

**The Uttarakhand Agricultural Produce Marketing
(Development and Regulation) Act, 2011**

[Uttarakhand Act No. 09 of 2011]

An

Act

to provide for the effective regulation in marketing of agricultural produce, establishment and development of proper and modern marketing system, promotion of agricultural processing and agricultural export, superintendence and control of markets in the State of Uttarakhand and for the matters connected there with or incidental thereto

Be it enacted by the Legislative Assembly of the Uttarakhand in the Sixty-second Year of the Republic of India, as follows-

**CHAPTER-I
PRELIMINARY**

**Short Title,
Extent and
commencement**

1. (1) This Act may be called the Uttarakhand Agricultural Produce Marketing (Development and Regulation) Act, 2011.
- (2) It extends to the whole of Uttarakhand.
- (3) It shall come into force on such date as the State Government may, by notification in the official gazette, appoint.

Definitions

2. In this Act, unless the context otherwise requires :-
 - (i) "Agricultural Produce" means all produce and commodities, whether processed or unprocessed, of agriculture, horticulture, floriculture, viticulture, apiculture, sericulture, pisciculture, animal husbandry, forest produce, as are specified in the Schedule or declared by the State Government, by notification, from time to time and includes admixture of two or more of such products, processed in form and further includes *Gur, Rab, Shakkar, Khandhari and Jaggery*;
 - (ii) "Agriculturist" or "Producer" means a person, who, by his own labour or by the labour of any member of his family or by the labour of hired labour or otherwise, is engaged in the

production and growth of agricultural produce, but it does not include any market functionary like a trader, broker (*dalal*), commission agent (*arhatiya*) or who is otherwise ordinarily engaged in the business of storage of agricultural produce;

- (iii) "**Bill**" means bill issued by the trader, commission agent or *arhatiya*, as may be prescribed;
- (iv) "**Board**" means the Uttarakhand State Agricultural Marketing Board, established under section 47 of this Act;
- (v) "**Business**" means purchase, sale, processing, storage, transportation or connected activities of agricultural produce;
- (vi) "**Buyer**" (Purchaser) means a person, group of person, firm or company or co-operative society or Government agency, corporation, trader, commission agent or *arhatiya*, who, himself or on behalf of any other person or agent, buys or agrees to buy agricultural produce in the Market Area, as notified under this Act;
- (vii) "**Bye-laws**" means the Bye-laws made by Agriculture Produce Marketing Committee, under the provisions of this Act;
- (viii) "**Central Warehousing Corporation**" means the Central Warehousing Corporation, established or deemed to be established under the Warehousing Corporation Act, 1962 (Act No. 58, 1962);
- (ix) "**Chief Executive Officer**" means a person, appointed as such under sub-section (2) of section 36 of the Act, by Agriculture Produce Marketing Committee.
- (x) "**Collector**" means the Collector of the District, where the Principal Market Yard of the Market Area is located, and includes such other officer, as may be authorized by him in that behalf;
- (xi) "**Commissioner**" means, the Commissioner of such administrative division of the State, where the Principal Market Yard of the Market Area is located;
- (xii) "**Commission Agent, dalal or arhatiya**" means a person, who, in the ordinary course of business, negotiates or arrange

contracts for the purchase or sale of the agricultural produce, on behalf of his principal, on payment of his commission or remuneration, whether in cash or kind, but it does not include the servant of such principal, whether engaged in negotiating or arranging such contracts;

(xiii) "Committee " means the Agricultural Produce Marketing Committee, constituted under this Act;

(xiv) "Contract Farming" means farming by a person, who shall be called "Contract Farming Producer", on his land under a written agreement with another person called "Contract Farming Sponsor" to the effect that his farm produce shall be purchased as specified in the agreement;

Explanation- (a) "Contract Farming Producer" means an individual agriculturists, or an association of agriculturists, by whatever name called, registered under any law for the time being in force;

(b) "Contract Farming Sponsor" means a person, firm, company, group of persons or a body, by whatever name called, registered under any law for the time being in force;

(xv) "Contract Farming Agreement" means the written agreement, made for contract farming between Contract Farming Sponsor and contract farming producer;

(xvi) "Co-operative Marketing Society" means a Co-operative Society of producers, registered under the Uttaranchal Co-operative Societies Act, 2003 (Uttaranchal Act No. 5 of 2003), which has, as its principal objects, the promotion of sale or purchase of agricultural produce;

(xvii) "Nomination" means a person, appointed/nominated by the State Government in this behalf by general or special order;

(xviii) "Export" means dispatch of agricultural produce outside India;

(xix) "Exporter" means any such person or firm, who exports agricultural produce.

- (xx) **"First Arrival"** means such notified agricultural produce, which reaches Market Area for sale, storage or transaction, upon which no market fee has been paid, even if it has been brought to that Market Area from any other Market Yard or Market Area or State or India;
- (xxi) **"Import"** means bringing agricultural produce from outside India;
- (xxii) **"Importer"** means such person or firm, who imports agricultural produce from outside India;
- (xxiii) **"Licence"** means license granted under this Act;
- (xxiv) **"Licensee"** means a person, association, firm, company, public sector undertaking or society, to whom a license has been granted under this Act;
- (xxv) **"Local Body"** means a Nagar Nigam, Nagar Palika Parishad, Cantonment Board, Nagar Panchayat, Zila Panchayat and Gram Panchayat, constituted or established under any enactment in force in Uttarakhand;
- (xxvi) **"Managing Director"** means an officer, appointed by the State Government as Managing Director and includes any other officer authorized by the Board or Managing Director to perform all or any of his functions under this Act;
- (xxvii) **"Marketing"** means all activities involved in the flow of agricultural produce from the production point till they reach the consumer viz. grading, processing, storage, transport, channels of distribution and all other functions involved in the process;
- (xxviii) **"Market Area"** means any area notified as such under section 10 or modified under section 11 of this Act;
- (xxix) **"Market Charges "** includes charges on account or in respect of commission, brokerage, weighing, measuring, hammali (loading, unloading and carrying) cleaning, drying, sieving, stitching, stacking, hiring, filling up of gunny bags, stamping, bagging, storing, warehousing, grading, surveying, transporting and processing and also include any charge, by

whatever name called, which is realized or may be realized by, or may be payable to, a trader in respect of any transaction of sale or purchase of any specified agricultural produce under or purporting to be under any custom or usage of trade, or otherwise;

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

(xxx) "**Market Functionary**" means a trader, a commission agent, processor, a stockist and such other person, as may be declared under this Act or the rules or bye-laws made there under to be a Market Functionary;

(xxxi) "**Member**" means a member of the Marketing Committee;

(xxxii) "**Other Backward Classes**" means the scheduled citizens, mentioned in the schedule 'I' of the Uttar Pradesh Lok Seva (Reservation for Scheduled, Castes, Scheduled Tribes and Other Backward Classes) Act, 1994 (as applicable to the State of Uttarakhand);

(xxxiii) "**Palledar**" means a labourer, engaged for dara-making, loading, unloading, filling, emptying or carrying any agricultural produce;

(xxxiv) "**Prescribed** " means prescribed by the rules made under this Act;

(xxxv) "**Principal Market Yard**" means a portion of a market area, declared as such, under section 10 of this Act;

(xxxvi) "**Private Market Yard**" means such place other than the market yard/sub market yard in the market area, where infrastructure has been developed and managed by a person, who holds a license for this purpose under this Act, for marketing of a notified agricultural produce;

(xxxvii) "**Processing** " means any one or more of a series of

treatments relating to powdering, crushing, decorticating, husking, parboiling, polishing, ginning, pressing, curing or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce or its product is subjected to;

- (xxxviii) "**Processor**" means a person, who undertakes processing of any notified agricultural produce on his own accord or on payment of a charge;
- (xxxix) "**Purchase**" includes barter or receipt of goods, by way of pledge or as security for the amount advanced;
- (xl) "**Registration**" means registration done under this Act;
- (xli) "**Regulation**" means regulation made by the Board, in accordance with the provisions of this Act;
- (xlii) "**Retail sale**", in relation to any specified agricultural produce, means a sale of that produce, not exceeding such quantity, as a market Committee may specify in its bye-laws to be the limit of retail sale;
- (xliii) "**Rules**" means rules made under this Act by the State Government;
- (xliv) "**Sale**" means and includes barter or deposit of goods, by way of pledge or as security, for the amount received as advance;
- (xlv) "**Scheduled Caste**" and "**Scheduled Tribes**" shall carry the same meaning as assigned to them under clause (24) and (25) respectively of Article 366 of the Constitution of India;
- (xlvi) "**Second Arrival**" means such agricultural produce, which has been brought to any Market Area after the first transaction or sale from any other Market Area;
- (xlvii) "**Seller**" means a person or an agent, who sells or agrees to sell any agricultural produce;
- (xlviii) "**Specified Agricultural Produce**" means agricultural produce specified in the notification under section 4 or as modified under section 12 of this Act;

- (xlix) **"State Government"** means the State Government of Uttarakhand;
- (i) **"State Warehousing Corporation"** means the State Warehousing Corporation of Uttarakhand;
- (ii) **"Sub market Yard"** means a portion of a Market Area, declared as such under section 11 of this Act;
- (iii) **"Trader"** means a person, who, in the ordinary course of business, is engaged in buying or selling agricultural produce and includes a person, engaged in processing of agricultural produce but agriculturist is not included therein;
- (liii) **"Transportation"** means taking agriculture produce by pushcart, bullock cart, tractor, truck or other vehicle in course of business for marketing from one place to another;
- (liv) **"Transporter"** means a person, who transports agricultural produce;
- (lv) **"Value Addition"** means processing, grading, packing, or other activities due to which value is added to the agricultural produce;
- (lvi) **"Village"** shall have the same meaning as assigned in the Uttar Pradesh Zamindari Abolition and Land reforms Act, 1951 (Uttar Pradesh Act No. 01 of 1951) (as applicable in the State of Uttarakhand);
- (lvii) **"Weighing or Measuring Instrument"** means a weighing instrument or measuring instrument, as defined in the Uttar Pradesh Weights and Measures, (Enforcement) Act, 1959 (Uttar Pradesh Act No. 05 of 1959) (as applicable to the State of Uttarakhand);
- (lviii) **"Weighman"** means a person, who, in the ordinary course of business, is engaged in weighing of agricultural produce in connection with a transaction of sale or purchase thereof;
- (lix) **"Weights or Measures"** means commercial weights or measures or a standard weight or measure, as defined in the Uttar Pradesh Weights and Measures (Enforcement) Act, 1959 (as applicable to the State of Uttarakhand);

- (ix) "Whole-sale Transaction", in relation to any specified agricultural produce, means sale and purchase of that produce exceeding such quantity, as a Market Committee may specify in its bye-laws, to be the limit of retail sale;
- (ixi) "Zila Panchayat" means the Zila Panchayat of the District, in whose jurisdiction the Principal Market Yard is located.

Power to
Amend
Schedule

3. The State Government may, by notification in the official gazette, add to, amend or omit any of the items of agricultural produce specified in the Schedule annexed herewith, and thereupon the Schedule shall stand amended accordingly.

CHAPTER-II

ESTABLISHMENT OF MARKET

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

4. Where the State Government is of opinion that it is necessary or expedient in public interest to regulate the sale and purchase of agricultural produces in any area and for that purpose to declare that area as a market area, it may, by notification in official gazette and in such other manner, which may be prescribed, declare such area as a Market Area under this Act, with effect from such date, as may be notified.

Declaration of
market area and
development and
regulation of
marketing of
specified agricul-
tural produce
therein

5. After the expiry of the period specified in the notification issued under section 4 and after considering such objections and suggestions as may be received before such expiry and making such inquiry, if any, as may be necessary, the State Government may, by notification, declare the area specified in the notification issued under section 4 or any portion thereof to be market area for the purpose of this Act and that marketing of all or any of the kinds of agricultural produce specified in the notification issued under Section 4 shall be developed and regulated under this Act in such market area.

