20,00,000/- | Twenty per centum |
| (b) on the next Rs. 20,00,000/- | Forty per centum and |
| (c) on the remaining income | Fifty per centum]. |

- b. The State Government shall determine the cost of such special or additional staff and shall, where the staff is employed for the purposes of more Committees than one, apportion such cost among the Committees concerned in such manner as it thinks fit. The decision of the State Government determining the amount payable by any committee shall be final.

¹["27-A. Contribution to Board

The private market yard, producer and consumer market yard, e-trading platform and private producer market yard (Kissan Mandi) licensee shall contribute, the user charges at the prescribed rate to the Marketing Development Fund.".]

28. Purposes for which the Market Committee Funds may be expended

Subject to the provisions of section 27, the Market Committee Funds shall be expended for the following purposes :-

- (i) acquisition of sites for the market;
- (ii) maintenance and improvement of the market;
- (iii) construction and repair of buildings which are necessary for the purposes of the market and for the health, convenience and safety of the persons using it;
- (iv) provision and maintenance of standard weights and measures;
- (v) pay, leave allowances, gratuities, compassionate allowances and contributions towards leave allowances, compensation for injuries and death resulting from accidents while on duty, medical aid, pension or provident fund of the persons employed by the committee;
- (vi) payment of interest on loans that may be raised for purposes of the market and the provisions of a sinking fund in respect of such loans;
- (vii) collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of the agricultural produce concerned;
- (viii) providing comforts and facilities, such as shelter, shade, parking accommodation and water for the persons, draught cattle, vehicles and pack animals coming or being brought to the market or on construction and repair of ²[link roads] approach roads, culverts, bridges and other such purposes;
- (ix) expenses incurred in the maintenance of the offices and in auditing the accounts of the Committees ;
- ³[(x) *Omitted*]

¹ Inserted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of **2017 dated 14.8.17.**

² Inserted vide Punjab Act No. 3 of 1983.

³ Operation of this clause has been restricted by Supreme Court vide its judgment dated 4.5.1979 (K.K. Puri versus State of Punjab) [A.I.R. 1980 (S.C) 1008.] again omitted vide Punjab Act No. 17 of **2017 dated 14.8.17.**

¹ [(xi) *Omitted*]

² [(xi-a) payment of premium on insurance of farmers, who sell their produce in the markets established in the notified market area of a Market Committee constituted under this act;"]

(xii) meeting any legal expenses incurred by the Committee;

(xiii) imparting education in marketing ³[*for agriculture*];

(xiv) payments of travelling and other allowances to the members and employees of the Committee, as prescribed;

(xv) loans and advances to the employees;

⁴[(xvi) *Omitted*]

⁵[(xvii) with the previous sanction of the Board, any other purpose which is calculated to promote the general interests of the Committee or the notified market area ;

(xviii) to establish regulatory system and to create infrastructure for e-trading platform, e-marketing, direct marketing, e-trading, producer and consumer marketing and producer marketing ;

(xix) to provide infrastructure for cleaning, grading, standardization and packaging of agricultural produce;

(xx) to create and promote an infrastructure on its own or through public private partnership for a market yard of a notified market area and value addition such as cleaning, standardization, grading, packaging and post harvest handling of agricultural produce;

(xxi) construction, repair, maintenance of link roads and passage to market yard;"]

⁶[(xxii) providing relief to debt stressed farmers of the State."]

⁷[xxiii) contribution for Price Stabilization Fund".]

****29. Liability of member or employee of committees or the Board**

- (1) Every person shall be liable for the loss, waste or misapplication of any money or other property belonging to a committee, if such loss, waste or misapplication is proved to the satisfaction of the Board to be the direct consequence of his neglect or misconduct in the performance of duties as a member or an employee of the committee, and he may, after being given an opportunity by a written notice to show cause why he should not be required to

¹ *ibid*

² Inserted vide Punjab Act No. 14 of 2016, Notification No. 17-Leg./2016. Dated 4th May, 2016

³ Substituted & Inserted vide The Punjab Agriculture Produce Markets (Second Amendment) Act, 2017 Punjab Act No.1 Of 2017 dated 14.8.17.

⁴ Omitted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No.1 Of 2017 dated 14.8.17.

