

**THE ANDHRA PRADESH (AGRICULTURAL PRODUCE AND LIVESTOCK)
MARKETS ACT, 1966**

(ACT No.16 OF 1966)

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**THE ANDHRA PRADESH (AGRICULTURAL PRODUCE AND LIVESTOCK)
MARKETS ACT, 1966**

(ACT No.16 OF 1966)

[29th November, 1966]

**AN ACT TO CONSOLIDATE AND AMEND THE LAW RELATING TO THE
REGULATION OF PURCHASE AND SALE OF AGRICULTURAL
PRODUCE, LIVESTOCK AND PRODUCTS OF LIVESTOCK AND THE
ESTABLISHMENT OF MARKETS IN CONNECTION THEREWITH:**

BE it enacted by the Legislature of the State of Andhra Pradesh in the Seventeenth Year of the Republic of India as follows:-

1. Short title, extent and commencement- (1) This Act may be called the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force on such date as the Government may, by notification, appoint.

2. Definitions - In this Act, unless the context otherwise requires,-

(i) 'agricultural produce' means anything produced from land in the course of agriculture or horticulture and includes forest produce or any produce of like nature either processed or un-processed and declared by the Government by the notification to be agricultural produce for the purposes of this Act:

¹[(i) (i) "Appellate Authority" means the Regional Joint Director of Marketing having jurisdiction over the notified area concerned;]

²[(ia) "Assessing authority" shall mean the Secretary of the Market Committee as specified in its bye-laws;]

³[(ib) "Bill" means bill issued by the traders as prescribed;

(ic) "Business" means purchase, sale, processing, value addition, storage, transportation and all other connected activities of marketing of agriculture produce, livestock and products of livestock;

(id) "Buyer" includes a person, a firm, a company or co-operative society or Government agency or public undertaking, or public agency or corporation, commission agent, who by himself or on behalf of any other person or agent buys or agrees to buy, by any means of communication, the agricultural produce, livestock and products of livestock in the area notified under this Act;

(ie) "Bye-laws" means the Bye-laws made by a market committee or by the Director of Marketing under this Act;

(if) "Collector" means the Collector of the district in which the notified area of the market committee is situated;

(ig) "Contract Farming" means farming by a person or group of persons or a registered society or a company of his land under a written agreement with another person on such terms and conditions as may be mutually agreed to;

¹. Inserted by the Act No.25 of 2005, S. 2

². Inserted by the Act No.4 of 1987, S. 2

³. Inserted by the Act No.25 of 2005, S. 2

- (ih) “Contract Farming Agreement” means the agreement made for contract farming between contract farming buyer and contract farming producer;
- (ii) “Contract Farming Buyer” means the person purchasing agricultural produce, produced under contract farming;
- (ij) “Contract Farming Producer” means the person obtaining agricultural produce on his land by himself or under his supervision under contract farming;]
- ¹[(ik) “Direct Purchase Centre” means a place in the notified area of Market Committee licensed as Direct Purchase Centre wherein the operator of the Direct Purchase Centre is permitted to buy the notified agricultural produce from the producers.]
- (ii) “Director of Marketing” means the Director of Marketing appointed by the Government ²[and includes the Commissioner for Development of Marketing.]
- ³[(iia) “e-market” means electronic market set up either by Government or its agencies or a person for conducting trading in notified Agricultural Produce through electronic media or by any means of communication in which buying, selling, contracting and negotiating is carried out electronically through computer network/internet.
- (iib) “e-trading” means trading in which billing, booking contracting negotiating information, Exchange Record Keeping and other connected activities are done electronically on computer network/internet or by any means of communication;]
- (iii) ‘Government’ means the State Government;
- (iv) ‘grower’ means a person, who produces by himself or by hired labour or otherwise, or receives under tenancy agreement, the agricultural produce, but does not include a dealer or commission agent in such produce, although he may be a grower of such produce.
- ⁴[(iv a) “Licence” means a licence granted under this Act;]
- If any question arises as to whether a person is a grower or not, the decision of the Director of Marketing thereon shall be final.
- (v) ‘Livestock’ means cows, buffaloes, bullocks, bulls, goats and sheep and includes poultry, fish and such other animals as may be declared by the Government by notification to be livestock for the purposes of this Act.
- ⁵[(vi) ‘market’ means a place established or declared under sub-section (3) of section 4 and includes a market yard and any building therein, warehouse, a cold storage, a processing unit, a Direct Purchase centre or any other place declared as market by the market committee;]
- (vii) ‘market committee’ means a committee constituted or reconstituted under the provisions of this Act;
- (viii) ‘municipality’ means any municipality governed by the law relating to municipalities for the time being in force in the State and includes the Municipal Corporation of Hyderabad;
- (ix) ‘notification’ means a notification published in the Andhra Pradesh Gazette, and the word ‘notified’ shall be construed accordingly;

¹. Added by the Act No. 14 of 2015 S.2

². Added by the A.P. Act 4 of 1987. S.2

³. Inserted by the Act No.12 of 2011, S. 2

⁴. Inserted by the Act No.25 of 2005, S.2

⁵. Substituted by the Act No. 14 of 2015, S.2

(x) ‘notified agricultural produce, livestock or products of livestock’ means agricultural produce, livestock or products of livestock specified in the notification under section 3;

(xi) ‘notified area’ means any area notified under section 3;

(xii) ‘notified market area’ means any area declared to be a market area by notification under section 4;

(xiii) ‘person’ means an individual or a company or an association of individuals, whether incorporated or not, and includes a joint Hindu family;

(xiv) ‘prescribed’ means prescribed by rules made under this Act;

¹[(xiva) “Private Market” means a market established in the notified area under sub-section(7) of Section 7 where infrastructure has been developed by a person for marketing of notified agricultural produce holding a licence for the purpose of this Act;

(xivb) “Processing” means any one or more of a series of treatments relating to powdering, crushing, decorticating, dehusking, 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;

²[(xivbb) “Processing Unit” means a place in the notified area of Market Committee, licensed as a processing unit wherein the operator of the processing unit is permitted to process the notified Agricultural Produce, Livestock and Products of the Livestock.]

(xivc) “Processor” means a person who undertakes processing of any agricultural produce, on his own accord on payment of a charge;]

(xv) ‘products of livestock’ means such products of livestock as may be declared by the Government by notification, to be products of livestock for the purposes of this Act.

³[(xva) “Registering Authority” means the Secretary of Market Committee when all the farmers are from notified area of such committee or officer authorized by Director of Marketing when farmers are from notified areas of more than one market committee for the purpose of registering contract Farming Sponsors and Contract Farming Agreement,”.]

⁴[(xvaa) “Sale” means a transaction as defined in the India Sale of Goods Act, 1930;

(xvb) “Seller” means a person who sells or agrees to sell any agricultural produce, livestock and products of livestock by any means of communication;

(xvc) “Special Market” means a market established under Section 4(3) (bb) of this Act;]

⁵[(xvd) “Spot Exchange” means a corporate entity for trading of notified agricultural produce through electronic media, by means of communication licensed under sub-section (7) of Section 7, which provides an electronic trading platform for Spot Trading of notified Agriculture Produce;

(xve) “Spot Trading” means trade in notified agricultural produce between seller and buyer, by a exchange, using an electronic platform;]

¹. Inserted by the Act No.25 of 2005, S. 2

². Inserted by the Act No.14 of 2015, S.2

³. Inserted by the Act No.14 of 2015, S.2

⁴. Renumbered by the Act No.14 of 2015, S.2,

⁵. Inserted by the Act No.12 of 2011, S.2

¹[(xvi) “trader” means the person licensed under sub-section (1) of Section 7 and includes the person in whose management the collection of fees is placed whether he is called a commission agent, ginner, presser, warehouseman, importer, exporter stockist or by whatever local name he is called]

²[(xvii) “value addition” means processing, grading, packing or other activities due to which value is added to agricultural produce, livestock and products of livestock.]

³[(xviii) “Warehouse” means any building or structure or other protected enclosure including cold storage licensed as Warehouse and use for the purpose of storing agricultural produce on behalf of the depositors”.]

3. Declaration of notified area - (1) The Government may publish in such manner as may be prescribed a draft notification declaring their intention of regulating the purchase and sale of such agricultural produce, livestock or products of livestock in such area as may be specified in such notification.

(2) Such notification shall state that any objections or suggestions which may be received by the Government from any person within a period to be specified therein will be considered by them.

(3) After the expiration of the period specified in the draft notification and after considering such objections and suggestions as may be received before such expiration, the Government may publish in such manner as may be prescribed a final notification declaring the area specified in the draft notification or any portion thereof, to be a notified area for the purposes of this Act in respect of any agricultural produce, livestock and products of livestock specified in the draft notification.

(4) Subject to the provisions of sub-sections (1) (2) and (3), the Government may, by notification –

(a) exclude from a notified area, any area comprised therein; or

^(b) include in any notified area, any area specified in such notification;

⁴[or

(c) declare a new notified area by separation of area from any notified area or by uniting two or more notified areas or parts thereof or by uniting any area to a part of any notified area:

Provided that where, as a result of declaration of a new notified area under this clause, the entire area comprised in an existing notified area is united to one or more notified areas, the said existing notified area shall stand abolished.]