**Market Yards,
Sub-Market
Yards, Farmers/
Consumer /
Farmers
market and
Private Market**

6. (1) In every market area, there may be :-
- market yard managed by the Market Committee,
 - one or more than one sub market yards managed by the Market Committee,
 - one or more than one private market yards/ private markets managed by a person other than a Market Committee,
 - one or more than one farmers/consumer markets managed by a person other than a Market Committee,
- (2) The State Government shall, as soon as may be, after the issue of notification under Section 4, by notification, declare any specified place including any structure, enclosure, open place, or locality in the market area to be a market yard or sub-market yard, as the case may be.

**Notification of
intention to alter
limits of or to
amalgamate or
to split up
market areas to
de-establish a
market**

7. Every notification issued under section 11 shall define the limits of the area which is intended to be included in or excluded from a market area, or of the market area intended to be amalgamated into one, or of the area of each of the markets intended to be constituted after splitting up an existing market area or of the area of the market intended to be de-established, as the case may be, and shall also specify the period which shall not be less than six weeks within which objections, if any, shall be received by the State Government.

**Procedure
subsequent to
notification
under section 6**

8. (1) Any inhabitant of the market area or of the areas affected by the notification issued under section 10 may, if he objects to anything contained therein, submit his objections in writing to the State Government within the period specified for this purpose in the said notification.
- (2) When the period specified in the said notification has expired and the State Government has considered and passed orders on such objections as may have been submitted to it within the said period, the State Government may, by notification-

- (a) include the area or any part thereof in the market area or exclude it therefrom;
- (b) constitute a new Market Committee for the market area amalgamated; or
- (c) split up an existing market area and constitute two or more Market Committees for such areas, as the case may be; or
- (d) de-establish the market; and
- (e) Publish modified list of agricultural produce to be regulated in the market.

Effect of
alteration of
limits

9.

Where a notification under section 11 has been issued excluding any area from the market area and including any such area in any other market area, the State Government shall after consulting the Market Committee involved frame a scheme to determine what portion of the assets and other properties vested in one Market Committee shall vest in the other Market Committee and in what manner the liabilities of the Market Committees shall be apportioned between the two Market Committees and such scheme shall come into force on the date of publication in the Gazette.

Power of State
Government to
issue consequential
order with respect
to constitution etc.
of market
committees on
alteration of limits,
amalgamation or
splitting up

10. (1)

Where a notification under section 12 has been issued the State Government may pass such consequential orders as it may deem fit in respect of-

- (a) Where a notification is issued under sub-section (2) of Section 12 excluding area from any market area and such excluded area is not declared to be separate market area or a notification is issued under sub-section (2), including any area within the market area, the Market Committee constituted for such market area before the date of such exclusion or inclusion shall, notwithstanding anything contained in this Act, continue to be the Market Committee for the said market area until the

reconstitution of such Market Committee under this Act;

(b) In the event of amalgamation of dissolved Market Committee, the committee-in-charge shall consist of the following members, namely :-

- (i) a Chairman to be nominated by the State Government;
- (ii) ten representatives of Agriculturists to be nominated by the State Government;
- (iii) one representative of Traders to be nominated by the State Government;
- (iv) one representative of the Co-operative Marketing Society functioning in the market area to be nominated by the State Government;
- (v) an Officer of Agriculture/Cooperation Department working in the district to be nominated on the recommendation of the Collector;
- (vi) one member of the Weighmen and palledars operating in the market area holding licence from the Market Committee to be nominated by the registered union of Palledar and Weighmen;
- (vii) one representative Chairman of the Local authority of the headquarter of the committee (Chairman of Nagarpalika/ Mahanagarpalika, Panchayat Samiti or Zila Parishad as the case may be);

(c) Where in case of split up of a Market Committee each committee-in-charge consisting of a Chairman, Ten representative of Agriculturists and a representative of Traders shall be constituted;

Provided that :-

- (i) Chairman of the dissolved Market Committee shall be nominated Chairman of the newly established Market Committee of which he is a voter and for the other Market Committee, The State Government shall nominated a Chairman who possesses the

- qualifications prescribed in sub-section (3) of section 17;
- (ii) representative of agriculturists of dissolved Market Committee shall also be nominated as member of newly established Market Committee of which he is permanent resident and remaining representatives of the agriculturists shall be nominated by the State Government who possesses the qualifications prescribed in sub-section (3) of section 17;
 - (iii) representative of traders of the dissolved Market Committee shall be nominated as a member of the newly established Market Committee of which he is a permanent resident and for the other Market Committee, the State Government shall nominate such licensee trader as representative of traders who possesses the qualifications prescribed in proviso of sub-section (1) of section 17;
 - (iv) one representative of the Co-operative marketing society functioning in the market area to be nominated by the State Government (who shall be elected by the managing committee of such society);
 - (v) an officer of the Agriculture Department working in the district to be nominated on the recommendation of the Collector;
 - (vi) one member of the Weighmen and palledars operating to be nominated by the registered union of palledar and Weighmen;
 - (vii) one representative of the Local authority of the places where the Market Committee is located (Chairman of Nagarpalika/ Mahanagarpalika, Panchayat Samiti or Zilla Parishad as the case may be);
 - (viii) the committee-in-charge constituted under sub-

section (1) shall subject to the control of the Director, exercise all the powers and perform all the duties of the Market Committee under this Act.

- (2) The provisions of section 16 shall apply to the constitution of a Market Committee under sub-section (1) as they apply to the constitution of a Market Committee for a market established for the first time.

Declaration of Principal Market Yards, Sub-market Yards and Private Market Yards

11. The State Government, where it considers necessary and expedient so to do in public interest, may, by notification in official gazette,-

- (i) include any area in or exclude any area from the area of the Principal Market Yard or Sub market Yard or Private Market Yard or abolish the existing Principal Market Yard or Sub market Yard or Private Market Yard and declare a new Principal Market Yard or Sub market Yard, or Private Market Yard;
- (ii) declare that the whole-sale transactions of all or any of the specified agricultural produces in respect of the Market Area shall be carried on only at a specified place or places within its Principal Market Yard or Sub market Yard or Private Market Yard.

Alteration of Market Area and modification of schedule of Agricultural produces

12. (1) The State Government, where it considered necessary and expedient in the public interest so to do, may, by notification in the official gazette, and in such other manner as may be prescribed and with affect from the date specified in the notification :-

- (a) include any agricultural produce in, or exclude any agricultural produce from, the list of agricultural produce, specified in the notification under section 3;
- (b) include any area in, or exclude any area from, the Market Area, specified in the notification under section 4;
- (c) divide a Market Area, specified in the notification under

- section 4, into two or more separate Market Areas;
- (d) amalgamate two or more Market Areas, specified in the notification under section 4, into one Market Area;
- (e) declare that Market Area, specified in the notification under section 4, shall cease to be such area.
- (2) When, during the term of a Market Committee, the limits of the Market Area, for which it is established, are altered under clause (b), (c) or clause (d) of sub section (1), the following consequences shall, with effect from the date specified in the notification, follow :-
- (a) the Market Committee shall stand dissolved and its members shall vacate their offices as such members;
- (b) a new Market Committee shall be constituted for the modified or newly created Market Area according to the provisions of section 10;
- (c) all property and assets, all rights, liabilities and obligations of the dissolved Market Committee in respect of civil or criminal proceedings, contracts, agreements or other matter or thing arising in relation to any part of the Market Area of a dissolved Market Committee shall be vested in and shall stand transferred to the new Market Committee having jurisdiction over that part.
- (3) Where a Market Area ceases to be such area under clause (e) of sub-section (1), the following consequences shall, with effect from the date specified in the notification, follow :-
- (a) the Market Committee shall stand dissolved and its members, shall vacate their offices as such members,
- (b) the Principal Market Yard, Sub-market Yards and Private Market Yards, if any, established therein shall cease to be such,
- (c) the unspent balances of the Market Committee Fund and other assets and liabilities of the Market Committee shall vest in the State Government;

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

**Effects of
declaration of
Market Area**

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

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

- (2) No person shall, in a Principal Market Yard, or Sub market Yard or Private Market Yard, carry on business or work as a trader, broker, commission agent, ware-houseman, weighman, palledar or in such other capacity as may be prescribed, in respect of any specified agricultural produce except under and in accordance with the conditions of a license obtained there for from the Committee concerned.
- (3) The provisions of the sub-section (1) and (2) shall not apply in relation to any specified agricultural produce, pledged or hypothecated in favour of a Bank as security for any amount advanced by such Bank.

**No Trade
Charges per-
missible except
as prescribed by
rules and bye-
laws**

14. (1) As from the date to be notified by the State Government in the official gazette, no person shall, in a Principal Market Yard or Sub market Yard or Private Market Yard, levy, charge or realize, any trade charges other than those prescribed by rules

or bye-laws made under this Act, in respect of any transaction of sale or purchase of the specified agricultural produce and no court shall, in any suit or proceeding arising out of any such transaction, allow in any claim or counter claim, any trade charges, which are not so prescribed.

- (2) All trade charges before the sale transaction shall be borne by seller and those incurred thereafter shall be payable by the purchaser.

Application of certain provisions relating to Markets Yards, Sub markets Yards and Private Markets Yards, to the remaining parts of Market Area

15.

The State Government, where it considers necessary or expedient in the public interest so to do, may, by notification in the official gazette, and in such other manner as may be prescribed, declare that the provisions of sub section (2) of section 7 and the provisions of section 8 shall also apply to the whole or any part of Market Area outside the Principal Market Yard, Sub market Yard and Private Market Yard, as may be specified in the notification and thereupon the said provisions shall, with effect from the date specified in the notification apply accordingly, and the remaining provisions of the Act relating to a Principal Market Yards or Sub market Yards or Private Market Yards shall also, with effect from the same date, *mutatis mutandis* apply to the area so specified.

CHAPTER-III

CONSTITUTION OF MARKET COMMITTEE

Establishment of Market Committee and its Incorporation

16.

- (1) For every Market Area there shall be a Committee to be called the Market Committee which shall have jurisdiction over entire Market Area.
- (2) Every Market Committee shall be a body corporate by such name, as the State Government may, by notification, specify having perpetual succession and a common seal and shall sue and be said in its corporate name and shall, subject to such restriction as are imposed by or under this Act, be competent to contract and acquire, lease, sell or otherwise transfer any

property and to do all other things necessary for the purpose for which it is established.

- (3) Notwithstanding any thing for the time being in force, every market committee shall be deemed to be a local authority for the purposes of The Land Acquisition Act, 1894, (Act No. 1 of 1894) and any other law for the time being in force;

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

Constitution of the Committee

17. (1) The Committee, referred to in Section 16 shall consist of the following members to be nominated by the State Government in the manner as may be prescribed:-

- (a) one representative of urban local bodies, exercising jurisdiction over the Principal Market yard or Sub-Market Yard, or part of either and the market area or any of its part;
- (b) one representative out of Zila Panchayat and one representative of Kshettra Panchayats exercising jurisdiction over the Principal Market Yard or Sub-Market Yard, or part of either and the market area or any of its part;
- (c) one representative of the Co-operative Marketing Societies holding license for transacting business in the Market Area;
- (d) one representative of commission agents carrying on business in the Market Area and holding license therefore under this Act;
- (e) one representative of traders carrying on business in the Market Area and holding license therefore under this Act;
- (f) Seven representatives of producers of the Market Area;

- (g) one person of the Market Area who shall represent the interest of consumers;
 - (h) two Government officials of whom one shall be a representative of the Trade Tax Department and the other of the Food and Civil Supplies Department;
 - (i) Secretary of the Market Committee who shall be the member secretary.
- (2) Out of the persons nominated under clause (f) of sub-section (1):
- (a) two members shall be residents of any of the Gram Panchayat exercising jurisdiction over any part of the Market Area;
 - (b) five members shall be producer seller in the Market Area who have obtained sale Vouchers in Form No. VI of last three years from the Committee, out of which one member shall be belonging to the Scheduled Castes or the Scheduled Tribes and the other from Other Backward Classes of citizen;
- (3) Every committee shall have a Chairman nominated by the State Government from amongst the members referred to in clause (f) of sub-section (1) and a Vice-Chairman nominated by the State Government from amongst the members of the committee.
- (4) (a) the term of the committee constituted under sub-section (1) shall be two years from the date of publication of the constitution of the committee under sub-section (6) if not terminated earlier by the State Government;
- (b) the term of the office of the Chairman, the Vice-Chairman and the members shall be co-terminus with the committee;
- (c) a non-official member shall cease to hold his office if he ceases to be a licensee of committee or otherwise ceases to work in the committee as trader or commission agent as the case may be.