⁵ Inserted vide The Punjab Agriculture Produce Markets (Second Amendment) Act, 2017 Punjab Act No.1 Of 2017 dated 14.8.17.

⁶ Inserted vide Punjab Act No. 22 of 2017, notification no. 32-Leg/2017 dated 29th Dec 2017

⁷ Inserted vide Punjab Act No. 20 of 2018, notification No. 21-Leg./2018 dated 26th Sept. 2018 & corrigendum no. (xiii) vide 25th january 2019

** State Government vide Memo No. 11 (37) –M-85/24/84 dated 19.2.85 has delegated the powers under section 29 the Chairman, Board up to 25,000/- for surcharging a person for a loss caused to the Committee

make good the loss, be surcharged with the value of such property or the amount of such loss by the Board, and if the amount is not paid within one month from the expiry of the period of appeal prescribed by sub-section (3) it shall be recoverable as arrears of land revenue:

Provided that no such person shall be called upon to show cause after the expiry of a period of four years from the occurrence of such loss, waste or misapplication or after the expiry of two years from the time of his ceasing to be a member of an employee, whichever expires first.

- (2) Every person shall be liable for the loss, waste or misapplication of any money or other property belonging to the Board, if such loss, waste or misapplication is proved to the satisfaction of the State Government to be the direct consequence of his neglect or misconduct in the performance of duties as a member or an employee of the Board, and he may, after being given an opportunity by a written notice to show cause why he should not be required to make good the loss, be surcharged with the value of such property or the amount of such loss by the State Government, and if the amount is not paid within one month from the expiry of the period of appeal prescribed by sub-section (3) it shall be recoverable as arrears of land revenue:

Provided that no such person shall be called upon to show cause after the expiry of a period of four years from the occurrence of such loss, waste or misapplication or after the expiry of two years from the time of his ceasing to be a member or an employee, whichever expires first.

- (3) The person against whom an order under sub-section (1) or sub-section (2) is made may, within one month of the service of such order, appeal to the State Government which shall have the power of confirming, modifying or disallowing the surcharge.

30. No trade allowance permissible except as prescribed

No trade allowance, other than an allowance permitted by rules or bye-laws made under this Act, shall be made or received in a notified market area by any person in any transaction in respect of the agricultural produce concerned and no Civil Court shall, in any suit or proceeding arising out of any such transaction, recognize any trade allowance not so permitted:

Provided that all market charges shall be paid by the buyers.

31. Bar of suit in absence of notice

- (1) No suit shall be instituted against the Board or a committee or any member or employee thereof or any person acting under the direction of any such committee, member or employee for anything done or purporting to be done under this Act, until the expiration of two months next after a notice in writing, stating the cause of action, the name and place of abode of the intending plaintiff and the relief which he claims, has been, in the case of the Board or a committee delivered to him or left at its office, and in the case of any such member, employee or person as aforesaid, delivered to him or left at his office or usual place of abode, and the plaint shall contain a statement that such notice has been so delivered or left.
- (2) Every such suit shall be dismissed unless; it is instituted within six months from the date of accrual of cause of action.

32. Power to borrow

- (1) A committee may, with the previous sanction of the ¹[...] Board, raise the money, required for carrying on the purposes for which it is established on the security of any property vested in and belonging to the committee and of any fees leviable by it under this Act.
- (2) A committee may, for the purposes of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, for the proper discharge of the duties and functions imposed on it by or under this Act, or for the purpose of development activities and extension of market obtain a loan from the State Government or the Board on such conditions and subject to such rules as may be prescribed.
- (3) A committee may, with the previous approval of the ²[.....] Board, obtain loans from other committees on such conditions and subject to such rules as may be prescribed.

³[32-A.Power to borrow by the Board

The Board may, with the previous sanction of the State Government, raise loans from the State Government banks or other financial institutions on such terms and conditions, as may be mutually agreed upon for carrying on the purposes for which it is established].