4. Constitution of Market Committee and declaration of notified market area- (1) The Government shall constitute, by notification, a market committee for every notified area from such date as may be specified in the notification and the market committee so constituted shall be a body corporate by such name as the Government may specify in the said notification, having perpetual succession and a common seal with power to acquire, hold and dispose of property and may, by its corporate name, sue and be sued.

⁵[(Provided that any market committee functioning immediately before such constitution in respect of a notified area abolished under the proviso to clause (c) of sub-section (4) of section 3 shall stand abolished.

(1-A) Any notification made under sub-section (1) for the constitution of a new market committee in respect of any new notified area declared under

¹. Inserted by the A.P. Act 4 of 1987, S.2,

². Inserted by the Act No.25 of 2005, S.2,

³. Added by the Act No.14 of 2015, S.2,

⁴. Inserted by the Act No.1 of 1971, S.2

⁵. Proviso Inserted by the Act No.1 of 1971, S.3

clause (c) of sub-section (4) of section 3, may contain such supplemental, incidental and consequential provisions, including provisions as to the composition of the new market committee or new and existing market committee and the apportionment of the assets and liabilities between the market committees affected thereby].

¹[(1-B) Notwithstanding anything contained Section 3 and in sub-sections (1) and (1-A) of Section of 4 of the Act, the Government, may, by notification also constitute a separate market committee to a special market in a notified area.]

(2) It shall be the duty of the market committee to enforce the provisions of this Act and rules and bye-laws made thereunder in the notified area.

(3) (a) Every Market Committee shall establish in the notified area ²[Excluding the scheduled areas] such number of markets as the Government may, from time to time, direct for the purchase and sale of any notified agricultural produce, livestock or products of livestock and shall provide such facilities in the market as may be specified by the Government, from time to time, by a general or special order.

(b) Every market committee shall also establish in the notified area such number of markets as the Government may, from time to time, direct for the purchase and sale, solely of vegetables or fruits and shall provide such facilities in the market as may be specified by the Government, from time to time, by a general or special order.

³[(bb) Every market committee may also establish in the notified area such number of special markets as the Government may from time to time direct for the purchase and sale of any notified agricultural produce, livestock or products of such livestock or fruits and vegetables and may provide such facilities in the special market as may be specified by the Government from time to time, by a general or special order.]

⁴[(bbb) Every Market Committee may also declare in the notified area any warehouse or cold storage or processing unit or any other place as a market by following procedure as may be prescribed];

⁵[(c) The Market Committee shall specify the limits of every market established or declared as a market by it and the government may notify the markets with such limits, to be notified market area for the purpose of this Act.]

⁶[(4) (XXXX)]

⁷[(5) (XXXX)]

5 Composition of Market Committee - ⁸[(1) Every Market Committee shall consist of ⁹[twenty members] and shall be constituted by the Government by notification in the following manner:-

(i) ¹⁰[twelve members] ¹¹[to be nominated by the Government] in consultation with the Director of Marketing from among the

¹. Added by the Act No.25 of 2005, S.3

². Inserted by the Act No.16 of 2000, S.2

³. Added by the Act No.25 of 2005, S.3

⁴. Added in the Act No.14 of 2015, S.3

⁵. substituted in the Act No.14 of 2015, S.3

⁶. Omitted by the Act No.14 of 2015, S.3

⁷. Omitted by the Act No.14 of 2015, S.3

⁸. Substituted by the Act No. 26 of 1995, S.2,

⁹ Substituted by the Act No.28 of 2019, S 2

¹⁰. Substituted by the Act No.6 of 2014 S.2

¹¹. Substituted by the Act No.10 of 2014, S.2

following categories of growers of agricultural produce, owners of livestock and products of livestock in the notified area, namely:-

- (a) growers of agricultural produce who are small farmers;
- (b) growers of agricultural produce other than small farmers;
- (c) owners of livestock and products of livestock :

Provided that there shall at least be ¹[five] members from among persons belonging to Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities and Women:

Providing further that there shall be at least ¹[five] members representing the category of small farmers;

(ii) ²[three] members ¹¹[to be nominated by the Government] in the consultation with the Director of Marketing from among the licensed traders in the notified area ³[XXXX];

(iii) one member ¹¹[to be nominated by the Government] from among the Presidents or persons-in-charge, if any, for the time being performing the functions of Primary Agriculture Co-operative Societies or the Co-operative Marketing Societies having areas of operation within the notified area;

(iv) the Assistant Director of Marketing having jurisdiction over the notified area or any other officer nominated in this behalf by the Director of Marketing;

(v) the Assistant Director of Agriculture or Assistant Director of Horticulture or Assistant Director of Animal Husbandry or Assistant Director of Fisheries having jurisdiction over the notified area or any other officer nominated in this behalf by the concerned Head of the Department;

(vi) Chairperson of the Municipality or the Sarpanch the Gram Panchayat, as the case may be, whose jurisdiction the office of the Market Committee is located;

Provided that in the case of Municipal Corporation constituted under any law relating to Municipal Corporation for the time being in force in the State, one person as may be nominated by the Corporation shall represent the Corporation in the Agricultural Market Committee concerned where a notified area comprises the Corporation also.

Explanation – I For the purpose of this sub-section, a ‘small farmer’ means a farmer holding an extent not more than 4.04686 hectares (ten acres) of dry land or 2.02343 hectares (five acres) of wet land.

Explanation – II (1) In computing the extent of land held by the farmers for the purpose of this sub-section 0.404686 hectares (one acre) of wet land shall be deemed to be equal to 0.809372 hectares (two acres) of dry land.

⁴[(vii) Member of Legislative Assembly in whose constituency, the office of the Market Committee is located.]

(2) Every Market committee shall have a Chairman [nominated from among its members] specified in Clause (i) or Clause (ii) of the sub-section (1) ⁵[and an honorary chairman who shall be the member of Legislative Assembly nominated under clause (vii) of sub-section (1)] and a Vice-Chairman to be

¹ . Substituted by the Act No.25 of 2005, S.4

² . Substituted by the Act No.6 of 2014, S.2,

³ Omitted by the Act No.25 of 2005, S.4.

⁴ . Added by the Act No.28 of 2019, S.2.

⁵ . Inserted by the Act No.28 of 2019, S.2.

¹[nominated from among its members] specified in clause (i) or clause (ii) of sub-section (1), by the government in consultation with the Director of Marketing;

3.Existing members, Vice-Chairman and Chairman of the Market Committee to cease to hold office - (1) Notwithstanding anything contained in the principal Act, all the members, vice-Chairman and chairman of every Market Committee holding office at the commencement of the Andhra Pradesh (Agricultural Produce and Livestock) Markets (Amendment) Act, 1995 shall cease to hold office as such and there upon it shall be competent to appoint a person or persons to exercise the powers and perform the functions of the Market Committee until the Market Committee is reconstituted in accordance with the provisions of section of the Principal Act as amend by this Act.

(2) The person or persons so appointed shall subject to the control of the Government and to such instructions and Directions as may be issued, from time to time, exercise the powers, discharge the duties and perform the functions of the Market Committee and take all such actions as may be required in the interests of the Market Committee.

(3) The Government may fix the remuneration payable to the person or persons so appointed. The amount of such remuneration and other costs, if any incurred in the management of the committee shall be payable out to the Market Committee Fund”.]

²[(3) Save as otherwise provided in this Act, the term of office of the members nominated under sub-section (1) shall be one year from the date of nomination :

Provided that the members of the Committee shall hold the office during the pleasure of the Government.

Provided further a member nominated under clause (ii) of sub-section (1) shall cease to hold office, if he ceases to be a trader.]

Provided further that a non-official member of the market committee shall cease to hold his office if he absents himself from three consecutive meetings of the committee, including meetings which for want of quorum could not be held.

Explanation - For the purposes of the second proviso; no meeting of the market committee from which a member absents himself shall be counted against him, if due notice of that meeting was not given to him.

(4) Where a person ceases to be a member under the second proviso to sub-section (3), the chairman shall at once intimate the fact in writing to such person and report the same to the market committee at its next meeting. If such person applies for restoration to the market committee on or before the date of its next meeting or within fifteen days of the receipt by him of such intimation the market committee may at next meeting after the receipt of such application restore him to his office:

Provided that a member shall not be so restored more than twice during his term of office.

(5) The Government may, by notification, remove the chairman or vice-chairman, who in their opinion wilfully omits or refuses to carry out or disobeys the provisions of this Act or any rules or bye-laws or lawful orders issued there under or abuses his position or the powers vested in him, after giving him an opportunity for explanation, and the said notification shall contain a statement of the reasons of the Government for the action taken.

(6) Any person removed under sub-section (5) from the office of Chairman or Vice-Chairman shall not be eligible ¹[for nomination] to either of the said

¹. Substituted by the Act No.10 of 2014.

². Substituted by the Act No. 10 of 2014, S.2.

Offices, until the date on which notice of the next ordinary elections to the market committee under sub-section (1) of section 6.

(7) Any other member of a market committee may, at any time, be removed from office by the Government for such reasons and after such inquiry, as may be prescribed.

(8) When any vacancy occurs in the office of a member it shall be filled in the manner of laid down in sub-section (1):

Provided that no such vacancy shall be filled within three months before the expiration of the term of office of the member.

(9) ²[The members nominated] to fill a vacancy under sub-section (8) shall hold office for the remainder of the term of his predecessor.

(10) When any vacancy occurs in the office of a Chairman or Vice-chairman, it shall be filled in the manner laid down in sub-section (2) and the ³[person nominated], to fill in such vacancy shall hold office only for the remainder of the term of his predecessor.

