



## The Puducherry Agricultural Produce Markets Act, 1973

Act 3 of 1974

**Keyword(s):**

**Agricultural Produce, Co-operative Marketing Society**

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### THE PUDUCHERRY AGRICULTURAL PRODUCE MARKETS ACT, 1973.

(No. 3 of 1974)

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**THE PUDUCHERRY AGRICULTURAL PRODUCE MARKETS ACT, 1973.**

(No. 3 of 1974)

(28-03-1974)

**AN ACT**

to provide for the better regulation of buying and selling of agricultural produce and the establishment and proper administration of markets for agricultural produce in the Union territory of Puducherry.

BE it enacted by the Legislative Assembly of Puducherry in the Twenty-fourth Year of the Republic of India as follows:

**CHAPTER – I  
PRELIMINARY**

**Short title, extent and commencement**

1. (1) This Act may be called the Puducherry Agricultural Produce Markets Act, 1973.

(2) It extends to the whole of the Union territory of Puducherry.

†(3) It shall come into force on such date as the Government may, by notification, appoint; and different dates may be appointed for different areas and for different provisions of this Act.

**Definitions.**

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

- (i) "agricultural produce" means any produce (whether processed or not) of agriculture, horticulture, animal husbandry, apiculture, pisciculture and forest declared by the Government, by notification, to be an agricultural produce for the purposes of this Act;
- (ii) "Collector" means the Chief Officer-in-charge of the revenue administration of the Union territory of Puducherry, and includes any other officer appointed by the Government to exercise all or any of the powers of a Collector under this Act;
- (iii) "Co-operative marketing society" means any co-operative society registered or deemed to be registered under the Puducherry Co-operative Societies Act, 1965 (11 of 1965), which has, as its principal object, the promotion of the sale of agricultural produce grown, reared or produced by its members;
- (iv) "Director" means the Director of Agriculture, Puducherry, and includes any other person or authority authorised by the Government, by notification, to perform the functions of the Director under this Act for such area as may be specified in the notification;

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† This Act came into force w.e.f 01-05-1975 vide Notification-I issued under S.O. 19 published in the Gazette of Puducherry No.19 dated 13-05-1975

- (v) "Government" means the Administrator of the Union territory of Puducherry appointed by the President under article 239 of the Constitution;
- (vi) "market" means any market established under sub-section (1) of section 5;
- (vii) "market committee" means any market committee established under section 4;
- (viii) "notification" means a notification published in the Official Gazette;
- (ix) "notified agricultural produce" means any agricultural produce specified in the notification under sub-section (3) of section 3 as in force for the time being;
- (x) "notified area" means any area notified under section 3 as in force for the time being;
- (xi) "notified market area" means any area notified under sub-section (2) of section 5 as in force for the time being;
- (xii) "prescribed" means prescribed by rules made under this Act;
- (xiii) "producer" means any person who grows, rears or produces by himself or by hired labour or otherwise any agricultural produce, but does not include a dealer or broker in that produce although he may grow, rear or produce that agricultural produce;
- (xiv) "Registrar" means the Registrar of Co-operative Societies, Puducherry.

## CHAPTER – II

### NOTIFIED AREA, MARKET COMMITTEE, MARKETS, NOTIFIED MARKET AREAS AND TRADING IN AGRICULTURAL PRODUCE IN SUCH AREAS.

#### Declaration of notified area.

3. (1) The Government may publish in such manner as may be prescribed, a draft of a notification declaring its intention of regulating the purchase and sale of such agricultural produce in such area as may be specified in such draft.

(2) The draft published under sub-section (1) shall state that any objections or suggestions which may be received by the Government from any person within a period of one month from the date of publication of such draft shall be taken into consideration.

(3) After the expiration of the period specified in such draft and after considering such objections and suggestions as may be received before such expiration, the Government may finally publish a 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 specified in the draft notification.