33. Power to call information, inspect, enforce attendance and to suspend actions, etc. of committees

- (1) When the affairs of a Committee are investigated or the proceedings of such committee are examined by the ⁴[Chairman or Secretary of the Board] or any other officer to whom the powers have been delegated under the sub-section (17) of section 3, all officers, servants and members of such committee shall furnish such information in their possession in regard to the affairs or proceeding of the Committee as the ⁵[Chairman or Secretary of the Board] or such officer may require.
- (2) The ⁶[Chairman or Secretary of the Board] or any officer authorized by him by general or special order shall have power to inspect or cause to be inspected the accounts of a Committee or to institute an enquiry into the affairs of the Committee and to require the Committee to do a thing or to desist from doing a thing which he considers necessary in the interest of the Committee and to make a written reply to him within a reasonable time stating its reasons for not desisting from doing it or for not doing such a thing.
- (3) An officer investigating the affairs of a committee or examining the proceedings of such committee under sub-section (1) shall have the power to summon and enforced the attendance of officers or members of the Committee and to compel them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1908.

* (4) (i) The ⁷[...] Board may, by order in writing, annul any proceedings of a Committee or sub-committee or joint committee or ad hoc committee which it considers not to be in conformity

¹ Omitted vide Punjab Act No. 40 of 1963.

² Omitted vide Punjab Act No. 40 of 1963.

³ Inserted vide Notification No. 24- Leg. / 98 dated 23.7.1998.

⁴ Substituted vide Punjab Act No. 40 of 1963 .

⁵ Substituted vide ibid.

⁶ Substituted vide ibid

⁷ Omitted vide Punjab Act No. 40 of 1963.

*The powers of the 'Board' under section 33(4) (i), (ii) & (iii) were delegated to the Chairman Board vide Memo No.11/11/93 M- 1/1830 dated 28.2.1994 and subsequently delegated to Secretary Board Vide Memo No. 11/13/2002-M-1/4021 dated 5.7.2002

with law or with the rules or bye-law made there under and may do all things necessary to secure such conformity, or may suspend any resolution which it considers likely to cause injury or annoyance to the public or is likely to affect adversely the interest of the committee or of producers or dealers or any class of functionaries working in the notified market area concerned.

- (ii) The ¹[..] Board may, by order in writing, suspend the execution of any resolution or order of a committee or sub-committee, or joint committee or ad hoc committee, or prohibit the doing of any act which is being done or is about to be done in pursuance of or under cover of this Act or any rule or bye-law made there under, if in its opinion, the resolution, order or act is in excess of the powers conferred by law, or is likely to cause injury or annoyance to the public or is likely to affect adversely the interest of the Committee or of producers or of dealers or of any class of functionaries working in the notified market area concerned.
- (ii) When the ²[...] Board makes an order under this sub-section, he shall forthwith forward a copy thereof, with a statement of reasons for making it and the explanation, if any, of the committee concerned, to the State Government who may thereupon rescind the order or direct that it shall continue in force with or without modification, permanently or for such period as it thinks fit.
- (5) The ³[* *] Secretary of the Board shall also have the power to suspend or cancel the licences of market functionaries issued under section 13.
- (6) (i) If any officer or member of committee when required to furnish information in regard to the affairs or proceedings of a Committee under sub-section (1),
 - (a) wilfully neglects or refuses to furnish any information;
 - (b) wilfully furnishes a false information;
- (i) he shall, on conviction, be punishable with fine not exceeding five hundred rupees, or with imprisonment for a term which may extend to six months, or with both.
- (ii) If any officer, member, or a servant of a committee authorize neglects or refuses to do any act or wilfully or without any reasonable excuse disobeys a lawful written order issued under the provisions of this Act or fails to furnish information or return lawfully required from him, he shall, on conviction, be punishable with fine not exceeding five hundred rupees, or with imprisonment for a term which may extend to one month, or with both.

⁴[33-A. Power to order production of accounts and powers of entry, inspection and seizure

- * (1) Any officer empowered by the Board in this behalf may, for the purposes of this Act, require any dealer to produce before him the accounts and other documents and to furnish any information relating to the stock of agricultural produce or purchase, sale, storage and

¹ Omitted vide Punjab Act No. 40 of 1963.

² ibid

³ ibid

⁴ Inserted vide Punjab Act No. 13 of 1979.

* The powers of the board under section 33 A (1) vide o/o No.307 of 1982 dated 24-5-1982 have been delegated to Secretary, Punjab State Agricultural Marketing Board, Agricultural Marketing Development Officer, Budget Officer, Marketing Development Budget Officer and Assistant Statistician, Divisional Marketing Enforcement Officer, Marketing Enforcement Officer and Secretaries of all the Market Committees.

processing of agricultural produce by such person and also to furnish any other information relating to the payment of fee levied under the Act by such person.