- (5) The name of every member nominated under sub-section (1) shall be registered with the Managing Director within 21 days of the nomination.
- (6) The constitution of the committee constituted under sub-section (1) shall be notified in the Gazette by the Managing Director with the prior approval of the State Government.
- (7) The State Government, where it considers necessary or expedient so to do in public interest, may, by Notification, extend the term of the committee for a period not exceeding more than six months at a time but the total period of such extension shall not exceed one year.
- (8) No proceeding, or Act done by or on behalf of the committee shall be questioned on the ground that there was want of any qualifications or defect in the nomination of any person as Chairman, Vice-Chairman or member of the committee or on the ground of vacancy or defect in the constitution of the committee.

Resignation of members and nomination in certain circumstances

18. (1) A member of the committee may resign from his office by writing under his hand addressed to the Chairman. The resignation shall take effect from the date on which it is accepted by the Chairman with the prior approval of the Managing Director.
- (2) The State Government may, by notification, nominate persons from the respective category of members to fill the vacancies of the members who have resigned and the persons so nominated shall hold office for remainder of the term of the committee.

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

19. The State Government may, on the recommendation of the Managing Director, remove any member including the Chairman or the Vice-Chairman if he has been found guilty of neglect or misconduct in the discharge of his duties or of

any disgraceful conduct or has become incapable of performing his duties as a member or has been adjudged insolvent and the vacancy of such members shall be filled in accordance with the provisions of sub-section (3) of Section 17 or Section 18 as the case may be;

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

**Suspension of
the Committee**

20.

Where the Managing Director, is satisfied that :-

- (a) any committee has willfully failed in the performance of its functions, or discharge of its duties, or has exceeded or abused the powers conferred on it by or under this Act or any other enactment;
- (b) continuance or the functioning of the committee is prejudicial to the maintenance of public order or to the maintenance of supplies and services of commodities essential to the community in the market area or its part or in the other market areas; and
- (c) it is necessary so to do, he may, after obtaining explanation from the committee, by order in writing suspend the functioning of the committee for a period up to six months.

**Consequences of
suspension**

21.

- (1) Where a committee is suspended under Section 20, the Chairman, the Vice-Chairman and the members thereof shall be deemed to have vacated their respective office for the period of suspension and the powers, duties and functions of the Committee shall be exercised, discharged and performed by the District Magistrate, who may exercise, discharge or perform such powers, duties and functions either himself or through an officer, authorized by him who shall not be below the rank of the Deputy Collector.
- (2) Where the circumstances so warrant the Managing Director may send its report for dissolution of the Committee to the

State Government within three months from the date of its suspension.

- (3) The Managing Director shall, forthwith report about suspension under Section 20 to the State Government and if no adverse direction or order is received by the Director from the State Government within 15 days, the suspension shall continue for the period directed in the first order otherwise he shall act according to the directions of the State Government in the matter.

Dissolution of committee

22. If, at any time the State Government is satisfied on the report of the Managing Director that any committee has made a willful default in the performance of any duty imposed upon it by or under this Act, or any other enactment or has exceeded or abused its powers, it may, after taking into consideration the explanation of the committee, by order, stating the reasons therefore, dissolve the committee by publication in the Official Gazette.

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

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

Consequences of dissolution

23. On the dissolution of the committee -
- (1) All the members, including the Chairman and the Vice Chairman of the committee shall be deemed to have vacated their offices from the date of dissolution.
 - (2) The Collector shall become the Administrator of the committee and shall either himself or through an officer not below the rank of Deputy Collector exercise, discharge and perform the

powers, duties and functions of the committee till a new committee is constituted under Section 17.

**Constitution of
First Committee
or a new
Committee**

24. (1) The State Government shall, by notification in the Gazette appoint all the members of the First Committee or of a new Committee mentioned in clause (b) of sub-section (2) of Section 12, including the Chairman and the Vice-Chairman from amongst the persons, who in the opinion of the State Government are suitable to represent the different interests referred to under in sub-section (1) of Section 17.
- (2) The term of the First Committee shall be one year from the date of its constitution under sub-section (1), but the State Government may, in the public interest, extend or further extend its term, so however that the extended or further extended term shall come to an end on the date of the constitution of the Committee under Section 17.
- (3) The term of the office of the members of the First Committee, including its Chairman and the Vice-Chairman, shall be for such period as may be fixed by the State Government in this behalf, but it shall not exceed the term of the First Committee.

**Filling up of
Casual vacancies**

25. Where a vacancy occurs by reason of death, resignation or removal of a member, or for any other reason, it shall be filled in by a person belonging to the class, to which the person ceasing to be member belonged, by the State Government and the person so nominated or appointed, shall be a member for the remaining period of the term of the member in whose vacancy he has become a member;

Provided that a vacancy for a period not exceeding six months may not be filled, if so ordered by the State Government.

**Functions and
Duties of
Committee**

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

such facilities for sale and purchase of notified agricultural produces therein, as may be specified in any directions given by the Board to the Committee from time to time or considered necessary by the Committee and do such other acts, as may be necessary for regulating sale and purchase and auction of notified agricultural produces in that market area, and for that purpose may exercise such powers and perform such duties and discharge such functions, as may be provided by or under this Act.

(2) Without prejudice to the generality of the provisions contained under sub section (1), the Committee shall-

- (i) ensure fair dealings between the producers and persons engaged in the sale and purchase of notified agriculture produces;
- (ii) ensure prompt payment to sellers in respect of notified agricultural produces sold by them in the Principal Market Yard or Sub market Yards;
- (iii) grade and standardize notified agricultural produces;
- (iv) check and verify Weights, Measures, Weighing and Measuring Instruments used in the Market Area and report infringement of the provisions of the Uttar Pradesh Weights and Measures (Enforcement) Act, 1959 (Uttar Pradesh Act No. 5 of 1959) (as applicable to the State of Uttarakhand) to the authorities concerned;
- (v) collect and disseminate all such information, as may be of advantage to the producers and other persons engaged in the sale or purchase of notified agricultural produce and, in particular, keep itself informed of the prevailing prices of such agricultural produce at places, where it can be profitably exported or from where it can be economically imported in the Market Area;
- (vi) standardize and regulate trade charges, market practices and customary methods of sale and purchase of notified agricultural produces;

- (vii) provide suitable amenities in the Principal Market Yard and Sub market Yards to the producers and persons engaged in the transactions of sale or purchase therein, and in particular, to construct, repair and maintain roads, pathways, market lanes and bye-lanes, shops, shelters, parking places, accommodation for storage, and such other amenities and facilities, as may be prescribed in this behalf;
- (viii) provide suitable facilities for the proper developments of "Hats" and "Painths" and collection centre in the Market Area and the persons engaged in the transactions of sale and purchase therein;
- (ix) to promote and encourage Electronic trading, Committee may establish regulatory system, create infrastructure and undertake other activities and steps needed thereto;
- (x) make arrangements for construction of Link- Roads, Pathways, Jeepable Roads, Rope-ways, Mule-Path, Pulia and Water Tanks and construction of Hand Pumps for drinking water in Market area, and repair and maintenance thereof;
- (xi) promote and undertake agricultural processing, including activity for value addition in agricultural produce;
- (xii) provide for the settlement of all disputes as Arbitrator between the licensees, and the licensee and other persons, engaged in sale or purchase in Principal Market Yard or Sub market Yard, arising out of any kind of transaction;
- (xiii) prepare the accounts in proper way, as prescribed and get them audited;
- (xiv) prepare the annual budget, wherein shall be shown the estimates of all advances, loans and grants for and the expenses to be incurred in the ensuing year, and wherein provision shall be made for the payment of interest on or repayment of, loans raised by it from or advances made

to it, by the State Government, the Board or any financial institution. Including a Co-operative Bank, recognized as such by the State Government, by general or special order, (hereinafter referred to as a recognized financial institution) and submit the same for approval to the Board;

- (xv) prepare plans and estimates for works proposed to be undertaken by it in the Principal Market Yard and Sub market Yards and for that purpose take necessary steps for the acquisition of land under the Land Acquisition Act, 1894 (Act No. 01 of 1894);
- (xvi) prosecute or defend any suit, action or proceedings in connection with its affairs, or for contravention of any of the provisions of this Act;
- (xvii) provide for safe custody and maintenance of its seal, account books and all other records;
- (xviii) control and regulate admission to and use of the Principal Market Yard and Sub market Yards;
- (xix) perform such other functions and duties, as may be prescribed by the Board or Managing Director;
- (xx) take all possible steps to prevent adulteration of the notified agricultural produce;
- (xxi) take measures for the prevention of purchases and sales below the minimum support prices, as fixed by the State Government from time to time,
- (xxii) regulate the entry of persons and vehicles, traffic into the Principal Market Yard and Sub market Yards, vested in the Market Committee,
- (xxiii) prosecute persons for violating the provisions of this Act, the rules and the bye-laws and compounding of such offences,
- (xxiv) recover the charges in respect of Weighmen and Hammals/Palladars and distribute the same to Weighmen and Hammals/Palledars, if not paid by the

purchaser or seller, as the case may be,

(xxv) with a view to maintain stability in the market :-

(a) provide on rent storage facilities for stocking of agricultural produce to Agriculturist;

(b) provide packaging facilities for agricultural products on packaging charges.

(xxvi) maintain the Manuals, as prescribed under clause (b) of sub-section (1) of section 4 of the Right to Information Act, 2005 (Central Act No. 22, of 2005), and keep them in the office for public inspection and the Manuals shall be updated by the 30th September every year; and

(xxvii) publish and circulate, from time to time, the rates of agricultural produces, brought into the market area for sale, as prescribed.

Powers of the Committee

27.