4[5-A. Constitution of Market Committee for Special Markets - (1) Every market committee constituted for a special market under sub-section (1-B) of section 4 of the Act, shall consist of eighteen members in the following manner ⁵[as nominated by the Government,-

- (i) there shall be eight grower members;
- (ii) there shall be two licensed trader members, out of whom one shall be a representative of the processing unit or the company or society having special interest in the specific produce;
- iii) Chairman of the Municipality or Sarpanch of the Gram Panchayat as the case may be in whose area the special Market is located;
- (iv) Director of Marketing or his nominee;
- (v) Director of Agriculture or Horticulture or his nominee;
- (vi) District Collector concerned or his nominee;
- (vii) Managing Director, 39Telangana State Cooperative Marketing Federation Ltd, or his nominee;
- (viii) Managing Director, 40Telangana State Civil Supplies Corporation Ltd, or his nominee;
- (ix) Senior Regional Manager, Food Corporation of India or his nominee;
- (x) General Manager, Cotton Corporation of India or Jute Corporation of India or his nominee:

Provided that there shall be at least four members from among persons belonging to Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities and Women:

Provided further that there shall be at least two members representing the category of small farmers.

(2) Every market committee shall have a Chairman nominated from among its members specified in clause (i) of sub-section (1) and Vice-Chairman

¹. Substituted by the Act No.10 of 2014, S.2

². Substituted by the Act No.10 of 2014, S.2

³. Substituted by the Act No.10 of 2014. S.2

⁴. Inserted by the Act No.25 of 2005, S.5

⁵. Substituted by the Act No.10 of 2014,S.3

¹[nominated from among its members] specified in clauses (i) and (ii) of sub-section (1) by the Government in consultation with the Director of Marketing.

(3) Save as otherwise provided in this Act, the term of office of the members nominated under sub-section (1) shall be three years from the date of nomination:

Provided that a member ²[nominated] under clause (ii) of sub-section (1) shall cease to hold office if he ceases to be a trader:

Provided further that a non-official member of the market committee shall cease to hold office if he absents himself for three consecutive meetings of the committee, including meetings which for want of quorum could not be held.

Explanation:- For the purpose of the second proviso, no meeting of the market committee from which a member absents himself shall be counted against him, if due notice of that meeting was not given to him.

(4) For the purpose of this section the provisions of sub-section (1), and sub-sections (4) to (10) of section 5 and section 6, section 6-A and section 6-B shall apply mutatis mutandis.]

5B. Power of Government to withdraw the powers of Chairman - Notwithstanding anything in this Act or the rules made thereunder, where in the opinion of the Government, the Chairman of the Market Committee wilfully omits or refuses to carry out the orders of the Government for the proper working of the market committee or abuses his position or the powers vested in him, they may be order, withdraw all or any of the powers vested in him by or under this Act pending investigation into such omission, refusal or abuse of position or power, and cause all or any of the powers and functions of the Chairman to be exercised and performed by such person or authority as the Government may appoint in that behalf. Every market committee constituted for a special market sub-section (1-B) of Section 4 of the Act, shall consist of eighteen members in the following manner.

6. Reconstitution of the market committee - (1) The Government shall reconstitute the market committee on the expiration of the term of office of the members of the market committee or of the term as extended under sub-section (2).

(2) The Government may extend the term of office of the members of a market committee for a period not exceeding one Year:

Provided that no such extension shall be given for a period exceeding six months at a time.

(3) (a) Where, for any reason, there is delay in the constitution or reconstitution of the market committee in accordance with the provisions of this Act, the Government ³[or the Director of Marketing] may ⁴[nominate a person or persons] to manage the affairs of the market committee ⁵[until the market committee is re-constituted.]

(b) The ⁶[persons or person so nominated] shall, subject to the control of the Government and to such instructions or directions as they may issue from time to time, exercise the powers, discharge the duties and perform the functions of the market committee and take all such action as may be required in the interests of the market committee.

(c) The Government may fix the remuneration payable to the ⁵[persons or person so nominated]. The amount of such remuneration and other costs, if any, incurred in the management of the market committee shall be payable out of the Market Committee Fund.

¹ . Substituted by the Act No.10 of 2014, S.3

² . Substituted by the Act No.10 of 2014, S.3

³ . Inserted by the Act No.25 of 2005 S.6.

⁴ . Substituted by the Act No.10 of 2014 , S.4.

⁵ . Substituted by the Act No.36 of 1998, S.2

⁶ . Substituted by the Act No.10 of 2014, S.4

(d) The Government may at any time and, shall ¹[at the expiration of the period of nomination of person or persons so nominated], arrange for the constitution or reconstitution of the market committee in accordance with the provisions of this Act. The ²[person or persons so nominated] shall cease to manage the affairs of the market committee on such constitution or reconstitution.

³[6-A. Power of Government ⁴[or the Director of Marketing] to suspend the Chairman of the Market Committee: If the government are ²[or the Director of Marketing] are of the opinion that the Chairman of the Market Committee wilfully omitted or refused to carry out the orders of the Government ²[or the Director of Marketing] for the proper working of the Market Committee or abused his position or the powers vested with him, and that the further continuance of such person in office would be detrimental to the interests of the Market Committee or the inhabitants of the market, the Government ²[or the Director of Marketing] may, by order, suspend the chairman of the market committee from office for a period not exceeding three months pending investigation into the said charges and action thereto under the foregoing provision of this Section.

Provided that it shall be competent for the Government ²[or the Director of Marketing] to extend from time to time, the period of suspension for such further period not exceeding three months, so, however, that the total period of suspension shall not exceed six months.

6-B. Power of Government ⁵[or the Director of Marketing] to withdraw the powers of Chairman : Notwithstanding anything in this Act or the rules made thereunder, where in the opinion of the Government ³[or the Director of Marketing], the Chairman of the Market Committee wilfully omits or refuse to carry out the orders of the Government ³[or the Director of Marketing] for the proper working of the market committee or abuses his position or the powers vested in him, they may by order, withdraw all or any of the powers vested in him by or under this Act pending investigation into any of the powers and functions of the Chairman to be exercised and performed by such person or authority as the Government ³[or the Director of Marketing] may appoint in that behalf.]

⁶[7. Licensing of Traders, Commission Agents Processor, Direct Purchase Centres, Private markets etc., and Regulation of Trade] (1) No person shall, within a notified area, set up, establish or use, or continue or allow to be continued, any, place for the purchase, sale,⁷[warehousing] storage, weighment, curing, pressing or processing of any notified agricultural produce or products of livestock or for the purchase or sale of livestock except under and in accordance with the conditions of a licence granted to him ⁸[under this section] :

Provided that the market committee ⁹[or the Director of Marketing] may exempt from the provisions of this sub-section any person who carries on the business of purchasing or selling any notified agricultural produce, livestock or products of livestock not exceeding such value as may be prescribed:

Provided further that a person selling notified agricultural produce, livestock or products of livestock grown, reared or produced by him, shall be exempt from the provisions of this sub-section but, the Government may, for special reasons to be recorded in writing, withdraw such exemption in respect of any such person.

¹. Substituted by the Act No.10 of 2014, S.4,

². Substituted by the Act No.10 of 2014, S.4

³. Sections 5-A and 5-B inserted by A.P. Act No.4 of 1987, and renumbered as 6-A and 6-B respectively by Act No.24 of 1991, S.4.

⁴. Inserted by the Act No.25 of 2005,S.7

⁵. Substituted by the Act No.25 of 2005

⁶. Substituted by the Act No. 14 of 2015 S.4.

⁷. Inserted by the Act No. 14 of 2015, S.4.

⁸. Inserted by the Act No. 14 of 2015, S.4.

⁹. Substituted by the Act No.14 of 2015, S.4.

Explanation.- Nothing in the second proviso to this sub-section shall be construed as exempting a co-operative marketing Society registered or deemed to be registered under the Andhra Pradesh Co-operative Societies Act, 1964, selling notified agricultural produce, livestock or products of livestock grown, reared or produced by any of its members.

¹[Provided also that the market committee ²[or the Director of Marketing or the Officer authorized by him as the case may be] shall not renew the licence granted under this section, unless the licensee pays ³[all the arrears of amounts under provisions of this Act.]

⁴[(1-A) There shall be a State wide single licence for the trader to be granted/renewed by the Director of Marketing or an Officer authorized by him in the manner and in the form as may be prescribed. The existing trader licences granted by the Agricultural Market Committees shall be converted into State wide single trader, licence by the Director of Marketing or the Officer authorized by him, within six (6) months from the date of commencement of the Andhra Pradesh (Agricultural Produce and Livestock)Markets (Amendment) Act, 2015. Until then the existing trader licences granted by the Agricultural Market Committees are deemed to have been the State wide single traders licences;

(1-B) A commission agent licence shall be granted / renewed by the Agricultural Market Committee in the manner in the form as may be prescribed to operate as a Commission Agent in a market;

(1-C) Warehouse licence shall be granted /renewed by the Agricultural Market Committee for establishing/operating a warehouse in the notified area of the Market Committee, in the manner and in the form as may be prescribed;

(1-D) Processor licence shall be granted / renewed by the Agricultural Market Committee for establishing/operating of a processor in the notified area of the market committee, in the manner and in the form as may be prescribed;

(1-E) Licence for all other purposes mentioned under sub-section (1) shall be granted/renewed by the Agricultural Market Committee to operate anywhere in the notified area, in the manner and in the form as may be prescribed;]

(2) Nothing in sub-section (1) shall apply to a person purchasing notified agricultural produce, livestock or products of livestock for his own domestic consumption.