- (2) All accounts and registers maintained by any dealer and documents relating to the stock of agricultural produce or purchase, sale, storage and processing of such agricultural produce in his possession and the office, establishment, godown or vehicle of such person shall be open to inspection at all reasonable times by such officer.
- (3) If such an officer has reason to believe that any person is attempting to evade the payment of fees due from him under section 23 or that any person has purchased any agricultural produce in contravention of any provision of this Act or the rules or bye-law in force in any notified market area, he may, for reasons to be recorded in writing, seize such accounts, registers or documents of such person as may be necessary, and shall grant a receipt for the same and shall retain the same only so long as may be necessary for examination thereof or the prosecution of the person concerned but not in any case exceeding the period of fifteen days.
- (4) For the purpose of sub-section (2) or sub-section (3), such officer may enter and search any place of business, warehouse office, establishment, godown or vehicle where he has reason to believe that such person keeps, or is for the time being keeping, any accounts, registers, documents or stock of agricultural produce relating to his business.
- (5) The provisions of section 100 of the Code of Criminal Procedure 1973, shall, so far as may be, apply to a search under sub-section (4).
- (6) Where any books of account or other documents are seized from any place and there are entries therein making reference to quantity, quotation, rates, receipt or payment of money or sale or purchase of goods, such books of account or other documents shall be admitted in evidence without witness having to appear to prove the same; and such entries shall be prima facie evidence of the matters, transactions and accounts purported to be therein recorded].

***¹[33-B. Power to stop vehicles**

At any time when so required by the Secretary of the Board or any other officer of the Board so authorized by the Secretary, the driver or any other person in-charge of any vehicle or other conveyance which is taken or proposed to be taken out of the notified market area shall stop the vehicle or other conveyance, as the case may be, keep it stationary as long as may reasonably be necessary and allow the Secretary of the Board or such officer to examine the contents in the vehicle or other conveyance and inspect all records relating to the agricultural produce carried, and give his name and address and the name and address of the owner of the vehicle or other conveyance and of the owner of the agricultural produce carried in such vehicle or other conveyance.]

34. Acquisition of land for the Board and Committees

- (1) When any land is required for the purposes of this Act, the State Government may on the request of the Board or a Committee requiring it, proceed to acquire it under the

¹ Inserted vide Punjab Act No.13 of 1979.

*The powers of the board under section 33 B vide o/o No.76 of 1982 dated 9-2-82 have been delegated to Agricultural Marketing Development Officer, Project Officer, Marketing Development Budget Officer, Assistant Statistician, Divisional Marketing Enforcement Officer in the state with in their jurisdiction, Secretaries, Market Committees in the state within their jurisdiction.

provisions of the Land Acquisition Act, 1894, and on payment by the Board or committee of the compensation awarded under that Act and of all other charges incurred by the State Government on account of the acquisition, the land shall vest in the Board or Committee.

- (2) The Board or a Committee shall be deemed to be a local authority for the purposes of the Land Acquisition Act, 1894.

35. Supersession of committees

- (1) If, in the opinion of the State Government, a Committee is incompetent to perform or persistently makes default in performing the duties imposed on it by or under this Act, or abuses its powers, the State Government may, by notification, supersede the committee:

Provided that before issuing a notification under this sub-section, the State Government shall give a reasonable opportunity to the committee for showing cause against the proposed supersession and shall consider the explanations and objections, if any, of the committee.

- (2) Upon the publications of a notification under sub-section (1) superseding a committee, the following consequences shall ensue:-
- a) all the members including the Chairman and Vice-chairman of the committee shall, as from the date of such publication, be deemed to have ceased to be members of the committee;
 - b) all assets of the committee shall vest in the Board and the Board shall be liable for all the legal liabilities of the committee subsisting at the date of its supersession up to the limit of the said assets;
 - c) The State Government may, in its discretion, by order constitute either a new committee as provided under section 12 or such other authority for the carrying out of the functions of the committee ¹[*and of its Chairman and other members*] as the State Government may deem fit.
- (3) (a) When the State Government has made an order under clause (c) of sub-section (2), the assets and liabilities defined in clause (b) of sub-section (2) vesting in the Board at the date of such order shall be deemed to have been transferred on the date of such order to the new committee or authority constituted as aforesaid.
- (b)(i) Where the State Government by order under clause (c) of sub-section (2) has authority other than a new committee for the carrying out of the functions of the superseded committee, the State Government may, by notification, determine the period not exceeding one year for which such authority, shall act:

Provided that the term of office of such authority may be terminated earlier, if the State Government for any reason consider it necessary.