- (4) Subject to the provisions of sub-sections (1), (2) and (3), the Government may, -
- (a) exclude from any notified area, any area comprised therein, or
  - (b) include in any notified area, any new area, or
  - (c) exclude from, or include in, the notification issued under sub-section (3), any agricultural produce.

#### **Establishment of market committee.**

4. The Government shall establish, by notification, a market committee for every notified area and it shall be the duty of the market committee to enforce in such notified area, the provisions of this Act, the rules and bye-laws made thereunder.

#### **Establishment of markets.**

5. (1) Every market committee shall establish in the notified area such number of markets providing for such facilities as the Government may, from time to time direct, for the purchase and sale of any notified agricultural produce and shall provide such facilities in such markets as may be specified by the Government from time to time by a general or special order.

(2) The Government shall, as soon as may be, after the establishment of a market by a market committee under sub-section (1), declare, by notification, the area of the market and such area adjoining thereto as may be specified in such notification to be a notified market area for the purposes of this Act in respect of any notified agricultural produce.

(3) The Government may, by notification, alter the limits of any notified market area either by altering the area of the market or the area adjoining thereto.

#### **Trading in Agricultural produce in notified area.**

6. (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, storage, weighment, pressing or processing of any notified agricultural produce, except under and in accordance with the conditions of a licence granted to him by the market committee:

Provided that the market committee may exempt from the provisions of this sub-section any person who carries on the business of purchasing or selling any notified agricultural produce in any quantity not exceeding, that prescribed.

Provided further that a producer selling his notified agricultural produce which has been grown, reared or produced by him or a Co-operative Marketing Society selling notified agricultural produce which has been grown, reared or produced by any of its members, shall be exempt from the provisions of this sub-section, but the

Government may in public interest and for reasons to be recorded in writing withdraw for such period as may be prescribed such exemption in respect of any such producer or Co-operative Marketing Society or all of them or in case of breach, impose such penalty as may be prescribed.

(2) Nothing contained in sub-section (1) shall apply to a person purchasing notified agricultural produce for his own domestic consumption in any quantity not exceeding that prescribed.

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

- (i) whose licence was cancelled and three years have not elapsed since the date of its cancellation; or
- (ii) who has been convicted of any offence or been guilty of misconduct which, in the opinion of the market committee, affects the said person's integrity as a man of business; or
- (iii) in regard to whom the market committee 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 clause (i) or clause (ii); or
- (iv) if the market committee finds that the grant of a licence in respect of any place situated within a distance of ten Kilometres from the notified market area is likely to affect the levy of market fees under section 18 or the transaction of sale or purchase of the notified agricultural produce in the market.

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

(5) A licence granted under sub-section (1) shall be valid for a financial year and may be renewed from year to year and the provisions of this Act shall, so far as may be, apply in relation to the renewal of a licence as they apply in relation to the grant of a licence.

(6) Every person to whom a licence is granted under sub-section (1) shall comply with the provisions of this Act, the rules and by-laws made thereunder and the conditions of the licence.

(7) If a market committee is satisfied either on a reference made to it in this behalf, or otherwise, that –

- (a) a licence granted under sub-section (1) has been obtained by misrepresentation or fraud; or
- (b) the holder of a licence has contravened or failed to comply with, any of the provisions of this Act or the rules or bye-laws made thereunder or any of the conditions of the licence.

then, without prejudice to any other penalty to which the holder of the licence may be liable under this Act, the market committee may, subject to such rules as may be made under this Act, cancel or suspend the licence after giving the holder of the licence a reasonable opportunity of showing cause against such cancellation or suspension.

(8) Any person aggrieved by the decision of the market committee refusing to grant, or cancelling or suspending a licence may, within such time as may be prescribed, appeal to such authority and in such manner as may be prescribed.

#### **Agricultural produce to be sold in the market only.**

7. Notwithstanding anything contained in sub-section (1) of section 6, all agricultural produce brought to the notified market area by a producer shall be sold only in the market.