A Committee shall, for the purposes of this Act, have the following power; namely-

(a) to issue or renew licenses under this Act, on such terms and conditions and subject to such restrictions, as may be prescribed, or, after recording reasons therefore, refuse to issue or renew any such license;

(b) to suspend or cancel licenses, issued or renewed under this Act;

Provided that before canceling a license, the Committee shall afford a reasonable opportunity of hearing to him to show cause against the action proposed;

(c) (i) to levy such fees, as may be prescribed for the issue or renewal of licenses; and

(ii) to collect Market fees, which shall be payable on transaction of sale of specified agricultural produces in the Market area at such rates, being not less than one percent and not more than two and half percent

of the price of the Agricultural produce so sold, as the State Government may specify by notification, and to levy and collect such Development cess at such rates being not less than $\frac{1}{2}$ percent and not more than $2\frac{1}{2}$ percent of the price of such deal. Such fee or development cess shall be realized in the following manner-

- (A) if the produce is sold through a commission agent, the commission agent may realize the Market fee and Development cess from the purchaser and shall be liable to pay the same to the Committee;
- (B) if the produce is purchased directly by a trader from a producer, the trader shall be liable to pay the Market fee and Development cess to the Committee;
- (C) if the produce is purchased by a trader from another trader, the trader selling the produce may realize Market fee and Development cess from the purchaser and shall be liable to pay it to the Committee;

Provided that if the purchaser is only license holder, then he shall be liable to pay Market fees and Development cess;

- (D) in any other case of sale of such produce, the purchaser shall be liable to pay the Market fee and Development cess to the Committee;

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

Provided further that the seller of the produce shall not be exempted from payment

of Development cess on the ground that he has not recovered the same from the purchaser,

- (iii) any such agricultural produce, which reaches any Market area of the State for sale, storage, processing or transaction from any other State or out of Country for the first time it shall be registered as "First Arrival" and on such produce, Market fee and Development cess shall be payable;
- (iv) any agricultural produce, which is brought to any Market area within the State after the transaction of sale from any other Market area of the State after paying Market fee and Development cess for the purpose of sale, storage, processing or transaction, it shall be called as "Second Arrival" and on that produce no Market fees and Development cess shall be liviable;
- (d) to realize interest calculated in the manner prescribed in the bye-laws at the rate of two percent per mensem on the unpaid amount of Market fee, from the date immediately following the period prescribed for payment of market fee in the bye-laws;
- (e) to operate and utilize the Market Committee Fund for all or any of the purposes of this Act;
- (f) to raise, from the State Government or the Board or, subject to previous sanction by the Managing Director, from any other Committee or a recognized financial institution, moneys required for discharging of its functions under this Act;
- (g) to advance loans to the Board on such terms and conditions, as may be mutually agreed upon between the Board and the Committee;
- (h) to advance loans to any other Committee, subject to previous sanctions of the Managing Director, on such terms and conditions, as the Board may determine;

- (i) to exercise such other powers, as may be prescribed by the State Government from time to time;
- (j) if any person makes encroachments of any kind on market yard or sub market yard, then the secretary of the market committee or the Managing Director shall be competent to remove that encroachment by using force and the expenses incurred in removing that encroachment shall be recoverable from the encroacher as arrears of land revenue.

Explanation:-For the purpose of clause (c), unless the contrary is proved, any specified Agricultural produce, taken out or proposed to be taken out of a Market area by or on behalf of a licensed trader, shall be presumed to have been sold within such area and in such case, the price of such produce presumed to be sold shall be deemed to be such reasonable price, as may be ascertained in the manner prescribed.

Appeal

28. (1) Subject to the rules made under this Act in this behalf, any person aggrieved by an order passed by a Committee under section 27 may, within thirty days from such order, prefer an appeal to the Managing Director in such manner, as may be prescribed, and the Managing Director shall decide it after giving an opportunity of hearing both to the appellant and to the Committee.
- (2) The Managing Director may admit the appeal after the expiry of the said period of thirty days, if he is satisfied that the appellant was prevented from presenting the appeal within the prescribed period due to reasonable grounds.
- (3) The Managing Director shall hear the appeal after following such procedure, as may be prescribed and may confirm, modify or set aside the order appealed against.
- (4) The Managing Director, on application of the appellant in this

behalf may stay the operation of the order against which appeal has been filed and stay the recovery of Market fees or the fine, imposed after obtaining adequate security from the appellant.

- (5) The order of the Managing Director passed in appeal shall be final and shall not be called in question in any court.

**Annual returns
and Imposition
of fees**

29. (1) Every whole seller, commission agent and any licensee shall submit, before 31st March of every Financial Year, to the Mandi Samiti, the return of sale and purchase done in the preceding Financial year by it or through it, of the modified agricultural produce in such form and in such manner, as specified in the bye-laws.
- (2) If in the opinion of the Committee, the information furnished under sub section (1) is not correct or the amount deposited is less than the payable Market fees, then the Committee can, after giving the reasonable opportunity of hearing to such wholesaler or commission agent, impose Market fees in such manner as may be prescribed.

**Contracts on
behalf of the
Committee**

30. (1) Every contract by or on behalf of any Committee shall be executed in the manner prescribed.
- (2) Any contract, executed by or on behalf of a Committee in violation of the provisions of sub section (1), shall not be binding on such Committee.
- (3) Every order of a Committee shall be certified by the signature of the Chairman or in his absence or disability by the Vice-Chairman or by the Secretary of the Committee in case he has been so authorized and shall be authenticated by the official seal of the Committee.

**Market
Committee Fund
and its
Utilization**

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

by it, advances and grants made to it.

- (2) All expenditure incurred by the Committee in carrying out the purposes of this Act, shall be defrayed out of the said fund, and the surplus, if any, shall be invested in such manner, as may be prescribed.
- (3) Without prejudice to the generality of the provisions contained in clause (c) of section 27, the Committee may utilize its funds for payment of all or any of the following-
 - (a) expenses, incurred in auditing the accounts of the Committee;
 - (b) salaries and allowances including allowances for leave, gratuities, compassionate allowance, medical aid and contribution towards provident fund of the officers and employees, appointed by the market committee;
 - (c) expenses of and incidental to elections under this Act;
 - (d) the principal amount of or interest on loans and advances referred to in clause (xiv) of sub- section (2) of section 26;
 - (e) the rent of and taxes on any land and building in possession of the Committee;
 - (f) traveling allowance of the members of the Committee;
 - (g) cost of land or buildings, acquired for the purposes of this Act;
 - (h) cost of maintenance, development and improvement of the Market Yards;
 - (i) expenses in providing facilities and comforts such as shelter, shed, parking accommodation and water and other amenities for persons, draught-cattle, pack animals and vehicles coming to the Market Area and on agricultural improvement and development of agricultural marketing in the Market Area, including the construction, maintenance and repair of Link Roads, Culverts, Bridges and other such purposes;
 - (j) loans and advances to the employees of the Committee;

- (k) expenses for providing facilities like grading, standardization, quality certification services to the agriculturists in the Market Area;
- (l) expenses on research of agricultural produce processing and marketing; and
- (m) such other expenses, as may be prescribed by the Board or the State Government;

Provided that the Marketing Committee shall spent compulsorily 2 % of the annual income of Market fee according to the provisions of clause (l) of above sub-section (3).

- (4) Every market committee shall, out of its net income (Mandi fee + License fee) of the financial year, pay to the Board as contribution, as the State Government may, by notification, declare from time to time.
- (5) Every Market Committee shall have to pay every month the whole amount of the Development Fund, which it has collected, to the Board, which shall be deposited in the "Kendriya Mandi Fund", as prescribed under section 62.

**Priorities of
Liabilities of the
Committee**

32.

The revenues of a Committee, shall, after meeting its operating, maintenance and management expenses, be applied as far as these are available, in the following order; namely -

- (a) the repayment of principal amount of, and interest thereon loans, taken without guarantee from the State Government;
- (b) the repayment of principal amount of, and interest thereon, sums paid by the State Government under guarantees if any, to that Government;
- (c) the repayment of principal amount of, and interest on loans guaranteed by the State Government;
- (d) the repayment of principal amount, and interest thereon of the loans, which are not guaranteed by the State Government;

- (e) the balance remaining shall be utilized for the reduction of fees payable to the Committee under this Act or for expenses incurred in the discharge of any of the functions of the Committee, as the Committee may think fit or the Managing Director may direct.

Recovery of sums due to Committee as arrears of Land Revenue and power to write off Irrecoverable dues

33. (1) Any amount due to the Committee, if not paid within the prescribed period, may be recovered as arrears of land revenue.
- (2) A Committee may write-off any amount due to it, if it is certified by the Collector to be irrecoverable;

Provided that the amount exceeding Rs. Five thousand shall not be written off without the prior approval of the Managing Director.

Surcharge

34. (1) The Chairman, Vice-Chairman and every member, officer and servant of the Committee shall be liable to surcharge for the loss, waste or misapplication of any money or property of the Committee, if such a loss, waste or misapplication is a direct consequence of his neglect or misconduct while acting as Chairman, Vice-Chairman, member, Officer or servant.
- (2) The procedure of surcharge and the manner of the recovery of the amount involved in loss, waste or misapplication shall be such, as may be prescribed.
- (3) No suit shall lie in any court for the recovery of any sum which can be recovered in the manner prescribed under subsection (2).

CHAPTER-IV

OFFICER AND SERVANT OF THE COMMITTEE

Powers and Duties of the Chairman and the Vice-chairman

35. (1) The Chairman, and in his absence the Vice-Chairman, shall, subject to the provisions of this Act and the rules and the bye-laws made thereunder and the resolutions, if any, of the

Committee, exercise superintendence and control over the Officers and servants of the Committee and shall exercise such other powers and perform such other duties as may be prescribed or delegated to him by the Committee, by the resolution passed by it, in this behalf.

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

Appointments of the officers and the servants of the Market Committee and the conditions of their service.

36. (1) The Managing Director shall appoint as prescribed, such other officers and servants as may be necessary and proper for the functioning of the Market Committees;

Provided that no post shall be created save with the prior sanction of the State Government.

- (2) Every Committee shall have one Secretary and such other officers, as may be considered necessary by the Managing Director for the efficient discharge of the functions of the Committee who shall be appointed by the Board on such terms and conditions, as may be provided for in the regulations made by it.

Constitution of Centralized Service and transfer of employees

37. Notwithstanding anything contained in any other provision of this Act, the Board may constitute cadres of secretaries and such other officers common to all Committees, as it may deem fit to appoint under sub section (2) of section 36.

Functions, Powers and Duties of the Secretary

38. (1) The Secretary of the Committee shall be its Chief Executive Officer and shall, subject to the provisions of this Act, perform such functions, exercise such powers, and discharge such duties, as may be prescribed, or provided in the bye-laws or as the Managing Director, may, by order in writing direct;

Provided that when more than one Secretary are posted in a Committee, the Managing Director shall nominate

one of the Secretaries to be its Chief Executive Officer and shall determine the functions to be performed, powers to be exercised and duties to be discharged by each of them.

- (2) Without prejudice to the generality of the forgoing provisions, but subject to the provisions of this Act and the rules and bye-laws made thereunder, the Secretary shall-
 - (a) exercise all powers of superintendence and control over-
 - (i) all Officers and servants of the Committee so as to ensure proper and efficient discharge of the duties, assigned to them by or under this Act, and
 - (ii) all affairs of the Committee;
 - (b) report cases of neglect, misconduct or dereliction of duty by an employee of the Committee to the Appointing Authority for necessary action, and where so empowered, take disciplinary action against any of the employees of the Committee;
 - (c) ensure proper execution of all orders, issued by the Board, Managing Director or the Chairman of the Committee;
 - (d) ensure proper maintenance of-
 - (i) accounts of all moneys received and of all moneys spent for and on behalf of the Committee;
 - (ii) records of disputes coming up for decision under this Act or the rules or bye-laws framed thereunder;
 - (iii) record of the disputes, settled by him in such form, as may be prescribed; and,
 - (iv) all licenses under this Act shall be issued under his signatures;
 - (e) convene the meetings of the Market Committee, if necessary, and maintain minutes of the proceedings thereof,
 - (f) attend all meetings of the Market Committee and take part in the discussions, but shall not move any resolution or vote at any such meeting;

- (g) prepare the budget proposals;
- (h) furnish to the Market Committee such Returns, Statements, Estimates, Statistics and Reports as the Market Committee may, from time to time, require, which includes reports-
 - (a) regarding the fines and penalties, levied on and any disciplinary action taken against the members of the staff and the Market functionaries and others;
 - (b) regarding contravention of the provision of Act or the rules or the bye-laws made thereunder;
- (i) produce before the Committee such Documents, Books, Registers and the likes, as may be necessary;
- (j) collect fees and other money leviable by or due to the Market Committee;
- (k) make disbursements of all moneys, lawfully payable by the Market Committee, as per rules;
- (l) prosecutions to be launched, file civil suits and defend those filed against the Committee and represent the Committee in all such proceedings, on behalf of the Committee;
- (m) exercise supervision and control over all officers and servants of the Committee;
- (n) report to the Managing Director, as soon as possible, in respect of fraud, embezzlement, theft or loss of Market Committee fund or property.