- (ii) At the expiry of the term of office of such authority a new committee shall be constituted;
- (iii) Upon such an order being made the assets and liabilities vesting in the authority there by superseded, shall be deemed to have been transferred by such order to the new committee.

¹ Added vide Punjab Act No. 13 of 1979.

- (4) Whenever the assets of a Committee vest in the Board and no new Committee or authority is appointed in its place the Board shall employ the balance of the assets remaining after the discharge of the subsisting legal liabilities of the Committee for any object of public utility in the area specified in the notification issued under section 6.

36. Emergency Powers

If at any time the State Government is satisfied that a situation has arisen in which the purposes of this Act cannot be carried out in accordance with the provisions thereof, the State Government may by notification –

- (a) declare that the functions of a committee shall, to such extent as may be specified in the notification, be exercised by the Board or such person or persons as it may direct;
or
(b) assume to itself all or any of the powers vested in or exercisable by a Committee;

and such notification may contain such incidental and consequential provisions as may appear to the State Government to be necessary or desirable for giving effect to the objects of the notification.

37. Penalties

- (1) Whoever contravenes the provisions of section 6 or section 8 shall, on conviction, be punishable with simple imprisonment which may extend to one month or with fine which shall not be less than fifty rupees but may extend to five hundred rupees or with both, and in the case of a continuing contravention with a fine which in addition to such fine as aforesaid, may extend to thirty rupees for every day after the date of first conviction during which the contravention is continued.
- (2) Whoever contravenes the provisions of sub-section (2) and (4) of section 13, shall, on conviction, be punishable with fine which shall not be less than ten rupees but may extend to fifty rupees and, in the case of a continuing contravention, with a fine which, in addition to such fine as aforesaid may extend to two rupees for every day after the date of first conviction during which the contravention is continued.
- (3) Whoever contravenes the provisions of section 30, shall, on conviction, be punishable with fine which shall not be less than fifty rupees but may extend to two hundred rupees.

38. Power of State Government to amend the Schedule

The State Government may, by notification, add to the Schedule to this Act any other item of agricultural produce or amend or omit any item of such produce specified therein.

39. Trial of offences

- (1) No offence made punishable by this Act or any rule or bye-law made there under shall be tried by a court inferior to that of a magistrate of the first class.
- * (2) Prosecution under this Act may be instituted by any person duly authorized by a resolution passed by the Board or a committee in this behalf.
- (3) All fines received from an offender shall be credited to State revenues and grant equivalent to such fines shall be paid to the committee.

40. Appeal

Any person objecting to an order passed by a committee under section 13 or by the ¹[***] Secretary of the Board under sub-section (5) of section 33 may appeal to the Board in the manner prescribed and the Board's decision on appeal shall be final.

41. Recovery of sums due to State Government from Committee

- (1) Every sum due from a Committee to the State Government or the Board shall be recoverable as an arrear of land revenue.
- (2) Every sum due to a Committee from any person shall be recoverable as an arrear of land revenue.

²41-A. Powers of State Government to issue directions to Board

The State Government may issue to the Board such directions as in its opinion are necessary or expedient for carrying out the purposes of this Act and Board shall give effect to all such directions].

42. Revision

Notwithstanding anything in this Act, the State Government shall have the power of reversing or modifying any order of the Board or any of its officers passed or purporting to have been passed under this Act, if it considers it to be not in accordance with this Act, or the rules or bye-laws made there under.