(3) A licence granted under sub-section (1) shall be in such form and subject to the payment of such fees, as may be prescribed:

Provided that no fees shall be charged for the grant of a licence–

- (i) to the Khadi and Village Industries Commission;
- (ii) to a co-operative marketing society referred to in the Explanation to sub-section(1);
- (iii) to a person merely for curing, pressing or processing any notified agricultural produce or products of livestock.

(4) (a) A licence under sub-section (1) may be refused to a person –

- (i) whose licence was cancelled and one year has not elapsed since the date of the cancellation;
- (ii) who has been convicted of an offence or been guilty of misconduct which, in the opinion of the market committee ⁵[or the Director of Marketing or the Officer authorized by him as the case may be] affects the said persons integrity as a man of business;

¹. Proviso added by the Act No.4 of 1987, S.7.

². Inserted by the Act No.14 of 2015. S.4.

³. Substituted by the Act No.14 of 2015, S.4.

⁴. Inserted by the Act No.14 of 2015 S.3

⁵. Inserted by the Act No. 14 of 2015, S.4,

(iii) in regard to whom the market committee ⁵[or the Director of Marketing or the Officer authorized by him as the case may be] is satisfied, after such inquiry as it considers adequate, that he is a benamidar for, or a partner with, any other person to whom a licence may be refused under sub-clause (i) or sub-clause (ii).

(iv) if, in the opinion of the market committee ⁵[or the Director of Marketing or the Officer authorized by him as the case may be], the grant of a licence is likely to affect the transaction of purchase or sale in the market or the levy of market fees therefore.

(b) The market Committee ¹[or the Director of Marketing or the Officer authorized by him as the case may be] in accordance with such rules as may be made by the Government and after such inquiry as it deems fit, cancel or suspend any licence granted under ²[sub-sections(1-A), (1-B), (1-C), (1-D) and (1-E)]:

Provided that in the case of refusal to grant a licence or of suspension or cancellation of a licence, the applicant or the licensee, as the case may be, shall be entitled to appeal to such officer and in such manner as may be prescribed.

(5) A person to whom a licence is granted under sub-section (1) shall comply with the provisions of this Act, the rules and the bye-laws made thereunder and the conditions specified in the licence.

³[(6) Notwithstanding anything contained in sub-section (1), no person shall purchase for sale or processing any notified agricultural produce, livestock and products of livestock outside the market committee or outside the licensed District Purchase Centres.]

⁴[(7) Notwithstanding anything contained in sub-sections (1) to (6), the Director of Marketing may grant/renew licence in the manner and in the form prescribed, to a person, after examination of the credentials, experience and the proposed plan to establish a Direct Purchase centre in a notified area, with such facilities as prescribed, for making purchased from the growers of the agricultural produce, livestock and products of live stock for processing, grading, packing storing and for sale/export of the products.

Provided that the licence so granted under sub-section (7) shall be suspended or cancelled for violation of any provisions of the Act.]

⁵[(8) Notwithstanding anything contained in sub-sections (1) to (7), Government or the competent authority as may be declared by the Government in this behalf, may grant a licence to a person, to establish e-market in a notified area for the purpose of this Act, for e-trading unbderr the conditions of Licence granted to him a per the procedure prescribed.]

⁶[(9) Notwithstanding anything contained in sub-sections (1) to (8), the government may grant/renew a licence to establish and operate private market i the manner and form as may be prescribed, after examination of the credentials, experience and proposed plan to establish a private market in a notified area, for the purposes of this Act with such facilities as prescribed for facilitating transparent and efficient trading of notified agricultural produce, live stock and products of live stock:

Provided that the licence so granted shall be suspended or cancelled for violation of any provisions of the Act.

10 (a) The Director of Marketing may from time to time identify and notify the markets for conducting online trade through electronic platform and direct

¹. Inserted by the Act No. 14 of 2015, S.4,

². Substituted by the Act No. 14 of 2015, S.4,

³. Substituted by the Act No. 14 of 2015, S.4,

⁴. Substituted by the Act No. 14 of 2015, S.4,

⁵. Added by the Act No.12 of 2011, S.3

⁶. Added by the Act No.14 of 2015, S.4,

the market committee to provide infrastructure for conducting online trade within the stipulated time and the market committee shall provide the infrastructure within the stipulated time.

(b) After satisfying himself that the necessary infrastructure is provided in the selected markets, the Director of Marketing shall notify the date with effect from which online trade through electronic platform shall be take place.]

¹[7-A XXXX]

²[7-B XXXX]

8. Sub-committee and delegation of powers - The market committee may appoint one or more of its members, to be a sub-committee or special committee for the conduct of any work or to report on any matter, and may delegate to any one or more of its members such of its powers or duties as it may think fit.

9. Meetings - (1) The market committee may, at any item, call a meeting of the market committee, but such meeting shall be held at least once in every month. The market committee shall also call a meeting of the market committee within one month after receipt of a requisition in writing from the Director of Marketing or from one-third of the total number of members of the market committee.

Explanation.- In the determination of one-third of total number of members under this sub-section, any fraction arrived at shall be counted as one.

(2) Where a meeting not called as provided in sub-section (1) the Director of Marketing shall call such meeting.

³[(3) It shall be the duty of the chairman to convene the meetings of te Market Committee in accordance with the provisions of sub-section (1) and where a Chairman of the Market Committee fails to convene three consecutive meetings of the market committee from the date of the commencement of office or the last meeting of the Committee, he shall cease to be the chairman unless such cessation has otherwise occurred before that date and for a period of one year from such date he shall not be eligible to be appointed as Chairman.]

10. Appointment and salaries of officers and servants of market committee-

(1) All appointments of officers and other employees necessary for the management of the market shall be made in the prescribed manner.

(2) The market committee shall in the case of persons in the service of the Government whom it employs, make such contribution towards his pension and leave allowances, as may be required by the conditions of his service under the Government, to be paid by him or on his behalf.

(3) The chairman, vice-chairman and every officer or servant of a market committee shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

11. Execution of contracts - ⁴[(1) Every contract entered into by a market committee shall be in writing and shall be signed by the Secretary of the Market committee in the manner as may be prescribed.]

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

⁵[**11A. Contract Farming** - (1) Every contract farming sponsor shall register with Registering Authority in such manner and on payment of such fee a may be prescribed.

(2) The contract farming sponsor shall register the contract farming agreement, with the Registering Authority in such manner and in such form as may be prescribed.

¹. Omitted by the Act No.14 of 2015, S.7-A

². Omitted by the Act No.14 of 2015, S.7-B

³. Inserted by the Act No.4 of 1987, S. 5,

⁴. Substituted by the Act No.14 of 2015, S.6

⁵. Substituted by the Act No.14 of 2015, S.7,

(3) Notwithstanding, anything contained in contract farming agreement, no title, rights, ownership or possession shall be transferred or attenuated or vesting the contract farming sponsor or his successor or his agent as a consequence arising out of the contract farming agreement.

(4) Any dispute arising out of contract farming agreement shall be decided by the Registering Authority. He shall resolve the dispute in a summary manner within thirty days from the date of reference of dispute by giving the parties a reasonable opportunity of being heard, in such manner as may be prescribed.

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

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

(7) The agricultural produce under contract farming shall be sold to the contract farming sponsor in the manner prescribed, on payment of market fee by the contract farming buyer.]

12. Levy of fees by the market committees - (1) The market committee shall levy fess on any notified agricultural produce, live stock or products of live stock purchased or sold in the notified market area ¹[not exceeding two rupee] as may be specified in the bye-laws for every hundred rupees of the aggregate amount for which the notified agricultural produce, livestock or products of livestock is purchased or sold, whether for cash or deferred payment or other valuable consideration.

Explanation I- For the purposes of this section, all notified agricultural produce, livestock or products of livestock taken out of a notified market area shall, unless the contrary is proved, be presumed to have been purchased or sold within such area.

Explanation II- In the determination of the amount of fees payable under this Act, fractions of ten paise equal to or exceeding five paise shall be counted as ten paise and other fractions of ten paise shall be disregarded.

²[(1 – A) The Market Fee under sub-section (1) shall be single point levy on notified Agricultural Produce, Live Stock and Product of Livestock. If the Market Fee is levied and collected by any Market committee in the State, and such Agricultural Produce, Live stock and Product of live stock sold or processed within the State are exported outside the State, it shall be exempted from the levy of Market Fee subject to production of evidence of payment of Market Fee as may be prescribed.]

(2) The fees referred to in sub-section (1) shall be paid by the purchaser of the notified agricultural produce, livestock or products of live stock:

Provided that where the purchaser cannot be identified, the fees shall be paid by the seller.

³[**12A. Submission of return of turnover by trader** - Every trader in the notified area, who is liable to pay fees under section 12, shall submit such return or returns relating to his turnover in such manner, within such period and to such authority, as may be specified by the market committee in its bye-laws.

¹. Substituted by the A.P. Act No.4 of 1987, S.6

². Inserted by the Act No. 14 of 2015, S.8

³. Inserted by the Act No.4 of 1987, S.7

Explanation - For the purposes of sections 12A to 12G (both inclusive) the terms-

- (i) "market fees" shall mean the fees levied under sub-section (1) of section 12;
- (ii) "turnover" shall mean the aggregate amount for which the notified agricultural produce, livestock or products of livestock, are purchased or sold, whether for cash or deferred payment or other valuable consideration.