Terms and Conditions of Employment of Officers and Servants of the Committees

39.

Subject to the rules made in this behalf under this Act, the terms and conditions of employment of the members of a cadre, constituted under section 30 and matters relating to discipline, control and punishment which also includes dismissal, removal or reduction in rank, of such officers shall be governed by such regulations, as may be made with the prior approval of the State Government in view of section 68 by the Board.

- Protection of persons acting under this Act** 40. Every officer or servant of the Board and the Committee shall be deemed to be a 'Public Servant' within the meaning of section 21 of the Indian Penal Code, 1860.

CHAPTER-V

CLASSIFICATION OF MARKET AND SPECIAL MARKET

- Classification of market** 41. State Government may classify the market constituted under Section 5, in to various categories on the basis of the criteria as may be prescribed.

- Special Market and Special Commodity Market** 42. (1) State Government may by notification declare any market area as 'Special Market' or 'Special Commodity Market' after consideration of such aspects as turnover, serving large area and special infrastructure requirements of particular commodity, to be operated in addition to the existing market.
- (2) The State Government may by notification, establish separate Market Committee for effective implementation of provisions of this Act for such markets which are notified as special market under sub-section (1).
- (3) All provisions for and in relation to the Market Committee made in this Act shall *mutatis mutandis* apply to the Market Committee established for the special market under sub-section (1).

- Constitution of Market Committee for Special market** 43. (1) Every Market Committee for special market shall consist of following members namely :
- (a) agriculturists (to be nominated by the State Government from amongst the agriculturists residing permanently and operating in the Committee area);
- (b) traders (to be nominated by the State Government from amongst the traders holding trading licence in any Market

- Five

- Committees in the State). Out of the traders so nominated, shall hold the licence from the Market Committee of Special Market; - Two
- (c) concerned Local Body of the area where the Special Market is located; - One
- (d) the Collector or his nominee of the District in which Special Market is located; - Two
- (e) representative of Chief Town Planner or the authority exercising such powers; - One
- (f) concerned Assistant Registrar of Cooperative Societies; - One
- (g) Chief Executive Officer (or his nominee) of the State Agricultural Marketing Board (ex- officio Member); - One
- (h) Executive Member (to be appointed by the State Government). Executive member shall Act as the chief executive officer of the Market Committee - One
- (i) Agricultural Marketing Advisor to the Government of India or his nominee - One.
- (2) The Market Committee shall meet at least once in six months.

Chairman and Vice Chairman for Special market

44. The Market Committee, for Special Market shall have Chairman and Vice-chairman who may be nominated by the State Government for such period as may be specified. The members shall hold office during the pleasure of the State Government.

Executive Committee for Special Market

45. (1) There shall be Executive Committee of the Market Committee of the Special Market consisting of:--
- (a) one representative of the traders holding the trading license in the Market Committee of Special Market;
- (b) one representative of growers;

- (c) one Representative of the Registrar of cooperative societies;
 - (d) Director of Marketing or his nominee;
 - (e) Chief Executive Officer (or his nominee) of the State Agricultural Marketing Board;
 - (f) Executive Member of the Market Committee who shall Act as the Member-Secretary of the Executive committee.
- (2) In case of emergency, the Executive Committee may decide issues requiring approval of the Market Committee;
- However, such decisions shall have to be approved by the Market Committee within 45 days from the date, such decisions have been taken. Failure in doing so or in the event of disapproval of such decisions by the Market Committee, such decisions shall stand null and void.
- (3) The Executive Committee will meet as often as necessary, but at least once in two months.

Chief Executive of the Market Committee of Special Market, Functions and powers

46. Executive member of the Market Committee shall Act as the Chief Executive Officer of the Market Committee of the Special Market. The Chief Executive officer shall :-
- (a) exercise supervision and control over the officers and staff of the Market Committee in matters of executive administration concerning accounts and records and disposal of all questions relating to the services of the officers and staff of the Market Committee as per the prescribed procedure;
 - (b) appoint officers and staff of the Market Committee as per direction and procedure prescribed by the Market Committee;
 - (c) incur expenditure from the Market Committee fund for the sanctioned items of work;
 - (d) in cases of emergency, direct the execution of stoppage

of any work and doing of any Act which requires the sanction of the Market Committee;

- (e) launch prosecution for violation of provision of this Act and rules and by-laws made thereof;
- (f) issue licences to the functionaries operating in the market;
- (g) prepare Annual budget of the Market Committee;
- (h) arrange for summoning the meetings of the Market Committee and maintenance of records of the proceedings of such meetings;
- (i) inspect from time to time the construction work undertaken by the Market Committee and send report of such inspection to the Chairman of the Market Committee;
- (j) report such acts of the Market Committee or members of the Market Committee including the Chairman and Vice-chairman which are contrary to the provisions of this Act and Rules and by-laws framed thereof to the Managing Director;
- (k) take such steps as deemed necessary for effective discharge of the functions and decisions of the Market Committee.

CHAPTER-VI

CONSTITUTION, FUNCTIONS AND POWERS OF UTTARAKHAND AGRICULTURAL PRODUCE MARKETING BOARD

Establishment of the Board

47. (1) The State Government shall, by notification in the official gazette, and with effect from a date to be specified therein, constitute a Board by the name of the Uttarakhand Agricultural Produce Marketing Board which shall have its headquarter at Rudrapur (Uddham Singh Nagar).
- (2) The Board shall be a body corporate by the said name having perpetual succession and a common seal and shall sue or be

sued by the said name and acquire, hold and dispose of property and enter into contacts.

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

Constitution of the Board

48. The Chairman and members of the Board shall be appointed by the State Government as follows –

- (a) **Chairman** - Agriculture Minister of the state or a person appointed by the State Government under special circumstances;
- (b) **Member** - maximum five persons out of the nominated producers, one member out of the nominated traders, one member out of nominated commission agents as member of the Market Committee and maximum five representatives, appointed by the State Government, each one of whom shall represent the following five fields-
 - (i) one representative from Private market;
 - (ii) one representative from Agriculture Insurance field;
 - (iii) one representative from Exporters;
 - (iv) one representative from specialized Agri-business Management;
 - (v) one representative from Contract farming sponsors;
- (c) **Ex-Officio members** –
 - (i) Principal Secretary and Commissioner, Forest and Rural Development, who shall, in the absence of Chairman, preside over the meeting of the Board,
 - (ii) Secretary, Agriculture,
 - (iii) Secretary, Finance,
 - (iv) Secretary, Food and Civil supply
 - (v) Secretary, Horticulture,
 - (vi) Secretary, Animal Husbandry
 - (vii) Secretary, Cooperatives
 - (viii) the Agriculture Marketing Advisor to Government

to India,

- (ix) the Managing Director of the Board, who shall be *ex-officio* secretary of the Board,
- (x) Director, Agriculture,
- (xi) Director, Horticulture,
- (xii) Registrar, Co-operative societies, Uttarakhand,
- (d) one-third of the total members shall constitute a quorum of the meeting.

Disqualification for being Chairman, and other Members

49.

A person shall be disqualified for being the Chairman or other member of the Board, if he-

- (a) has been convicted of an offence involving moral turpitude;
- (b) is an undischarged insolvent;
- (c) is of unsound mind and stands so declared by a competent Court;
- (d) holds any office of the profit under the Board or Market Committee;
- (e) has, directly or indirectly by himself or by any partner, employer or employee, any share or interest, whether pecuniary or of any other nature, in any contract or employment, with, by or on behalf of the Board; or
- (f) is a Director or Secretary, Manager or other officer of any such company, which has any share or interest in any contract or employment with, by or on behalf of the Board.

Term of Office of Chairman and Other Members

50.

- (1) Subject to the provisions of sub section (2), the Chairman and other members of the Board who are not *ex-officio* members thereof, shall hold office for two years unless the term of the Chairman or such other member is determined earlier by the State Government by notification in the gazette, and they shall be eligible for reappointment.

- (2) A member, nominated as a member of the Board, shall cease to be a member of Board as soon as he ceases to be such member of the Market Committee.
- (3) The Chairman or any other member, who does not remain an *ex-officio* member, may, at any time by writing under his hand addressed to the State Government, resign his office and on such resignation being accepted he shall be deemed to have vacated his office.

Other provisions regarding office the Chairman and Members Other than Ex-Officio Members

51. (1) The Chairman and other members, not being *ex-officio* members, shall be paid from the Board's fund such remuneration, if any, as may be fixed by the State Government.
- (2) If the Chairman or any other member, as aforesaid, is, by infirmity or otherwise, rendered temporarily incapable of discharging his functions or is absent on leave otherwise in circumstances not involving the vacation of his appointment, the State Government may appoint another person to discharge his functions under this Act.

Appointment of Officers and Servants

52. (1) The Board may appoint such officers and servants as it considers necessary for efficient performance of its functions, on such terms and conditions, as may be provided for in regulations made by the Board with the prior approval of the State Government.
- (2) The Board may, with the previous approval of the State Government, appoint a servant of the Central Government or the State Government as an officer or servant of the Board or of a Committee on such terms and conditions as it thinks fit.

Supervision and control of the Managing Director

53. Subject to the superintendence of the Board, the general control and direction over all the officers and servants of the Board shall vest in the Managing Director.

- | | | |
|---|------------|--|
| <p>Authentication of the Orders and other Instruments of the Board</p> | <p>54.</p> | <p>All proceedings of the Board shall be authenticated by the signature of the Chairman and the <i>ex-officio</i> Member-Secretary and all orders and other instruments issued by the Board shall be authenticated by the signature of the Managing Director or such other officer of the Board as may be authorized in this behalf by regulations.</p> |
| <p>Disqualification for participation in the proceedings of the Board on account of Interest</p> | <p>55.</p> | <p>(1) The Chairman or any other member of the Board :-</p> <ul style="list-style-type: none"> (a) who has any share or interest of the nature described in clause (e) or clause (f) of section 49 in respect of any matter, or (b) who has acted professionally, in relation to any matter, on behalf of any person having therein any such share or interest as aforesaid, shall notwithstanding anything contained in this section, not vote or take part in any proceedings of the Board relating to such matter. <p>(2) If any member of the Board has directly or indirectly, any interest in any area in which it is proposed to acquire land for any of the purposes of this Act, he shall not take part in any such meeting of the Board in which any matter relating to such land is being considered.</p> <p>(3) Nothing in sub section (1) or sub section (2) shall prevent any member of the Board from voting on, or taking part in discussion, any resolution or question relating to any subject other than a subject referred to in those sub sections.</p> |
| <p>Acts not to be invalidated by informality, vacancy etc</p> | <p>56.</p> | <p>No act done or proceeding taken under this Act by the Board shall be invalid merely on the ground that --</p> <ul style="list-style-type: none"> (a) there is any vacancy or defect in the constitution of the Board; or (b) there is any defect or irregularity in the appointment of a person, who is acting as a member thereof; or (c) there is any defect or irregularity in such act or proceeding, not affecting the substance. |

Directions on questions of Policy

57. (1) In the discharge of its functions, the Board shall be guided by such directions on questions of policy, as may be given to it by the State Government.
- (2) If any question arises whether any matter is or is not a matter as respects which the State Government may issue a direction under sub section (1), the decision of the State Government shall be final.

Annual Reports, Statistics, Returns and Other Information's

58. (1) The Board shall, as soon as may be after the end of each financial year, prepare and submit to the State Government before such date and in such form as the State Government may direct, a report giving an account of its activities during the previous financial year, and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Board in the next financial year, and the State Government shall cause every such report to be laid before the State Legislative Assembly as soon as may be after it is received by the State Government.
- (2) The Board shall furnish to the State Government at such times and in such manner as the State Government may direct such statistics and returns and such particulars in regard to any proposed or existing activities of the Board or any other matter under the control of the Board as the State Government may from time to time require.