43 Power to make Rules

- (1) The State Government may by notification make rules for carrying out the purposes of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for —
 - ³[(i) the appointment or nomination of members of the Board and Committees and their removal];
 - ⁴[(ia) the definition of practices at elections held under the provisions of this Act which are to be deemed to be corrupt and the ground or grounds which will constitute failure of justice;
 - (ib) the investigation of allegations of corrupt practices;
 - (ic) prescribing the authority by which questions relating to the matters referred to in section 17-A shall be determined and the powers to be exercised and the procedure to be followed by it in the trial of election petitions;
 - (id) prescribing the security to be furnished with an election petition and other conditions on which such a petition may be presented];
 - (ii) the powers to be exercised and the duties to be performed by the Board or committees and their officers and servants;

¹ Omitted by Punjab Act 40 of 1963.

• Powers of the Board under section 39(2) have been delegated to the Secretary Board vide Govt. memo No. 18 (50)•M•I-87/1048 dated 8-12-1987.

² Added vide Punjab Act No. 22 of 1978

³ Substituted vide Punjab Act No.5 of 1996.

⁴ Inserted vide Punjab Act No. 34 of 1976.

- (iii) the ¹[appointment] of the Chairman and Vice-Chairman of Committees, their powers and term of office;
- (iv) the filling of casual vacancies in the office of members or in the office of Chairman or Vice-Chairman of Committees;
- (v) the time, place and manner in which a contract between buyer and seller is to be entered into, continued and carried out and the money is to be paid to the seller;
- (vi) generally for the guidance of the Board or Committee;
- (vii) management of the Market, maximum fees which may be levied by a Committee in respect of the agricultural produce bought or ²[sold by licensees or sold by producer] in the notified market area, and the manner and the basis thereof, and the recovery and disposal of such fees;
- (viii) the issue by a Committee of licences to brokers, weigh men, measurers, surveyors, godown keepers or other functionaries, the form in which, and the conditions under which, such licences shall be issued or renewed and the fees, if any, to be charged thereof;
- (ix) the issue by the ³[*Secretary of the Board*] of licences to dealers, the form in which, and the conditions under which, such licences shall be issued or renewed and the fees, if any, to be charged thereof;
- (x) the place or places at which agricultural produce shall be weighed, the kind and description of bardana to be used and the quantity of the produce to be filled and of the scales, not being hand scales (Takri), weights and measures which alone may be used in transactions in agricultural produce in notified market area;
- (xi) the inspection, verification, regulation, correction and confiscation of scales, weights and measures in use in a notified market area ;
- (xii) the trade allowance which may be made or received by any person in any transaction in an agricultural produce in a notified market area;
- (xiii) the provision of facilities for the settlement by arbitration or otherwise of any dispute between a buyer and a seller of agricultural produce or their agents, including disputes regarding the quality or weight of the article, the price or rate to be paid, allowances for wrappings, dirt or impurities or deductions for any cause;
- (xiv) the prohibition of brokers from acting in the same transaction on behalf of both the buyer and the seller of agricultural produce;
- (xv) the provision of accommodation for storing any agricultural produce brought into the market;
- (xvi) the preparation of plans and estimates for work proposed to be constructed partly or wholly at the expense of the Board or a Committee, and the grant of sanction to such plans and estimates;
- (xvii) the form in which the accounts of a Committee shall be kept, the audit and publication of such accounts, the charges, if any, to be made for such audit;
- (xviii) the management and regulation of provident funds which may be established for the benefit of the employees of the Board or Committees;

¹ Substituted vide Punjab Act No.5 of 1996.

² Inserted vide Punjab Act No.3 of 1983.

³ Substituted for the word "Chairman of the Board" vide Punjab Act 40 of 1963.