12B. Assessment of market fees - (1) If the assessing authority is satisfied that any return submitted under section 12A is correct and complete, it shall assess the amount of market fees payable by the trader on the basis thereof; but if the return appears to it to be incorrect or incomplete, it shall, after giving the trader an opportunity of proving the correctness and completeness of the returns submitted by him and after making such inquiry as it considers necessary, assess to the best of its judgment the amount of market fees due from the trader. An assessment under this section shall however, be made only within a period of three years from the expiry of the year to which the assessment relates.

(2) Where the return submitted by a trader includes the turnover or any of the particulars thereof which would not have been disclosed but for any inspection of accounts, registers or other documents of the trader made by an officer authorised under this Act before the submission of such returns, the assessing authority may, after giving an opportunity to the trader for making a representation in this behalf, treat such return to be an incorrect or incomplete return within the meaning of sub-section (1) and proceed to take action on that basis.

(3) While making an assessment to the best of Judgment under sub-section (1), the assessing authority may also direct the trader to pay, in addition to the market fees assessed a penalty equal to two times the market fees due on the turnover that was not disclosed by the trader in his return.

(4) Where any trader liable to pay market fees under this Act,-

- (i) fails to submit return before the date specified in that behalf, or (ii) produce the accounts, registers and other documents after inspection, or
- (iii) submits a return subsequent to the date of inspection, the assessing authority may, at any time within a period of three years from the expiry of the year to which the assessment relates, after issuing a notice to the trader, and after making such inquiry as it considers necessary, assess to the best of its judgment, the amount of market fees due from the trader, on his turnover for that year and may direct him to pay in addition to the market fees so assessed, a penalty equal to two times the market fees due.

(5) Where, for any reason, the whole or any part of the turnover of a trader has escaped assessment to market fees or has been under assessed or assessed at a rate lower than the correct rate, the assessing authority may, at any time within a period of three years from the date on which any order of assessment was served on the trader,-

- (a) determine to the best of its judgment the turnover that has escaped assessment and assess the turnover so determined;
- (b) assess the correct amount of market fees payable on the turnover that has been under assessed;
- (c) assess at the correct rate the turnover that has been assessed at a lower rate, after issuing a notice to the trader and after making such inquiry as it considers necessary. The assessing authority, in addition to the market fees so assessed, also direct the trader to pay a penalty equal to two times the market fees.

12C. Payment of market fees and other dues payable under the Act - (1) The market fees assessed under this Act and the penalty levied under sub-sections (3), (4) and (5) of section 12B shall be paid by the trader in such manner and within such time not being less than fifteen days from the date of service of the notice of assessment or the levy of penalty as may be specified in such notice.

(2) The Director of Marketing may by general or special order permit the payment of any market fees or penalty or both assessed or levied under this Act in two or more installments within such intervals as may be specified in the said order.

(3) If the market fees assessed under this Act or, any installment thereof is not paid by any trader within the time specified therefor in the notice of assessment or in the order permitting payment in installments the trader shall pay in addition to the amount of such market fees or installment, interest at the rate of twelve percent per annum of such amount from the date when the market fees becomes due.

(4) If the market fees assessed or the penalty levied under this Act or any installment thereof is not paid by any trader within the time specified therefor, the whole of the amount then remaining unpaid, may be recovered from him as if it were an arrear of land revenue.

(5) The penalty payable under this Act shall be without prejudice to the institution of any proceedings for an offence under this Act, or for the recovery of the entire amount remaining unpaid under sub-section (4).

12D. Recovery of market fees where business of trader is transferred - Where the ownership of the business of a trader liable to pay market fees is transferred, any market fees or other amount payable under this Act in respect of such business and remaining unpaid at the time of transfer, may, without prejudice to any action, that may be taken for its recovery from the transferor, be recoverable from the transferee as if he were the trader liable to pay such market fees or other amount.

12E. Appeals - (1) Any trader objecting to an order of assessment passed or proceeding recorded by the assessing authority, under the provisions of this Act may, within, thirty days from the date on which the order or proceeding was served on him, appeal to the Regional Joint Director of Marketing having jurisdiction over the notified area concerned (herein after referred to as the Appellate Authority):

Provided that the Appellate Authority may admit an appeal preferred after the period of thirty days aforesaid, if it is satisfied that the trader has sufficient cause for not preferring the appeal within that period.

(2) Before preferring an appeal under this section, market fee shall be paid in accordance with the assessment made in the case and no appeal shall be entertained until the said market fee is paid.

(3) The appeal shall be in such form and shall be accompanied by such fee as may be specified by the market committee concerned in its bye-laws.

(4) The Appellate Authority may, after giving the appellant an opportunity of being heard and subject to such rules of procedure as may be prescribed,-

(a) confirm, reduce, enhance or annul the assessment or the penalty or both; or

(b) set aside the assessment or penalty or both and direct the assessing authority to pass a fresh order after such further inquiry as may be directed; or

(c) pass such other orders as it may think fit.

(5) Before passing an order under sub-section (4), the Appellate Authority may make such inquiry as it deems fit or remand the case to the Deputy Director

of Marketing having jurisdiction over the notified area concerned for an inquiry and report on any specified point or points.

(6) Every order passed it appeal under this section shall, subject to the provisions of sections 12F and 12G be final.

12F – Revision by the Director of Marketing – (1) The Director of Marketing may suo-motu ¹[or on an application made by the petitioner, after exhausting the opportunity under Section 12-E] call for and examine the record the any order passed or proceeding recorded by any authority or person authorized by it, under the provisions of this Act for the purpose of satisfying himself a to the legality or property of such order or as to the regularity of such proceeding and may pass such order in reference thereto as he thinks fit.

Provided that every application for the exercise of the powers under this section shall be preferred within thirty days from the date on which the order or proceedings was communicated to the applicant.

(2) In relation to an order of assessment passed under this Act, the powers conferred by sub-section (1) powers conferred by sub-section (1) shall be exercisable only within such period not exceeding three years from the date on which the order was served on the trader, as may be prescribed.

(3) No order shall be passed under sub-section (1) enhancing any assessment unless opportunity has been given to the assessee to show cause against the proposed enhancement.

12G. Appeal to High Court - (1) Any trader objecting to an order relating to assessment passed by the Director of Marketing under subsection (1) of section 12F, may appeal to the High Court within sixty days from the date on which the order was served on him:

Provided that the High Court may admit an appeal preferred after the period of sixty days mentioned in subsection (1), if it is satisfied that the trader has sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in such form, shall be verified in such manner and shall be accompanied by such fee as may be prescribed.

(3) The High Court after giving both parties to the appeal, an opportunity of being heard pass such order thereon as it thinks fit.

(4) Before preferring an appeal under this section, market fee shall be paid in accordance with the assessment made in the case and no appeal shall be entertained until the said market fees is paid:

Provided that if as a result of the appeal, any change becomes necessary in such assessment, the High Court may authorise the assessing authority to amend the assessment and on such amendment being made, the excess amount paid by the trader shall be refunded to him without interest or the further amount of market fees due from him shall be collected in accordance with the provisions of the Act as the case may be.

(5) In respect of every appeal preferred under sub-section (1), the cost shall be in the discretion of the High Court.]

13. Levy of subscription for market reports etc.,- The market committee may, in accordance with such rules as may be made in this behalf, levy a subscription for collecting and disseminating among the subscribers, information as to any matter relating to statistics or marketing in respect of notified agricultural produce, livestock or products of livestock.

14. Market Committee Fund - (1) All moneys received by a market committee shall be paid into a fund to be called “the Market Committee Fund” and the said Fund shall be deposited, in a single banking account with the nearest

¹. Substituted by the Act No.14 of 2015,

Government treasury, or with the sanction of the Government, in a Bank. All expenditure incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said Fund; and any surplus remaining after such expenditure shall be invested in such manner as may be prescribed.

(2) (a) Every market committee shall, out of its fund, pay to the Government the cost of any special or additional staff employed by the Government in consultation with the market committee in the notified area for giving effect to the provisions of this Act.

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

(3) A market committee may grant loans to another market committee out of its surplus funds and ¹[with the previous sanction of the Director of Marketing upto such amount and on such rates of interest as may be prescribed by the Government from time to time.]

2[14A. Disqualification – Any person who incurs the disqualification under sub-section (3) of section 9 of the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 (AP Act No.16 of 1966) and ceases to be the Chairman of the Market Committee shall also cease to hold the office of President of the Parishad.]