#### **Incorporation of market committee.**

8. Every market committee established under section 4, shall be a body corporate by the name of the notified area for which it is established and shall have 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.

#### **Constitution of market committee by election.**

9. (1) Every market committee shall consist of members not exceeding eighteen (including the ex-officio member provided under section 10) and shall be constituted in the manner hereinafter specified.

(2) Each of the following electorates shall elect as members, from among the persons comprising it, to the market committee: -

- (a) producers of the notified agricultural produce in the notified area; and
- (b) persons licensed under sub-section (1) of section 6 in the notified area in respect of the notified agricultural produce.

(3) The number of members to be elected under clause (a) of sub-section (2) shall be nine and the number of members to be elected under clause (b) of that sub-section shall be four.

(4) The Government may appoint to every market committee one producer residing in the notified area on the recommendation of the Registrar to represent co-operative interests.

(5) The Government may appoint to every market committee such number of members as it thinks fit not exceeding three:

Provided that where a market committee is established for any notified area for the first time –

- (i) the Government shall appoint all the members of such Committee for a period of one year; and
- (ii) if before the expiry of the period of one year aforesaid the elections of members to the market committee could not be held or if, for any reason the Government considers it desirable that the market committee should consist solely of members appointed by it, it may extend the term of office of all or any of the members appointed under clause (i), or appoint new members in their places for such period or periods not exceeding one year in the aggregate as it thinks fit.

#### **Project Agricultural Officer to be ex-officio member.**

10. The Project Agricultural Officer having jurisdiction over the notified area shall be an *ex-officio* member of the market committee established for such area.

*Explanation:* - Where there are two or more Project Agricultural Officers having jurisdiction over different portions of a notified area, the Government shall decide which of such officers shall be a member of the market committee of the area.

#### **Term of office of member, etc.**

11. (1) The term of office of an elected member shall be five years from the date of occurrence of the vacancy, to which he was elected or from the date of his election whichever is later. The term of office of a member appointed under sub-section (5) of section 9, shall expire on the date on which the term of office of elected members expires:

Provided that a member elected under clause (b) of sub-section (2) of section 9 shall cease to hold his office if he ceases to be a member of the electorate by which he was elected.

(2) A member of every market committee, other than the *ex-officio* member shall cease to hold his office if he absents himself from three consecutive meetings of the market committee.

(3) When the seat of any member becomes vacant before the expiry of his term of office, the vacancy shall be filled up ---

- (i) in case he was an elected member, by a person co-opted by the market committee from among the members of the electorate by which the member was elected.
- (ii) in any other case, by a person appointed by the Government:

Provided that no casual vacancy shall be filled up within three months before the expiry of the term of office of the elected members.

(4) The member co-opted or appointed to fill a vacancy under sub-section (3) shall hold office only for so long as the member in whose place he is co-opted or appointed would have been entitled to hold office if the vacancy had not occurred.

(5) For the purposes of sub-section (2), 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.

(6) Where a person ceases to be member under sub-section (2), 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 of his membership to the market committee on or before the date of the next meeting, or within fifteen days of the receipt by him of such intimation, the market committee may, at the meeting next after the receipt of such application, restore him to his office of member:

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

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

(8) Vacancies caused by the expiry of the term of office of elected members of any market committee may be filled at elections which may be fixed by the Director, to take place on such days not earlier than two months before the date on which the vacancies arise as he thinks fit.

(9) Every market committee shall elect one of its members, who is a producer of any notified agricultural produce in the notified area, to be its Chairman and any other member to be its Vice-Chairman.

**Special provision where there is delay in the re-constitution  
of new market committee.**

12. Where the term of office of the members of a market committee has expired and the Director is of the opinion that it is not practicable to reconstitute the market committee forthwith, he may, by notification, extend the term of office of the members of the market committee for a further period or periods not exceeding two years in the aggregate or until the market committee is reconstituted, whichever is earlier.