- (xix) the preparation and submission for sanction of an annual budget and the reports and returns to be furnished by the Board or Committees;
 - (xx) the investment and disposal of the surplus funds of the Board or Committees;
 - (xxi) the manner in which auctions of agricultural produce shall be conducted and bids made and accepted in any market.
 - (xxii) any matter in respect of which fees shall be payable under this Act, and fixing the amount of such fees and the mode of payment and recovery thereof
 - (xxiii) exemption of classes of person from the obligation of obtaining licences under section6;
 - (xxiv) the authority to which application for obtaining licences shall be made;
 - (xxv) The authorized or disposal of fees recoverable there under or under any rules or bye-laws made under this Act;
 - (xxvi) The authorize and other allowances that may be ¹[paid to the Chairman, Vice Chairman, members and employees of the Board], ²[...] and Committees;
 - (xxvii) the settlement of any question as to whether any person is a producer or not;
- ³[(xxvii-a) operation of Marketing Development Fund.];
- (xxviii) service rules, recruitment rules, provident fund rules, pension rules and such other rules as may be required for the employment of the staff of the Board and committees;
 - (xxix) the penalties to be imposed upon the employees of the Board and Committees including the manner of imposing such penalties and the right of appeal against such penalties;
 - (xxx) nature and status of the servants of the Board and Committees;
 - (xxxi) Imposing on persons holding licences under this Act, the duty of making returns to Committee at regular Intervals of transactions of sale, purchase, storage and processing affected by them or at their places of business and of producing accounts for inspection and furnishing information, when called upon by an authority duly empowered, and prescribing the form and mode of verification of, and the particulars to be entered in, such returns as well as the nature of such information;
 - (xxxii) the regulation of advances, if any, given to producers by brokers or dealers;
 - (xxxiii) the prevention of adulteration of the agricultural produce;
 - (xxxiv) the grading and standardization of the agricultural produce;
 - ⁴[(xxxv) to acquire, hold, sell, lease or otherwise transfer movable and immovable property;
 - (xxxvi) for all other activities related to creation of market infrastructure, regulatory mechanism and specialized management of a particular market yard;
 - (xxxvii) for any other matter which is required to fulfill the purposes and objectives under this Act or the rules made there under;

¹ Substituted by vide notification no. 30 legal/2010 dated 22-11-2010 (Punjab Act no. 22 of 2010)

² The words "Advisory committee" have been omitted vide Punjab- Act No. 13 of 1979.

³ Inserted vide Punjab Act No. 13 of 1979.

⁴ Inserted vide The Punjab Agricultural Produce Markets (Second Amendment) Act, 2017 Punjab Act No. 17 of 2017

- (xxxviii) for granting the licenses to special market yard, private market yard, e-trading platform, direct marketing, producer and consumer market yard, producer market yard (Kissan Mandi) and establishing regulatory system, creating infrastructure, sharing of market fee or additional fee, if any, and user charges realized and any other activities related thereto;
- (xxxix) for all other activities related to establish regulatory system and create infrastructure for the better marketing of agricultural produce;
- (xl) for establishing of regulatory system and creating infrastructure for e-Kissan Mandi, e-marketing and e-trading;
- (xli) for the manner for establishment, functioning and funds for market extension and training cell;
- (xlii) for the grades and standards to be set up and certification, the establishment, finances and functioning for Agricultural Produce Marketing Standards Bureau;
- (xlili) for the areas for development and procedure for public private partnership; and
- (xliv) to define policy for construction, repair, maintenance of rural link roads and passages." ,]
- (3) The rules made under this section may provide that any contravention thereof or any of the conditions of any licence issued or renewed there under shall be punishable with fine which may extend to five hundred rupees.

44. Bye-laws

- (1) Subject to any rules made by the State Government under section 43 a Committee may, in respect of notified market area, make bye-laws for-
 - (i) the regulation of its business;
 - (ii) the condition of trading;
 - (iii) the appointment and punishment of its employees;
 - (iv) the payment of salaries, gratuities and leave allowances to such employees;
 - (v) The delegation of power or duties, to the sub-committee or joint committee or adhoc committee or anyone or more of its members under section 19; and
 - (vi) the remuneration of different functionaries not specifically mentioned in this Act, working in the notified market area and rendering any service in connection with the sale, purchase, storage and processing of agricultural produce, and may provide that contravention of any of such bye-laws shall be punishable, on conviction, with a fine which may extend to fifty rupees;
- (2) Where a Committee fails to make bye-laws under this section within six months from the date of its establishment or the date, on which this Act comes into force, whichever is later, the Board, may make such bye-laws as it may think fit and the bye-laws so made shall remain in operation in the Committee.
- *(3)(a) Notwithstanding anything contained in this Act or the rules or bye-laws made there under, if the ¹[***] Board considers that an amendment, alteration, rescission or adoption of a new bye-law is necessary or desirable in the interests of such Committee, he may, by an order in writing to be served on the Committee by registered post, require the Committee, to make

¹ Omitted vide Punjab Act 40 of 1963.