Execution and registration of Contracts etc.

59. Every contract or transfer deed of property on behalf of the Board shall be in writing and shall be executed by such authority and in such manner, as may be provided by regulations.

Board Fund

60. (1) The Board shall have its own fund, which shall be deemed to be local fund and to which shall be credited all moneys, received by or on behalf of the Board, except the moneys

required to be credited in the Uttarakhand Marketing Development Fund under section 61.

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

- (a) payment of salary, leave allowance, gratuity, other allowances, loans and advances and provident fund to the officers and servants, employed by the Board and pension and the other contribution to the Government servants, on deputation;
- (b) payment of traveling and other allowances to the members of the Board;
- (c) other purposes relating to the establishment of the Board or for carrying out the purposes of this Act generally;
- (d) payment of legal expenses of Board.

**Uttarakhand
Marketing
Development
Fund**

61. (1) There shall be established for the Board, a separate Fund, to be called "the Uttarakhand Marketing Development Fund", to which the following amounts shall be credited; namely-

- (a) all contributions, received from the Committees under sub-section (4) of section 31, except such percentage thereof, as the state Government may direct to be credited to the Board's fund;
- (b) such other amounts, as the State Government or the Board may direct.

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

- (a) facilities to the Agriculturists, other producers and payers of Market fee in the Market Area;
- (b) development of Principal Markets Yards, Sub market Yards, Hats and Pains, Collection Centers and

Construction of Rope-ways and Construction of New Market Yards in the Market area;

- (c) construction, maintenance and repairs of Link Roads, Market Lanes, Rope-Ways, Hand-Pumps and Tanks and other development works in the Market area;
- (d) market survey and research, grading and standardization of specified agricultural produce;
- (e) propaganda, publicity and extension services and the matters relating to the general improvement of the conditions of buying and selling of specified agricultural produce;
- (f) aid to financially weak and under-developed committees in the form of loans and grants;
- (g) better development of market areas and control of Market Committees;
- (h) technical assistance to the Market Committees in the preparation of site plans and estimates of construction and in the preparation of project reports of master plans for development of Principal Market Yards and Sub market Yards and Market areas;
- (i) matters specified in section 26 and 27, which are not covered by the preceding clauses;
- (j) any other purpose, to give effect to the provisions of this Act or generally to regulate marketing of specified agricultural produce;

Provided that to construct link roads and lanes and maintenance thereof, maximum of 25 percent of this fund shall be spent.

Kendriya Mandi Fund

62. (1) There shall be established a fund to be called "Kendriya Mandi Fund", which will be operated by the Managing Director and in which the following amounts shall be credited; namely-
- (a) all amount of Development cess received from the Mandi Samities under sub section (5) of section 31;

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

(2) The Kendriya Mandi Fund be utilized for the following purposes, namely-

- (a) aid to financially weak and under developed Committees in the form of loans and grants;
- (b) development works in the hilly areas;
- (c) expenditure involved on the value addition and processing of agriculture produce;
- (d) any other purposes, as per the direction of the State Government or the Board.

**Restriction on
Unbudgeted
Expenditure**

63. (1) Save wherein the opinion of the Board circumstances of extreme urgency have arisen, no sum exceeding such amount, as the Board may from time to time, fix in that behalf on account of recurring or non-recurring expenditure, shall be spent in any Financial Year unless sum has been sanctioned by the Board.
- (2) Where any such sum is spent in circumstances of extreme urgency, a report thereon, indicating the expenditure, shall be submitted to the Board in its next meeting.

**Power of Board
to borrow**

64. (1) The Board may, from time to time, with the previous sanction of the State Government and subject to the provisions of this Act and to such conditions as the State Government may by general or special order determine, borrow any sum required for the purposes of this Act, whether by the issue of bonds or stock or other wise or by making arrangement with bankers.
- (2) The Board may not, at any time, have on loan under subsection (1), apart from the amount of loans from the State Government, an amount exceeding such amount as the State Government may from time to time fix in that behalf.
- (3) Stock issued by the Board under this section shall be issued, transferred, dealt with and redeemed in such manner, as the State Government may, by general or special order, direct.

Priorities of liabilities of the Board

65.

The revenues of the Board shall, after making its complete expenses, as far as they are available, in the following order; namely-

- (a) the repayment of principal amount of, and interest on loans advanced to the Board by the State Government, including arrears of such interest;
- (b) the repayment of principal amount of, and interest on, sums paid by the State Government under guarantees, if any;
- (c) the repayment of principal amount of, and interest on bonds, guaranteed by the State Government;
- (d) the repayment of principal amount of, and interest on stock so guaranteed;
- (e) the repayment of principal amount of and interest on stocks, not guaranteed by the State Government;
- (f) the repayment of principal amount of and interest on bonds, not guaranteed by the State Government.

Accounts and Audit

66.

- (1) The Board shall, before the commencement of any financial year at any time during a financial year, prepare a statement or supplementary statement, as the case may be, of programmes of its activities during that year as well as financial estimates in respect thereof and submit them to the State Government for its prior approval in such manner and by such dates, as it may, by general or special order, direct.
- (2) The Board shall cause to be maintained proper books of account and other books in relation to its accounts and prepare the annual balance-sheet.
- (3) The accounts of the Board shall be audited by such auditor, as the State Government may, by general or special order, direct and the auditor so appointed shall have power of requiring the production of documents and the furnishing of information respecting all matters.

- (4) The accounts of the Board, as certified by the auditor, together with the audit report thereon, shall be forwarded annually to the State Government, which may issue such directions to the Board in respect thereof, as it may deem fit, and the Board shall comply with such directions;
- (5) The State Government shall -
 - (a) cause the accounts of the Board, together with the audit report thereon, received by it under sub-section (4), to be laid annually before the State legislative Assembly, and
 - (b) cause the accounts of the Board to be published in such manner, as it thinks fit.

Surcharge

67. (1) The Chairman and other members, officers and servants of the Board shall be liable to surcharge for the loss, waste or misapplication of any money or property of the Board, if such loss, waste or misapplication is direct consequence of his neglect or misconduct while acting as such Chairman or other member, Officer or servant.
- (2) The procedure of surcharge shall be such, as may be prescribed.
- (3) Any amount, found to be involved in such loss, waste or misapplication as a result of proceedings for surcharge, shall be recoverable as arrears of land revenue, and no suit shall be instituted in any civil court for the recovery of any such amount.
- (4) Nothing in sub-section (3) shall prevent from deducting any amount referred to therein from any sum payable on account of remuneration or otherwise to such Chairman or other member, officer or servant.

Regulations

68. The Board may, with the previous approval of the State Government, make regulations, which are not inconsistent with this Act and Rules made thereunder, for the administration of the affairs of the Board.

Powers of the Board

69. The Board shall, subject to the provisions of this Act perform the following functions and shall have power to do such thing as may be necessary or expedient or carrying out these functions :-
- (i) coordination of the working of the Market Committees and other affairs thereof, including programs undertaken by such Market Committees for the Development of Markets and Market Areas;
 - (ii) undertake the State level planning of the development of Agricultural Produce Markets;
 - (iii) to make the necessary policies with a view to ensure efficiency in the working of Mandi Samiti;
 - (iv) to make regulations, consistent with this Act and Rules made thereunder, for Marketing affairs;
 - (v) to approve proposals for selection of new sites by the Market Committees for the development of Market;
 - (vi) to approve proposal for constructing infrastructural facilities in the Market Area;
 - (vii) to supervise and guide the Market Committee in the preparation of plans and estimates of construction programme, undertaken by the Market Committee;
 - (viii) to supervise all works, which are chargeable to the Board's fund;
 - (ix) to publish annually at the close of the year, its progress report, balance sheet, and statement of assets and liabilities and send copies to each member of the Board as well as to the State Government;
 - (x) to make necessary arrangements for propaganda and publicity on matters related to regulated marketing of agricultural produce;
 - (xi) to provide facilities for the training of officers and servants of the Board as well as Market Committee;
 - (xii) to prepare and adopt budget for the ensuing year;
 - (xiii) to make subventions and loans to Market Committees

for the purposes of this Act, on such terms and conditions as the Board may determine;

- (xiv) to do such other things as may be of general interest to Market Committees or considered necessary for the efficient functioning of the Board, as may be specified from time to time by the State Government;
- (xv) to arrange or organize seminars, workshops, exhibitions for encouragement of marketing of Agricultural Products;
- (xvi) to establish and promote partnership between private and public sectors in the management of Market Committees;
- (xvii) to carry out and promote value addition alongwith agri-processing activities;
- (xviii) to establish separate business expansion chambers for trading, technology and expansion of services and transfer thereof and carryout necessary management for regulated Marketing and development of Marketing and publicity of allied matters;
- (xix) to promote and encourage Electronic trading, establish regulatory procedure of Market Committee infrastructure and allied activities and carryout necessary steps; and
- (xx) to consolidate, gradation and standardization of notified agricultural produce.

Delegation of powers

70.

Subject to the provisions of this Act, the Board may, by general or special order, delegate, either unconditionally or subject to such conditions as may be specified in the order, to the Managing Director or any other officer of the Board, such of its powers and duties under this Act, as it may deem fit.

Conduct of the meetings of the Board

71. (1) The Board shall meet for the transaction of its business at least once in every three months at such place, date and time, as the Chairman may determine.

- (2) The information regarding the meeting of the Board shall be sent to all members of the Board before one week of the date of said meeting.
- (3) In special circumstances, approval of at least one-fourth members shall be obtained on any particular proposal by way of circulation.
- (4) One-fourth of the total members shall constitute a quorum in a meeting called in special circumstances.

**Powers of the
Chairman**

72. The Chairman of the Board shall be having following powers; namely-
- (i) to preside meetings of the Board;
 - (ii) to determine the date, time and place of the meeting;
 - (iii) to sign the minutes of the Board jointly with the Managing Director; and
 - (iv) to direct the Managing Director for efficient working of Committees and Board within the provisions of this Act.

**Powers and
Duties of the
Managing
Director**

73. (1) Subject to the provisions of this Act, the Managing Director shall have the general superintendence, and control over the Market Committee and its Chairman, Vice-Chairman and other members, its Secretary and other officers or shall issue directions to them.
- (2) The Managing Director may inspect, or cause to be inspected, all documents or records relating to the affairs of the Committee and, require the Committee, its Chairman, Vice-Chairman, Members, Officers or Servants to furnish such information or material, as he may consider necessary.
 - (3) On receipt of a complaint in respect of an act relating to the affairs of the Committee, the State Government may require the Managing Director to conduct enquiry or institute proceedings against the Committee, its Chairman, Vice-Chairman, member or officer, and the Managing Director shall act accordingly.

- (4) The Managing Director shall, for the purpose of holding any enquiry under this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely-
 - (a) issuing the summon and enforcing the attendance of any person and examining him on oath;
 - (b) requiring the discovery and production of documents.
- (5) The Managing Director shall exercise supervision and control over officers and staff of the Board in matters of administration, concerning accounts and records and shall dispose off all questions relating to the service of the employees, as per procedure prescribed.
- (6) The Managing Director shall appoint officers and staff as per direction and procedure prescribed by the Board.
- (7) The Managing Director may incur expenditure from the "Uttarakhand Marketing Development Fund" and "Kendriya Mandi Fund" on the sanctioned items of work.
- (8) In case of emergency he may, direct the executions or stoppage of any work and may do any such act, which requires the sanction of the Board.
- (9) He shall get prepared annual budget of the Board.
- (10) He shall arrange for the internal audit of the accounts of the Board.
- (11) He shall arrange for the meetings of the Board and maintain records of the proceedings of the meetings of the Board, as per prescribed procedure.
- (12) He may take lawful steps for implementation of the decision of the Board.
- (13) He shall issue the financial and administrative sanctions of the works sanctioned from Board Fund, Mandi Development Fund and Kendriya Mandi Fund and inspect the works.
- (14) The Managing Director shall promptly, about the resolutions

passed/acts done by the Board or market committee against the provisions of this Act, Rules and by-laws made thereunder, to the Government and shall stop such resolutions/works till the directions of the Government are obtained.