15. Purposes for which the Market Committee Fund may be expended - Subject to the provisions of section 14, the Market Committee Fund shall be expended for all or any of the following purposes, namely:-

- (i) the acquisition of site for the market;
- (ii) the establishment, maintenance and improvement of the market;
- (iii) the construction and maintenance of buildings, necessary for the market and for the health, convenience and safety of the persons using the market and maintenance of buildings under the control of the market committee;
- (iv) the provision and maintenance of standard weights and measures;
- (v) the pay, pensions, leave allowances, gratuities, compassionate allowances and contribution towards leave allowances, pensions or provident fund of officers and servants employed by the market committee;
- (vi) the payment of interest on loans that may be raised for purpose of the market and the provisions of a sinking fund in respect of such loans;
- (vii) the collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of notified agricultural produce, livestock and products of livestock;
- (viii) schemes for the extension of cultural improvement of notified agricultural produce, livestock and products of livestock within the notified area, including the grant, subject to the approval of the Government, of financial aid to the schemes for such extension or improvement within such area, undertaken by other bodies or individuals;
- (ix) Propaganda for the improvement of agriculture, livestock and products of livestock and thrift;

¹. Substituted by the Act No.25 of 2005, S.12

². Inserted by the Act No.17 of 1988, S.5

(x) ¹[XXXX]

(xi) the promotion of grading services;

(xii) measures for the preservation of food grains;

²[(xii-a) [xxx]]x doubt

(xiii) such other purposes as may be specified by the Government by general or special order:

16. Central Market Fund – (1) There shall be formed for the whole of the State a fund to be called “the Central Market Fund”. Every market committee shall contribute ³[twenty five percent] of its annual income to the Central Market Fund and the contribution so paid shall be placed to the credit of the said Fund.

⁴[Provided that it shall be competent for ⁵[the Director of Marketing] to grant postponement of the payment of contribution or reduction or remission thereof in respect of any newly constituted market committee up to a period of three years from the date of its constitution.]

(2) The Central Market Fund shall be vested in the Government and deposited in the Government treasury at Hyderabad. It shall be administered and applied by ⁶[the Director of Marketing] for all or any of the following purposes, namely:-

(i) grant-in-aid of the market committees for the first year after their constitution under this Act;

(ii) grant-in-aid of a deficit market committee for a period not exceeding three years;

(iii) grant of loans to the market committees at such rates of interest as are charged on loans granted by the Government for development purposes;

⁷[(iii – a) grant of incentives for attaining private investments into the designated marketing related infrastructure in such manner as may be specified by general or special order.]

(iv) ⁸[such other similar or allied purposes] as may be specified by the Government by general or special order:

⁹[Provided that the Director of Marketing shall sanction such amount as may be prescribed by the Government from time to time, towards grant-in-aid or as loan]

17. No trade allowance permissible except as prescribed by rules or under bye-laws - No trade allowance other than an allowance prescribed by rules or provided under bye-laws, shall be made or received in a notified area by any person in any transaction in respect of notified agricultural produce, livestock or products of livestock and no civil court shall, in any suit or proceeding arising out of any such transaction, have regard to any trade allowance not so prescribed or provided.

¹. Omitted by the Act No.6 of 1981,S.3

². Omitted by the Act No.24 of 1991.

³. Substituted by the Act No.14 of 2015 S.10

⁴ Proviso added by the A.P. Act No.7 of 1987, S.3

⁵ Substituted by the Act No.32of 1988, S.42

⁶. Substituted by the Act No.24 of 1991

⁷. Inserted by the Act No.14 of 2015, S.10

⁸. Substituted by the Act No.32 of 1988 S.42

⁹.Proviso Substituted by the Act No.25 of 2005, S.13

Explanation.- In the case of notified agricultural produce and products of livestock, every deduction other than a deduction on account of deviation from sample, when the purchase is made by sample, or of deviation from standard, when the purchase is made by reference to a known standard or on account of difference between the actual weight of the sacking and the standard weight, shall be regarded as a trade allowance for the purposes of this section.

¹[17-A Recovery of excess and unauthorized collections - Where a market committee is of the opinion that any trader or commission agent in the notified market area has made any collection in excess of what is allowed by law or unauthorisedly by whatever name called, the market committee may require, at any time within a period of eleven years from the date of the said excess or unauthorized collection, such trader or commission agent to produce before it all accounts, registers and other documents and to furnish any other information relating to such transaction, and may, after such enquiry as it deems fit, in the circumstances of the case, determine the amount collected in excess or unauthorisedly by such trader or commission agent, and shall, thereupon, call upon to him to explain why the said amount shall not be recovered from him and upon considering the explanation, if any, given by such trader or the commission agent, determine the amount and direct that he shall pay to it the amount in such manner and within such period as may be prescribed. The market committee shall refund the amount so paid to it to the concerned grower or the purchaser, as the case may be. If the trader or commission agent fails to pay the amount as required by the market committee, the said amount shall be recovered as if it were an arrear of land revenue, on a certificate issued by the market committee.]

²[17-B - Maintenance of True and Correct Accounts and Records by Traders, etc., - Every trader shall keep and maintain true and correct accounts and records relating to his business promptly showing such particulars as may be prescribed.

17-C. Power to order Production of Accounts and Power of entry, Inspection and Seizure -(1) The assessing authority or any officer of the Department of Marketing not below the rank of an Assistant Director of Marketing authorized by the Director of Marketing in this behalf, may, for the purposes of this Act, require any trader to produce before it or him the accounts, registers and other documents and to furnish any other information relating to his business or the levy of fees.

(2) All accounts, registers and other documents maintained by a trader in the course of his business the notified agricultural produce, livestock or products of livestock in his possession, and his offices, shops or establishments, godowns, vessels or vehicles shall be open to inspection by such authority or officers at any time during the business hours specified under the relevant law for the time being in force or where no such hours are specified, at all reasonable times.

(3) If any such authority or officer has reasons to suspect that any trader is attempting to evade the payment of any fees or other amount due from him under this Act, or that any offence has been or is being or about to be committed by contravening any of the provisions of this Act, or the rules made thereunder or the bye-laws made by a market committee, such, authority or Officer may, for reasons to be recorded in writing, seize any of the accounts, registers or other documents of such trader and shall give the trader a receipt for the same. The accounts, registers and documents so seized shall be retained by such authority or officer only for as long as may be necessary for their examination and for any inquiry or proceedings under this Act.

¹. Inserted by the Act No.20 of 1977, S.2

². Inserted by the Act No.4 of 1987 S.8

(4) For the purposes of sub-section (2) or sub-section (3), the assessing authority or the other officers so authorized shall have power to enter and search at any time during the business hours specified under the relevant law for the time being in force or where no such hours are specified at all reasonable times, any office, shop, godown, vessel, vehicle or any other place of business or any building or place, where such authority or officer has reason to believe that the trader keeps or is for the time being keeping any notified agricultural produce, livestock or products of livestock, accounts registers or other documents of his business.

(5) All searches under this section shall, so far as may be, made in accordance with the provisions of the Code of Criminal Procedure, 1973.

(6) When so required by the assessing authority or the officer so authorized, the driver or any other person incharge of the vehicle, vessel or other conveyance, which is taken or proposed to be taken out of the notified market area, shall stop the vehicle, vessel or other conveyance as the case may be, and keep it stationery as long as may reasonably be necessary, and allow the said authority or officer to examine the contents in the vehicle, vessel or other conveyance and inspect all records relating to the notified agricultural produce, livestock or products of livestock which are in the possession of such driver, or other person incharge for the purpose of ascertaining whether there has been any sale or purchase of the notified agricultural produce, livestock or products of livestock carries whether the notified Agricultural produce, livestock or products of livestock so carried is liable to fees under this Act and whether such fees has been paid or properly accounted for.

(7) The assessing authority or the officer so authorized shall have power to seize any notified agricultural produce, livestock or products of livestock taken or proposed to be taken out of the notified market area either by human labour or in any vehicle, vessel or other conveyance, if such officer has reason to believe that any fees or other amount due under this Act, in respect of such produce has not been paid. Such seizure shall forthwith be reported by the authority or officer aforesaid to a Magistrate having jurisdiction to try the offences under this Act and the provisions of sections 457, 458 and 459 of the Code of Criminal Procedure, 1973 shall, so far as may be, apply in relation to such notified agricultural produce, livestock or products of livestock so seized as they apply in relation to any property seized by a police officer.

(8) Any person aggrieved by such seizure may appeal to the Director of Marketing, who shall, after giving the said officer and the owner of the seized property, an opportunity of being heard, give his decision thereon; and every decision of the Director of Marketing shall be complied with.]

18. Power to borrow – (1) A market committee may, with the previous sanction of the Government, raise the money required for carrying out the purposes for which it is constituted on the security of any property belonging to it and of any fees leviable by it under this Act. A Market committee may, for the purpose of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, obtain a loan from the Government.

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

19. Liability of the chairman and member for loss waste or misapplication of property- (1) The chairman, vice-chairman and every member of a market committee shall be liable for the loss, waste or misapplication of any money or other property belonging to the market committee if such loss, waste or misapplication is a direct consequence of his negligence or misconduct and a suit for compensation may be instituted against him in a court of competent jurisdiction by the market committee with the previous sanction of the Director of Marketing.

(2) Every such suit shall be commenced within three years from the date on which the cause of action arose.

20. Member not to be liable personally in respect of a contract or agreement made by or on behalf of the market committee - No member of a market committee shall be personally liable in respect of any contract or agreement made, or for any expense incurred, by or on behalf of the market committee; but the funds at the disposal of the market committee shall be liable for, and charged with, all costs in respect of any such contract or agreement and all such expenses.

21. Costs of suit filed against market committee, etc., without notice -

(1) Where a suit is instituted against the market committee, the chairman, vice-chairman, or any other member or any of its officers or servants or any person acting under the direction of such market committee chairman, vice-chairman or other member or officer or servant acting in good faith and the claim of the plaintiff is satisfied before the date fixed for the settlement of issues or where the summons are issued for the final disposal of the suit, before the date of the hearing for the final disposal, the plaintiff shall not be entitled to the costs of the suit against the market committee or the chairman, vice-chairman, or any other member or officer or servant, as the case may be, unless a notice of sixty days of the suit stating particulars of the claim was given before its institution in the manner provided in sub-section (2).