*The powers of the Board under section 44(3) (a) and (b) have been delegated to Secretary Board vide Govt. Memo No. 18(50) M-I-87/1048 dated 08-12-87.

such amendment, alteration, rescission or adopt a new bye-law within such time as may be specified in such order.

- (b) If the Committee fails to make any such amendment, alteration or rescission or to adopt the new bye-law within the time specified by the ¹[**] Board in his order under clause (a), the ²[**] Board may, after giving the committee an opportunity of being heard, register such amendment, alteration, rescission or such new bye-laws, and issue certified copy thereof to such Committee.
 - (c) The committee may, within one month from the date of issue of an order under clause (b), appeal against such order to the State Government.
 - (d) Where an appeal is presented within one month from the date of the issue of an order under clause (b) registering an amendment, such amendment shall not come into force till the order is confirmed by the State Government.
 - (e) A certified copy of the amendment of the bye-laws registered by ³[**] Board under clause shall, subject to the result of an appeal, if any, under clause (c) be conclusive evidence that the same has register such amendment, alteration, rescission or such new bye-laws, and issue certified copy thereof to such committee been duly registered and such amendment, alteration, rescission or a new bye-law shall be deemed to have been made by the committee.
- ^{*}(4) No bye-law or rescission of a bye-law or its alteration or amendment shall take effect until it has been confirmed by the ⁴[**] Board and notified in the official gazette.

45. Power to write off irrecoverable fees, etc.

Whenever it is found that any amount due to the Board or a Committee is irrecoverable or should be remitted or whenever any loss of the Board's or a Committee's money or stores or other property occurs through the fraud or negligence of any person or for any other cause and such property or money is found to be irrecoverable the facts shall be reported to the Board or Committee, as the case may be, and the Board with the approval of the Government and the Committee with the approval of the Board, may order the amount or value of the property to be written off as lost, irrecoverable or remitted, as the case may be provided that in case of committee, if in any case the amount due or the value of such property is in excess of one hundred rupees, such order shall not take effect without the approval of the State Government.

46. Power to compound offences

- (1) With the previous approval of the Chairman of the Board, a Committee or with the authorization by a resolution of a Committee, its Chairman, may accept from any person against whom a reasonable suspicious exists that he has committed an offence under this Act or any rule or bye-law made there under, a sum of money by way of composition for such offence.

¹ Omitted vide Punjab Act 40 of 1963.

² Omitted vide ibid

³ Omitted vide ibid

⁴ Omitted vide ibid

^{*}The powers of the Board under section 44(4) have been delegated to Secretary, Board vide Govt. Memo No. 18(50)M-I-87/ 1048 dated 8-12-87.

- (2) On the payment of such amount of money to the committee or to its Chairman, as the case may be, the suspected person, if in custody shall be discharged, and no further proceedings shall be taken against such person.

47. Repeal and Savings

The Punjab Agricultural Produce Markets Act, 1939, and the Patiala Agricultural Produce Markets Act, 2004 B.K., are hereby repealed:

Provided that such repeal shall not affect –

- (a) the previous operation of any Act so repealed or anything duly done or suffered there under; or
- (b) any right, privilege, obligation or liability acquired or incurred under any Act so repealed; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any act so repealed; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty forfeiture or punishment as aforesaid; and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed :

Provided further that anything done or any action taken under the Acts so repealed shall be deemed to have been done or taken under this Act, and shall continue to be in force accordingly, unless and until superseded by anything done or any action taken under this Act: Provided further that the State Marketing Board constituted under the Patiala Agricultural Produce Markets Act, 2004 B.K. and functioning immediately before the commencement of this Act shall, till a Board is established and constituted under section 3, be deemed to be the State Agricultural Marketing Board for the purposes of this Act and all employees in the service of the State Marketing Board immediately before such commencement shall be deemed to be the employees of the State Agricultural Marketing Board and their emoluments and other conditions of service shall not be varied to their disadvantage :

Provided further that the Market Committee functioning immediately before the commencement of this Act shall be deemed to be constituted for the first time under sub-section (4) of section 12 and their members including the Chairman and Vice-Chairman shall hold office until new committees set up under this Act are notified ¹[.....] .

¹ The words "or the expiry of six months from the enforcement of this act, whichever is earlier" omitted by Punjab Act 3 of 1962.