- (15) The Managing Director shall have power to sanction or reject the proposals, passed by the Marketing Committee.
- (16) The Managing Director shall take such steps, as deemed necessary, for effective discharge of the functions of the Board.
- (17) The Managing Director may take effective action in any other matter, as are prescribed.

Power of the Board to remove the Member of the Committee

74. (1) The Board may remove a member, Chairman or Vice Chairman of the Committee, where it is of the opinion that he -
 - (a) has been guilty of misconduct or gross negligence of duty as such member, Chairman or Vice-Chairman; or
 - (b) ceases to hold the qualifications necessary for his being a member, Chairman or Vice-Chairman.
- (2) No order of removal under sub-section (1) shall be passed unless the person concerned has been afforded a reasonable opportunity of submitting a written explanation in respect to the charges against him.

Suppression of Committee

75. Where the Board is of opinion that a Committee has failed in the performance of its functions or discharge of its duties, or has exceeded or abused the powers conferred on it by or under this Act, it may, by notification in the gazette, supersede the Committee;

Provided that no order of suppression shall be passed unless the Board has afforded a reasonable opportunity to the Committee of submitting a written explanation in respect to the charges against it.

- Consequences of suppression** 76. (1) From the date of publication of the notification of suppression of the Committee under section 75, all the members, including the Chairman and the Vice-Chairman, or the Committee shall be deemed to have vacated their offices.
- (2) The State Government shall direct that steps be taken for constitution of a new Committee under section 17, and till such time, as a new Committee under section 17 is constituted as aforesaid, the Board shall make such arrangements for carrying out the functions of the Committee, as it may deem fit, and may, for that purpose, direct that all the functions, powers and duties of the Committee, and its Chairman under this Act, shall be performed, exercised and discharged by such person or authority, as the Board may appoint in this behalf, and such person or authority shall be deemed to be Chairman of the Committee, or as the case may be.
- Powers of the Managing Director to Prohibit Execution or Further Execution of Resolution passed or Order made by the Committee** 77. (1) The Managing Director may, of its own motion, or on report or complaint received, by order, prohibit the execution or further execution of a resolution passed, or order made, by the Committee or its Chairman or any of its officers or servants, if he is of the opinion that such resolution or order is prejudicial to the public interest, or is likely to hinder efficient running of the business in any Market Area, Principal Market Yard or Sub market Yard or is against the provisions of this Act or the rules or bye-laws made there under.
- (2) Where the execution or further execution of a resolution or order is prohibited by an order made under sub section (1) and that is continuing in force, it shall be the duty of the Committee, if so required by the Managing Director, to take any action, which the Committee would have been entitled to take if the resolution or order had never been made or passed and which is necessary for preventing the Chairman or any of

its officers or servants from doing or continuing to do anything under the resolution or order.

**Powers of the
State
Government**

78. (1) The State Government, with a view to satisfying itself that the powers, functions and duties of the Board or a Committee by or under this Act are exercised or performed by it properly, may require the Commissioner or the Collector or any other person or persons to inspect or cause to be inspected any property, office, document or any work, of the Board or the Committee or to make inquiries into all or any of the activities of the Board or the Committee in such manner as may be prescribed and to report to it the result of such inquiry within such period as may be prescribed.
- (2) The Board or the Committee, as the case may be, shall give to the Commissioner or the Collector, or other person or persons, all facilities during inspection and for the proper conduct of the inquiry and shall produce any document or information, which is in its possession, when so demanded for the purpose of such inspections or inquiry, as the case may be.

CHAPTER-VII

CONTRACT FARMING

**Form of Contract
Farming
Agreement**

79. The Contract farming shall not be performed unless :-
- (a) contract farming buyer has registered himself in that Market Committee, where the land of contract farming producer is situated or has registered himself with the Prescribed Authority, if the land of contract farming producers is situated in more than one market area;
- (b) the Contract Farming Agreement shall be registered with that Market Committee or Prescribed Authority, as the case may be, in accordance with such procedure as may be prescribed. It shall be in such form containing such particular and terms and conditions, as may be prescribed.

Notwithstanding anything contained in Contract

Farming Agreement, title or possession or ownership of contract farming producer on his land under contract farming will not be transferred to contract farming buyer or to any other person;

- (c) if any dispute arises between the parties in respect of the provisions of the agreement, either of the parties may submit an application to the Prescribed Authority to arbitrate upon the disputes. The Prescribed Authority shall resolve the dispute within 30 days after giving the parties a reasonable opportunity of being heard;
- (d) the person, aggrieved by the decision of the Prescribed Authority given under clause (c), may prefer an appeal to the Appellate Authority. The Appellate Authority shall dispose off this appeal within 30 days, after having given adequate opportunity of hearing to the parties and the decision of such Appellate Authority shall be final;
- (e) the decision of prescribed authority given under clause (c) and the decision of the Appellate Authority given under clause (d) shall be enforceable as the judgment of a civil court and the sum awarded shall be recoverable as arrears of land revenue;
- (f) any dispute, relating to contract farming agreement or related thereto, shall be decided in accordance with the provisions mentioned therein and shall not be raised in any court;
- (g) any Agricultural produce, covered under a contract farming agreement, may be sold to a contract farming sponsor outside a Mandi area and in such matters, no Mandi fees shall be levied.

CHAPTER-VIII

MISCELLANEOUS

- Suit against the Committee** 80. (1) No suit shall be instituted against any Committee, its Chairman, Vice-chairman or any member, officer or servant

thereof, for anything done, or purported to be done, in its or his official capacity until the expiration of two months from the date of service of a notice in writing, stating the cause of action, the name and place of abode of the plaintiff and the relief claimed.

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

- (i) where it is a notice to the Committee, be delivered at its office on any working day or handed to its Chairman, Vice-chairman or Secretary or be sent by registered post;
- (ii) in any other case, be delivered to the person concerned or be sent by registered post; and
- (iii) nothing in sub-section (1) shall be construed to apply to suit wherein the only relief claimed is an injunction, of which the object would be defeated by the giving of the notice or the postponement of the commencement of the suit or proceeding.

Recovery of dues as land revenue

81. Any sum, due to the State Government from the Board or a Committee, or to the Board from a Committee, or to a Committee from another Committee or to a person from Committee may be, recovered as arrears of land revenue.

Registration and renewal

82. (1) Any person who wants to carry on business or work as a Trader, Commission Agent, Dalal, Palledar, Warehouseman, Contract Farming Buyer, Processor, Owner or Manager of a factory or in such other capacity, may apply to the Market Committee for registration or renewal within such period and in accordance with such procedure, as may be prescribed. except under and in accordance with the conditions of license obtained therefore from the Committee concerned.

(2) The Market Committee may grant or renew the registration or refuse to register or renew the registration, on the basis of one or more following reasons -

- (a) the applicant is a minor or is not bonafide;
 - (b) the applicant has been declared defaulter under this Act and Rules and bye-laws made there under; or
 - (c) the applicant has been declared guilty under this Act.
- (3) (a) the application received under sub-section (1) shall be disposed off by the Market Committee as required in sub-section (2) within four weeks; but if the Market Committee fails to dispose off the applications within four weeks, then-
- (i) the applicant may send a written reminder to the Market Committee about his application;
 - (ii) In addition, the applicant may inform in writing to the Authority, which has been prescribed by Managing Director of the Board.
- (b) on expiry of the period of two weeks after submitting the reminder, if the application is not disposed off, it shall be deemed that the registration or its renewal, as the case may be, has been granted;
- (c) the Prescribed Authority, on the basis of information received by him and after expiry of time of two weeks, shall only confirm that application for registration/ renewal was submitted to the Market Committee and due action has not been taken by the Market Committee for disposal of the same and then, he shall issue a certificate under clause (k) of sub-section (3), regarding grant of deemed registration or its deemed renewal within two weeks time.
- (4) All the registrations granted and renewed under this section, shall be subject to the provisions of this Act, rules and bye-laws made there under.

**Establishment of
Private Yards,
and Direct
purchase of**

83. The State Government may, subject to rules made in this behalf, grant license to purchase agricultural produce by

**Agriculture
produce from
the Agriculturist
(Direct purchase
from Producer)**

establishing Private Yard or direct purchase from Agriculturist, in one or more Market area for-

- (a) processing of the notified agricultural produce,
- (b) trade of notified agricultural produce of particular specification,
- (c) export of notified agricultural produce, and / or
- (d) grading, packing and transaction in other way by value addition of notified agriculture produce.

**Establishment of
Consumer/
Farmer Market
(Direct sale
by the Producer)**

84. (1) Consumer/Farmer market may be established by developing infrastructure as prescribed by any person in any market area. At such place, producer of agricultural produce himself may, as prescribed, sell his produce directly to the consumer,

Provided that the consumer may not purchase any commodity more than as prescribed.

- (2) Market service charge shall be collected on sale of agricultural produce by the seller and will be remitted to the proprietor of the consumer market.
- (3) Save as otherwise provided in this Act, no market fee shall be livable on the transactions undertaken in the consumer/farmers market.
- (4) License for establishment of consumer/farmer market shall be granted by the State Government or Managing Director.

**Settlement of
disputes between
Market
Committees**

85. (1) Any dispute, Arisen between two or more Market Committees (it may be of any type), shall be referred to the Managing Director or his authorized representative or any other officer authorized for this purpose by the State Government. The decision in the dispute shall be taken after giving a reasonable opportunity of hearing to both the parties in accordance with the prescribed procedure. The State Government shall constitute a "Market Regulatory

Authority" on State level and may make rules for proper functioning of the said Authority.'

- (2) The decision taken by the Prescribed Authority under sub-section (1) shall be final and it cannot be challenged in any civil court.

**Power of Entry,
Search and
Seizer**

86. (1) The Secretary of the Market Committee or any officer authorized by the State Government or the Board in this behalf, may-

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

Provided that a copy of such inventory shall be furnished to the person-in-charge of such account-books, registers or other documents;

- (c) where any account-books, registers or other documents are found in the possession or control of any person in the course of a search, it may be presumed that-
- (i) such account books, registers or other documents belong to such person,
- (ii) that the contents of such books of accounts and other documents are correct, and

- (iii) that such account-books and documents are in the hand writing and signature of such person, by whom they purport to be written or regarding which it may reasonably be assumed that those signatures and hand writing are of such person of whom it should be;
- (d) seize any agricultural produce, in respect of which he has reason to believe that an offence under this Act has been or is being or is about to be committed;
- (e) seize any vehicle or animal, in respect of which he has reason to believe to be in use or to have been used for carrying such agricultural produce and detain the same for so long, as may be necessary in connection with any proceeding or prosecution under this Act;

Provided that the person, seizing the agricultural produce, vehicle or animal shall forthwith submit a report of the seizure to the Magistrate having jurisdiction to try offences under this Act, and the provisions of sections 457, 458 and 459 of the Code of Criminal Procedure, 1973 shall, as far as may be, apply in relation to that agricultural produce, vehicle or animal seized as aforesaid, as they apply to property seized by a Police Officer;

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

- (2) The provision of section 100 of the Code of Criminal Procedure, 1973 (Act No. 2 of 1974), relating to search and seizure, shall, so far as may be apply to searches and seizures made under this section.

Police Help

87. Any officer, authorized by the Board, Secretary of a Committee or any officer so authorized by the Committee, for the purpose of enforcing the provisions of this Act and rules and the bye-laws made thereunder and for carrying out any lawful acts, which have been entrusted to him and when necessary, can seek necessary help from a local police officer not below the rank of Sub-Inspector.