**Sub-committee, Special Committee and delegation of powers.**

13. The market committee may appoint one or more of its members to be a sub-committee or to be a 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.

**Meetings.**

14. (1) The market committee may, at any time, call a general meeting of the market committee and shall call such a meeting within one month after receipt of a requisition in writing from the Director or from such number of members or proportion of the total number of members as may be specified in the bye-laws of the market committee.

(2) If a general meeting is not called in accordance with such requisition, the Director shall have the power to call a general meeting of the market committee.

**Appointment and salaries of officers and servants of market committee.**

15. (1) Subject to such rules as may be prescribed, a market committee may appoint such officers or employ such servants as may be necessary for the management of the market and may pay such officers and servants such salaries as it may think fit and shall have power to control and punish them.

(2) The market committee may also provide for the payment to its officers and servants of such leave, allowances, pensions, gratuities or compassionate allowances, as it deems proper and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) The market committee shall, in the case of any officer or servant 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.

(4) The Chairman, Vice-Chairman and every officer or servant of a market committee shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central 45 of 1860).

### Supersession of market committee.

16. (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, the Government may, by notification, supersede such market committee for a period not exceeding one year in the first instance and may, by order, extend the period of supersession for a period not exceeding one year at a time, so however, that the total period of supersession in the case of any market committee shall not exceed four years:

Provided that, before issuing a notification under this sub-section, the Government –

- (i) shall give a reasonable opportunity to the market committee of showing cause against the proposed action and shall consider the explanations and objections, if any, of the market committee; and
- (ii) may, at its discretion, consult such authority or officer as it may deem fit.

(2) Upon the publication of a notification under sub-section (1) superseding a market committee, the following consequences shall ensue, namely:

- (a) all the members, as well as the Chairman and Vice-Chairman of the market committee, shall, as from the date of such publication, be deemed to have vacated their offices; and
- (b) all the assets vested in the market committee shall, subject to all its liabilities vest in the Government.

(3) When a market committee has been superseded:-

- (a) the Government may, at its discretion, by order appoint a suitable person or persons to carry out the functions of the market committee and transfer to such person or persons the assets and liabilities of the superseded market committee as on the date of such transfer; and
- (b) at any time before the expiry of the period of supersession, the Government may establish a new market committee under section 4.

## CHAPTER – III

## FINANCE, CONTRACT AND PROPERTY.

## Execution of contracts.

17. (1) No contract shall be executed on behalf of the market committee except with the sanction of the market committee by a resolution made in this behalf and all contracts shall be in writing and shall be signed on behalf of the market committee by the Chairman and two other members of the Market Committee, or if the Market Committee has been superseded, by the person or persons appointed under sub-section (3) of section 16.

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

## Levy of market fee by market committee.

18. (1) The market committee shall levy and collect market fees on any notified agricultural produce brought or sold in the notified market area at such rate, as may be specified in a notification issued by the Government in this behalf, which shall not be more than one rupee for every hundred rupees of the aggregate amount for which the notified agricultural produce is bought or sold whether for cash or for deferred payment or other valuable consideration.

*Explanation.* – For the purposes of this sub-section, all notified agricultural produce taken out or proposed to be taken out of a notified market area, shall, unless the contrary is proved, be presumed to be bought or sold within such area.

(2) The market fee referred to in sub-section (1) shall be paid by the purchaser of the notified agricultural produce concerned:

Provided that where the purchaser of a notified agricultural produce cannot be identified, the market fee shall be paid by the seller.

(3) (a) At any time, when so required by any officer or servant of a market committee, who is empowered by the Government in this behalf, the driver or any other person in charge of any vehicle, boat or other conveyance, which is taken or proposed to be taken out of a notified market area, shall stop the vehicle, boat or other conveyance as the case may be, and keep it stationary as long as may reasonably be necessary and allow the officer or servant empowered as aforesaid to examine the contents in the vehicle, boat or other conveyance.