(2) A notice for the purposes of this section shall be in writing and shall –

(i) in the case of suit against the market committee be left at the office of that market committee.

(ii) in the case of suit against the chairman, vice-chairman or any other member or officer or servant, be delivered to that chairman vice-chairman or other member or officer or servant, as the case may be.

22. Supersession of market committees - (1) If, in the opinion of the Government a market committee is not competent to perform or persistently makes default in performing the duties imposed on it by or under this Act, or abuses its powers, they may, by notification, supersede such committee for a period¹[not exceeding six months] in the first instance and may, by order extend, from time to time, the period of supersession, so however, that the total period of supersession in the case of any market committee shall ²[not exceed one year]:

Provided that before issuing a notification under this sub-section, the Government shall give to the market committee an opportunity of making representation on the action proposed and shall consider the explanation or objection, if any, of the market committee thereon.

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

(a) all the members as well as the chairman and vice-chairman of the market committee shall be deemed to have vacated their offices;

(b) all the assets vested in the market committee shall, subject to all its liabilities, vest in the Government.

(3) Where a market committee has been superseded –

(a) the Government may, by order, ³[nominate a suitable person or persons] to exercise the powers and perform the functions of the market committee during the period of its supersession and transfer to such

¹ . Substituted by the Act No.4 of 1987,S.9

² . Substituted by the Act No.4 of 1987 S.9

³ . Substitute by the Act No.10 of 2014, S.6

person or persons the assets and liabilities of the superseded market committee as on the date of such transfer; and

(b) the Government, may, at any time before the expiration of the period of supersession, constitute a new market committee under sub-section (1) of section 4 and transfer thereto the assets and liabilities of the superseded market committee as on the date of such transfer.

23. Penalties – ¹[(1) Who-ever contravenes the provisions of section 7 or fails to pay the fees levied under sub-section (1) of section 12 shall, on conviction be punished with imprisonment for a term, which shall not be less than six months but which may extend to one year and with fine, which may extend to five thousand rupees, and in the case of a continuing contravention with a further fine which may extend to five hundred rupees for every day during which the contravention is continued after conviction thereof:

Provided that the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence of imprisonment for a term of less than sixmonths.]

(2) Whenever any person is convicted of an offence under section 7 or fails to pay the fees levied under sub-section (1) of section 12, the magistrate shall, in addition to any fine which may be imposed recover summarily and pay over to the market committee the amount of the fees chargeable for the licence under section 7 or the fees levied under sub-section(1) of section 12, as the case may be, and may in his discretion also recover summarily and pay over to the market committee such amount, if any, as he may fix as the costs of the prosecution.

(3) The recovery of the licence fees under sub-section (2) shall not entitle the person convicted to the grant of a licence under this Act.

²[(4) Any person, who wilfully acts in contravention of the provisions of section 17 or section 17A, shall, on conviction, be punished with imprisonment for a term, which shall not be less than three months but which may extend to six months and with fine, which may extend to one thousand rupees:

Provided that the court may for adequate and special reasons to be mentioned in the judgment, impose a sentence of imprisonment for a term of less than three months.

(5) Any person who-

(i) prevents or obstructs inspection, entry, search or seizure by the assessing authority or an officer authorized under section 17C, in contravention of the terms thereof; or

(ii) prevents or obstructs inspection of any notified agriculture produce, livestock or products of livestock or of any vehicle, vessel or other conveyance carrying such produce, by the officer aforesaid, shall on conviction, be punished with imprisonment which shall not be less than three months but which may extend to six months:

Provided that the court may, for adequate and special reason to be mentioned in the judgment, impose a sentence of imprisonment for a term of less than three months.]

³**[23A. Compounding of Offences** - 1) The market committee may accept from any person, who has committed or is reasonably suspected of having committed an offence against this Act or the Rules or bye-laws made thereunder, other than such offences as may be prescribed, or by way of compounding of such offences.

(a) where the offence consists of the failure to pay, or the evasion of any fee, or other amount recoverable under this Act, or the rules or bye-laws made thereunder, in addition to the fees or other amount so recoverable, a sum of

¹. Substitute by the A.P. Act No.4 of 1987, S.10

². Inserted by the A.P. Act No.4 of 1987, S.10

³. Inserted by the A.P. Act No.4 of 1987, S.11

money not less than the amount of the fee or other amount subject to a minimum amount of rupees two hundred and fifty; and

(b) in other case, a sum of money not exceeding rupees five hundred.

(2) On payment of the amount by way of compounding no further proceedings shall be taken or continued against the defaulter in regard to the offence or suspected offences so compounded.]

24. Power to write-off irrecoverable amounts - A market committee may, subject to such restriction and control as may be prescribed, write off any amount due to it, if in its opinion such amount is irrecoverable:

Provided that the market committee shall obtain the previous sanction of the Government for writing off any such amount where it exceeds one hundred rupees.

25. Trial of offences - (1) No offence punishable by this Act or any rule or bye-law made thereunder shall be tried by a court inferior to that of a magistrate of the first class.

(2) Prosecutions ¹[for the contravention of the provisions of this Act or any rule or bye-law made thereunder] may be instituted by the market committee in this behalf.

(3) All fines recovered from any person convicted shall be credited to the Consolidated Fund of the State and a grant equivalent to such fines shall be paid to the market committee.

26. Recovery of sums due to Government and market committee- (1) All sums due from a market committee to the Government may be recovered in the same manner as arrears of land revenue.

(2) All sums due to the market committee by way of market fees or other fees may be recovered in the same manner as arrears of land revenue.

27. Revision- (1) The Director of Marketing may, of his own motion or on application made to him, call for and examine the record of any market committee and the Government may, of their own motion or on application made to them, call for and examine the record of the Director of Marketing, in respect of any proceeding, ²[other than a proceeding relating to assessment and recovery of market fees under Sections 12A to 12F (both inclusive)], to satisfy himself or themselves as to the regularity of such proceeding or the correctness, legality or propriety of any decision passed or order made therein; and, if, in any case, it appears to the Director of Marketing or the Government, that any such decision or order should be modified, annulled, reversed or remitted for reconsideration he or they may pass orders accordingly:

Provided that every application to the Director of Marketing or the Government for the exercise of the powers under this section shall be preferred within ninety days from the date on which the proceeding, decision or order to which the application relates was communicated to the applicant.

(2) No order prejudicial to any person shall be passed under sub-section (1) unless such person has been given an opportunity of making his representation.

(3) The Director of Marketing or the Government, as the case may be, may suspend the execution of the decision or order pending the exercise of his or their power under sub-section (1) in respect thereof.

(4) The Director of Marketing or the Government may award costs in proceedings under this section to be paid either out of the funds of the market committee or by such party to the application for revision as the Director of Marketing or the Government may deem fit.

¹. Substitute by Act of 4 of 1987, S.12

². Inserted by the Act No.4, of 1987 S.13

¹[**27A. Power to remove difficulties** - If any difficulty arises in giving effect to the provisions of this Act, the Government, as occasion may require, may by order do anything which appears to them to be necessary for the purpose of removing the difficulty.]

28. Act not to apply to markets established by or on behalf of Government - Nothing in this Act shall apply to any place set up, established or continued on behalf of the Government for the purchase, sale, storage weighing, pressing, or processing of any notified agricultural produce or products of livestock or the purchase, sale or accommodation of livestock or to the purchase or sale of any such notified agricultural produce, livestock or products of livestock by or on behalf of the Government.

29. Payment of compensation in respect of markets in municipalities and in areas within jurisdiction of other local authorities - (1) Where in pursuance of section 3, the Government notify any area comprised within the local limits of the jurisdiction of a municipality or other local authority, no such municipality or other local authority shall levy any fees on any notified agricultural produce, livestock or products of livestock purchased or sold in the notified area.

(2) The market committee of the notified area shall out of its funds, pay every year to the municipality or other local authority, which was levying such fees immediately before the notification of the area, a sum equivalent to the licences fees levied by such municipality or other local authority during the period of one year immediately before the notification of the area, for a period of ten years as compensation for the loss of income of the municipality or the local authority on account of the establishment of markets in the area by the market committee.

30. Act to override other laws - Nothing in any law providing for the establishment, maintenance or regulation of a market or the levy of fees therein shall apply to any market established under this Act or affect in any way the powers of a market committee, in respect of such market.

31. Registration of document executed on behalf of a market committee- (1) Notwithstanding anything in the Indian Registration Act, 1908, it shall not be necessary for the chairman or any members or officer of a market Committee to appear in person or by agent at any registration office in any proceeding connected with registration of any instrument executed by him in his official capacity or to sign as provided in section 58 of that Act.

(2) Where any instrument is so executed, the registration officer to whom such instrument is presented for registration may, if he thinks fit, refer to the chairman, member or person referred to in sub-section (1) of section 11 for information respecting the same and, on being satisfied of the execution thereof shall register the instrument.

32. Power of the Government to regulate or prohibit commission agents - Where, in the opinion of the Government it is considered necessary so to do, they may, by notification regulate or prohibit the commission agents operating in the market:

Providing that nothing in this section shall prevent the market committee from issuing licenses to commission agents operating in the market until the issue of the notification under this section.