Penalty

88. (1) Any person, who contravenes any of the provisions of section 13, 14 or section 15 of this Act or the rules or bye-laws made there under, shall, on being found guilty, be punished-
- (a) for the first offence-with fine, which may extend to ten thousand rupees;
 - (b) for the second and any subsequent offence of the same nature with simple imprisonment, which may extend to one year or with fine, which may extend to fifty thousand rupee or with both and in case of continuous contravention -with additional fine up to rupees one thousand for everyday subsequent to the date of second conviction or any subsequent conviction, for which the contravention has continued;

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

- (2) Any person, who contravenes any provisions of this Act or the rules or bye-laws made there under, except the provisions of sections 13, 14 and section 15 and the rules and bye-laws made there under, shall be punishable with fine, which may extend to two thousand rupees and in case of continuous contravention, with a further fine of five hundred rupees for

every subsequent day for which the contravention has continued after the date of the first conviction.

- (3) Whenever any person is convicted for an offence punishable under this Act, the Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay to the Market Committee, the amount of fee or any other amount due from him under this Act or the rules or bye-laws made there under and may, in his discretion, also recover summarily and pay to the Market Committee, costs of the prosecution.

**Offences by
companies**

89. (1) If the person committing an offence under this Chapter is a company, every person, who is responsible for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly;

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Chapter if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Chapter is committed by a company and it is proved that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation - For the purpose of this section -

- (a) "company" means a body corporate and includes a firm or other association of individuals; and
(b) "Director" in relation to a firm, means a partner in the firm.

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| Compounding of offence | <p>90. (1) The Market Committee or the Chairman of the Market Committee duly authorized by a Resolution of the Market Committee in this behalf, within the jurisdiction of which such Market yard, Main Market yard or Sub Market yard or Private Market yard is situated, shall have the power to receive a sum, not exceeding Rs. Fifty thousand, by way of Composition Fees in addition to any amount recoverable from him as fee or any other dues from such person, who has Committed any offence or is reasonably believed to commit any offence punishable under this Act, Rules, and bye-laws made there under and shall compound the offence.</p> <p>(2) On the composition of any offence under sub section (1), no proceeding shall be taken or continued against the person concerned in respect of such offence, and incase any proceedings in respect of that offence have already been instituted against him in any court, the composition shall have the effect of his acquittal.</p> |
| Trial of Offences | <p>91. (1) No offence punishable under this Act shall be tried by a court inferior to that of a Magistrate of the First class.</p> <p>(2) No court shall take cognizance of any offence under this Act except on the complaint of the Managing Director or Secretary of Market Committee or such other person, who has been authorized by the Committee by resolution passed in this behalf.</p> |
| Bye-laws | <p>92. (1) A Market Committee may make bye-laws, not inconsistent with this Act and the rules made there under, to provide for; namely :-</p> <ul style="list-style-type: none"> (a) regulation of its business, (b) duties of Traders, Arthiyas, Brokers /Commission Agents, Weighmen and Palledars; and (c) any other matter, which, by order or under this Act, is required to be provided for by bye-laws; |

Provided that no bye-law, other than a bye-law made by adopting draft or model bye-law suggested by the Managing Director, shall be valid unless approved by the Managing Director.

- (2) If, in respect of any matter specified in sub-section (1), the Committee has failed to make any bye-laws or the bye-laws made by the Committee are not, in the opinion of the Managing Director, adequate, the Managing Director may make bye-laws providing for such matters to such extent as he thinks fit.
- (3) The power under this section to make bye-laws shall be exercised, subject to any general or special directions issued by the State Government in that behalf.

Rules

93. (1) The State Government may make rules for carrying out the purpose of this Act.
- (2) In particular and without prejudice to the generality of the foregoing powers, the rules may provide for all or any of the following matters :-
 - (i) the conduct of nomination of members of the Committee and matters relating thereto, and other matters relating to constitution of Committee,
 - (ii) the filling of vacancies in the office of the Chairman, Vice-chairman or other member of a Committee,
 - (iii) the nomination of the Chairman and the Vice-Chairman of the Committee,
 - (iv) the procedure relating to meetings of the Committee, which includes the quorum,
 - (v) the traveling and other allowances, that may be paid to the members of a Committee,
 - (vi) matters relating to the functions, powers and duties of a Committee and its Chairman, vice Chairman, members, officers and servants,
 - (vii) license fees and market fees, which may be levied and

realized by the Committee, and their mode of recovery,

- (viii) the terms and conditions for issue and renewal of licenses under this Act,
- (ix) the procedure of issuing license, denial to issue license, renewal of license and cancellation of license,
- (x) submission of monthly and annual statements by the license holders,
- (xi) system to impose Marketing fee on the transactions of notified agricultural produce in the Market area,
- (xii) the procedure to be followed in regard to the settlement of differences and disputes under this Act,
- (xiii) the manner in which plans and estimates for the construction work to be carried out by a Committee may be prepared and submitted for sanction or approval under this Act,
- (xiv) the register and books to be maintained by a Committee,
- (xv) the format, in which the accounts of a Committee shall be kept, the manner in which the same shall be audited, and the times at which they shall be published,
- (xvi) the format and particulars to be mentioned in reports and returns to be submitted by a Committee,
- (xvii) the manner of investment and disposal of surplus funds of a Committee,
- (xviii) the manner of deposit of amount in, withdrawal from and maintenance and utilization of, the Uttarakhand Marketing Development Fund,
- (xix) matters in regard to the inspection of weights and measures, and weighing and measuring instruments in use in the Market Area,
- (xx) the trade charges, which may be received by any person in any transaction of the specified

- Agricultural produce in the Principal Market Yard or Sub market Yards,
- (xxi) the grading and standardization of the specified agricultural produce,
 - (xxii) exhibition of price lists of agricultural produced, specified by traders,
 - (xxiii) the manner, in which the sale or auction of the specified agricultural produce shall be conducted and bids made and accepted in the Market area,
 - (xxiv) the condition subject to which a Committee may lease, sell or otherwise transfer any property,
 - (xxv) the authority for and the manner of making contracts, on behalf of the Committee,
 - (xxvi) the terms and conditions of employment of the officers and servants of a Committee and matters relating to discipline, control, punishment, dismissal, discharge and removal of such officers and servants,
 - (xxvii) the procedure for the hearing and disposal of appeals under this Act,
 - (xxviii) the regulation of advances, if any, given to agriculturists by brokers, commission agents or traders,
 - (xxix) procedure for appeal to deny for issuing license, cancellation of license and system of appeal against the order,
 - (xxx) fees for arbitration and appeals,
 - (xxxi) maintenance and submission of account books by Traders, Commission Agents, Brokers and Weighmen and their Inspection,
 - (xxxii) the time, place and manner of Sampling, Sale, Purchase, Weighment and Recording of Transactions and mode of payments,
 - (xxxiii) provisions of accommodation for storing any of

- the specified agricultural produce brought in the Market area,
- (xxxiv) procedure for preparation and submission for approval of annual budget,
 - (xxxv) matters relating to the inspection of the working of Committee,
 - (xxxvi) the prohibition of brokers from acting in any transaction of any of the specified agricultural produce on behalf of both the buyers and the sellers,
 - (xxxvii) matter relating to nomination of members of Committees under sub-section (1) of section 17,
 - (xxxviii) constitution of Centralized service under section 37,
 - (xxxix) the procedure in respect of surcharge under section 34,
 - (xl) any other matter which is to be or may be prescribed.
- (3) All rules made under this Act, shall, as soon as may be after they are made, be laid before the State Legislative Assembly while it is in session, and shall, unless some later date is appointed, take effect from the date of their publication in the gazette, subject to such modifications or amendments as the Legislative Assembly may agree to make so, however, that any such modification or amendment shall not affect the validity of anything previously done thereunder.

**Removal of 94.
Difficulties**

If any difficulty arises in implementation in the provisions of this Act, the State Government may, by order, remove such difficulty as it may deem fit;

Provided that no such order shall be made after the expiry of a period of two years from the commencement in this Act.

Repeal and Savings

95. (1) The Uttar Pradesh Krishi Utpadan Mandi Samiti (Alpakalik Vyavastha) Adhiniyam, 1972 as applicable to the State of Uttarakhand) and the Uttaranchal (the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964) Adaptation and Modification Order, 2002 are hereby repealed in its application to the State of Uttarakhand.

(2) Notwithstanding such repeal, any act or proceeding done under the said enactments shall be deemed to have been done or taken under the relevant provisions of this Act.

SCHEDULE

[See Section 3]

(a) AGRICULTURE-

(1) Cereals :-

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

(2) Legumes :- 1. Gram 2. Peas 3. Arhar 4. Urad 5. Moong 6. Masoor
7. Lobia (seed) 8. Soyabean 9. Khesari 10. Sanai (seed) 11. Dhaincha (seed)
12. Guar 13. Moth 14. Kulthi 15. Kidney bean

(3) Oilseeds :-

1. Mustard and rape seed (including Rye, Duwan, Taramira and Toria) of all kinds
2. Sehuwan (seed) 3. Linseed 4. Castor seed 5. Groundnut 6. Til seed
7. Mahuwan seed 8. Gullu 9. Cotton seed 10. Saflower seed 11. Coconut

(4) Fibres :-

1. Jute 2. sunnhemp fibre 3. Cotton (ginned and unginned) 4. Patson
5. Dhaincha 6. Rambans 7. Mesta

(5) Narcotics :-

1. Tobacco

(6) Spices :-

1. Coriander 2. Ripe Chillies 3. Methi (seed) 4. Dry Ginger 5. Sonf (aniseed)
6. Turmeric 7. Dry Mango sliced and Amchoor 8. Cumin seed

(7) Grass and Fodder :-

1. All types and Fodder (green and dried) 2. Bhuśa

(8) Miscellaneous :-

1. Chaolai (seed) 2. Poppyseed 3. Ramdana 4. Walnuts 5. Ban 6. Neemseed 7. Celery seed 8. Ambri seed 9. Mahuwa flower (dry) 10. Churaunjee 11. Berseem (seed) 12. Lucern (seed) 13. Makhana 14. Sugarcane 15. Mesta seed 16. Gur (gurlauta, gurbalti, gurraskat, gurbadda) 17. Rab (salawat and galawat) 18. Piperment 19. Ganne ki Khoi (Begas) 20. Mushroom

(b) HORTICULTURE :-

(1) VEGETABLES :-

1. Potato 2. Onion 3. Garlic 4. Sweet Potato 5. Colocasia 6. Ginger (green) 7. Kachalu 8. Chillies 9. Tomato 10. Cabbage, Cauliflower (knol and Khol) 11. Carrot 12. Radish 13. Brinjal 14. Tinda 15. Bottle gourd 16. Green peas 17. Turnip 18. Parwal 19. Beans 20. Saag (of all kinds) 21. Betel leaves 22. Beet root 23. Yam 24. Elephant root 25. Lettuce 26. Dill 27. Jack fruit (green) 28. Cucumber 29. Sanke gourd 30. Bitter gourd 31. Sponge gourd 32. White gourd 33. Lady's finger 34. Pumpkin 35. Cluster Beans 36. Tamaring 37. Banda 38. Singhara 39. Lobia (green) 40. French Bean

(2) Fruits :-

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

(c) FLORICULTURE

(d) VETICULTURE

1. Grapes

(e) APICULTURE

1. Honey 2. Wax

(f) SERICULTURE

1. Silk

(g) PISCICULTURE

1. Fish

(h) ANIMAL HUSBANDRY PRODUCTS

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

(i) FOREST PRODUCTS

1. Gum 2. Wood 3. Tendu leaves 4. Lac 5. Reetha 6. Catechu 7. Resin

By Order,

R. P. FULORIA,*Joint Secretary.*