32-A ²[XXXX]

33. Power to make rules - (1) The Government may, either generally or specially for any notified area or areas, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generally of the foregoing power, such rules may provide for-

¹. Inserted by the A.P. Act No.4 of 1987, S.14

². Omitted by Act No.24 of 1991.

- (i)¹[the nomination] and removal of members of a market committee;
- (ii) ²[the nomination] of the chairman and vice-chairman of a market committee and their term of office;
- (iii) The filling of casual vacancies in the office of the chairman, vice-chairman or member of a market committee;]
- (iv) regulating the methods of recruitment and conditions of service of officers and other employees of the market committee;
- (v) the procedure to be adopted by the market committee for the issue of passes to enter into a market area and for the publication of information with regard to the proceedings of the market committee and the arrivals, prices and stocks of notified agricultural produce, livestock or products of livestock;
- (vi) arrangements to be made for the functioning of the markets, discharge of duties of a market committee and its chairman, in case they are prevented from discharging their duties under any lawful order;
- (vii) the acquisition of land by a market committee for the purposes of the Act under the Land Acquisition Act, 1894;
- (viii) the issue by a market committee of licences under section 7, the forms in which, and the condition under which such licences shall be issued or renewed, the annual fees that may be levied for such licences and the recovery of such fees;
- (ix) the maximum rates of subscriptions which may be levied by the market committee under section 13 and the recovery of such subscriptions;
- (x) the issue by a market committee of licences to commission agents, weighmen, measures, surveyors and other persons operating in the market the form in which, and the conditions under which, such licence shall be issue or renewed, the fees to be charged therefor the suspension or cancellation of such licences and the appeal to be made to the Government against the suspension or cancellation of such licences;
- (xi) the trade allowances which may be made or received by a person in transactions governed by this Act in a notified area;
- (xii) the provision of facilities for the settlement of any dispute between a buyer and seller of notified agricultural produce, livestock or products of livestock or their agents including in the case or notified agricultural produce and products of livestock, disputes regarding the quality or weight of the article the allowances for wrappings, dirt or impurities or deductions from any cause;
- (xiii) the prohibition of commission agents from acting in any transaction on behalf of both the buyer and seller of any notified agricultural produce, livestock or products of livestock;
- (xiv) the provisions of accommodation for livestock and for strong any notified agricultural produce or products of livestock brought into the market;
- (xv) the preparation of plans and estimates for works proposed to be constructed partly or wholly at the expense of the market committee and the grant of sanction to such plans and estimates;

¹. Substituted by the Act No.10 of 2014, S.7

(xvi) the procedure to be followed by a market committee in respect of financial matters generally including the manner in which and the restrictions and conditions subject to which expenditure may be incurred by it;

(xvii) the form in which the accounts of a market committee shall be kept, ¹[the audit and publication of such accounts] and charges, if any, to be made for such audit;

(xviii) the powers ²[xxxx] to disallow and surcharge items and the recovery of sums so disallowed and surcharged;

(xix) the institution of provident funds;

(xx) the preparation and submission for sanction of an annual budget and the reports and returns to be furnished by a market committee;

(xxi) the investment and disposal of the surplus funds of a market committee;

³[(xxii) the inspection of the accounts and stocks of the traders;]

(xxiii) the prevention of adulteration of notified agricultural produce and products of livestock;

(xxiv) the maintenance of standards of notified agricultural produce, livestock and products of livestock;

(xxv) ⁴[regulation] of market charges such as commission, weighment charges, godown charges and other incidental charges;

(xxvi) inspection and administration of market committees;

(xxvii) the manner in which and the purposes for which the Central Market Fund shall be administered and applied;

(3) Any rule made under this section may provide that any contravention thereof or of any of the conditions of any licence issued or renewed thereunder ⁵[shall on conviction be punished with the imprisonment for a term which shall not be less than six months but which may extend to one year or with fine or with fine which may extend to five thousand rupees or with both].

(4) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication for a period of not less than one month.

(5) Every rule made under this section shall immediately after it is made be laid before each House of the State Legislature if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprise in one session or in two successive sessions and if before the expiration of the session in which it is so laid or the session immediately following, both the Houses agree in making any modification in the rule or in the annulment of the rule, the rule shall thereafter have effect only in such modified form or shall stand annulled, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

34. Bye-laws- (1) Subject to any rules made by the Government under section 33 and with the previous sanction of the Director of Marketing, a market committee may, in respect of the notified area for which it was constituted, make by-laws for the regulation of the business and the conditions of trading therein:

¹. Substituted by the AP Act No.1 of 1971 S.6

². Omitted by the AP Act No.1 of 1971 S.6

³. Substituted by A.P. Act No.1 of 1971, S.6

⁴. Substituted by A.P. Act No.1 of 1971,S.6

⁵ Substituted by A.P. Act No.4 of 1987, S.15

¹[Provided that it shall be competent for a market Committee to adopt the bye-laws of any other market Committee by a resolution and the bye-laws so adopted shall come into force in respect of the market committee adopting the same on the publication of the resolution in the Andhra Pradesh Gazette and it shall not be necessary to publish the adopted bye-laws in the said Gazette:]

²[Provided further that where a market committee fails to make bye-laws or adopt the bye-laws of some other market committee under this sub-section] within two months from the date of its constitution, the Director of Marketing may make such bye-laws as he thinks fit, and the bye-laws so made shall remain in operation until the market committee has made bye-laws under this sub-section.

(2) Every bye-law made under this section shall be published in English and Telugu in the Andhra Pradesh Gazette ³[XXXX] and it shall come into operation on ⁴[on the date of its publication in English in the Andhra Pradesh Gazette] from the date of its publication in the Andhra Pradesh Gazette.

(3) Any bye-law made under this section may provide that any contravention thereof shall be punishable with fine which may extend to five hundred rupees.

35. Exemption- The Government may, by notification, and for the reasons to be specified therein, either permanently or for any specified period, exempt any market committee, any person or class of persons from all or any of the provisions of this Act, subject to such conditions as the Government may deem fit to impose.

36. Repeal and savings- The Andhra Pradesh (Andhra Area) Commercial Crops Markets Act, 1933 and the Andhra Pradesh (Telangana Area) Agricultural Market Act, 1339F, are hereby repealed:

Provided that:-

(a) any area declared to be a notified area or market under any of the Acts so repealed shall be deemed to have been declared under this Act until such area or market is declared to be a notified area or market under this Act ⁵[XXXX];

⁵[(aa) any area declared to be a notified area or market or market-yard by or under any of the Acts so repealed shall be deemed to have been declared to be a notified market area under this Act for the purpose of section 12;]

(b) any market committee constituted under any of the Acts so repealed and existing immediately before the commencement of this Act shall be deemed to have been constituted under this Act until a market committee is constituted under this Act in its place and on such constitution all the assets and liabilities of the market committee so deemed to have been constituted shall devolve on the market committee so constituted under this Act;

(c) the repeal shall not affect the previous operation of the Acts so repealed or anything duly done there under and anything done or any action taken under the said Acts shall be deemed to have been done or taken under this Act and shall continue to be in force unless and until superseded by anything done or any action taken under this Act.

37. Validation- (1) Notwithstanding anything in the Andhra Pradesh (Telangana Area) Agricultural Market Act, 1339 Fasli, all contributions made by the Market committee constituted under that Act to the fund which was called the Central market Fund and all expenditure incurred therefrom, before the commencement of this Act shall be deemed always to have been validly made and incurred as if such contributions and expenditure were expressly provided for in the said Act, and no

¹.Substituted Act No.18 of 1988, S.2

². substituted by the Act No.18 of 1988,S.2

³. Omitted by Act No.1 of 1971.S.7

⁴. Substituted by the AP Act No.24 of 1978,S.2

⁵. Omitted and Inserted by the Act No.1 of 1971,S.7

such contribution or expenditure shall be questioned in any court of law on the ground that the said Act did not provide for such contribution of expenditure.

(2) The balance of the said fund, if any, outstanding at the commencement of this Act shall stand transferred on such commencement to the Central Market Fund formed under sub-section (1) of section 16 and shall for all purposes be deemed to form part of that Fund:

Provided that the said balance shall be administered and applied under sub-section (2) of section 16 only for the purposes of the market committees constituted for the notified areas within the territories specified in sub-section (1) of section 3 of the States Re-organisation Act, 1956.

¹[38. Existing members, Vice-chairman, and Chairman of the Market Committee to cease to hold office- (1) Notwithstanding anything constrained in the principal Act, all the members, Vice-Chairman and Chairman of every Market Committee holding office on the commencement of the Andhra Pradesh (Agricultural Produce and Livestock) Markets (Amendment) Act, 2019 (Act No. of 2019) shall cease to hold office as such and thereupon it shall be competent for the Government to appoint a person or persons to exercise the powers and perform the functions of the Market Committee until Market Committee is reconstituted in a accordance with the provisions of the section 5 of the principal Act.

(2) The person or person so appointed shall, subject to the control of the government and to such instructions and directions as may be issued, from time to time, exercise the powers, discharge the duties and perform the functions of the Market committee and take all such actions as may be required in the interest of the Market Committee.

(3) The Government, may fix the remuneration payable to the person or persons so appointed. The amount of such remuneration and other costs, if any, incurred in the management of the Committee shall be payable from out of the Market Committee Fund.]

¹. New section added in the Act No.28 of 2019, S.3