(b) Such officer or servant who has been so empowered by the Government under clause (a) may also inspect all records relating to the notified agricultural produce carried, which are in the possession of such driver or other person in charge,

who shall, if so required, give his name and address and the name and address of the owner of the vehicle, boat or other conveyance.

(c) The officer or servant of the market committee empowered as aforesaid shall have power to seize any notified agricultural produce taken or proposed to be taken, out of a notified market area in any vehicle, boat or other conveyance, if such officer or servant has reason to believe that any market fee or other amount due under this Act in respect of such notified agricultural produce has not been paid and such seizure shall be forthwith reported by the officer or servant aforesaid to a Magistrate having jurisdiction to try an offence under this Act and the provisions of sections 523\*, 524\* and 525\* of the Code of Criminal Procedure, 1898\* (Central Act 5 of 1898), shall, so far as may be, apply, in relation to the notified agricultural produce seized as aforesaid, as they apply in relation to property seized by a police officer:

Provided that no such notified agricultural produce shall be seized from any person, if he satisfactorily accounts for his possession and for the payment of the market fees or other amount due under the Act and relating to the said produce.

#### **Levy of subscriptions for market reports, etc.**

19. The market committee may, subject to such rules as may be prescribed, levy a subscription for collecting and disseminating among the subscribers, information as to matter relating to statistics or marketing in respect of the notified agricultural agricultural produce.

#### **Market Committee Fund.**

20. (1) All moneys received by a market committee shall be paid into a fund called the "Market Committee Fund" (hereinafter referred to as the Fund) and 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 has been met, 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 for giving effect to the provisions of this Act in the notified area to which the market committee was established.

(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 it thinks fit.

\* Now, Sections 457, 458 and 459 of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

(3) The decision of the Government determining the amount payable by any market committee shall be final.

**Purposes for which the Fund may be expended.**

21. Subject to the provisions of section 20, the Fund shall be expended for the following purposes only, namely:

- (i) the acquisition of site or sites for the market;
- (ii) the maintenance and improvement of the market;
- (iii) the construction and repair of buildings which are necessary for the purposes of such market and for the health, convenience and safety of the persons using it;
- (iv) the provision and maintenance of standard weight and measures;
- (v) the pay, pension, leave allowances, gratuities, compassionate allowances and contributions towards leave allowances, pension or provident fund of the officers and servants employed by the market committee;
- (vi) the payment of interest on loans that may be raised for purposes of the market and the provision of a sinking fund in respect of such loans;
- (vii) the collection and dissemination of information regarding all matters relating to statistics and marketing in respect of the notified agricultural produce;
- (viii) schemes for the extension or cultural improvement of the notified agricultural produce within the notified area, including the grant, subject to the approval of the Government, of financial aid to schemes for such extension or improvement within such area, undertaken by other bodies or individuals;
- (ix) schemes for grading of agricultural produce;
- (x) the expenses in regard to elections to the market committee and matters incidental thereto;
- (xi) the measures to be taken for the preservation of any agricultural produce;
- (xii) such other purposes as may be authorised by the Director or the Government in this behalf by general or special order.

**No trade allowance permissible except as prescribed by rules or bye-laws.**

22. No trade allowance other than an allowance prescribed by the rules or bye-laws made under this Act shall be made or received in a notified area by any person in any transaction in respect of the notified agricultural produce concerned 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.

*Explanation:* - 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 or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Act.

**Power to borrow.**

23. (1) Every market committee may, with the previous sanction of the Government, raise the money required for carrying out the purposes for which it is established on the security of any property vested in, or belonging to, the market committee and of any market fee leviable by the market committee under this Act. The 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.

**Power to write off irrecoverable fee, market fee, etc.**

24. A market committee may write off any fee, market fee or other amount whatsoever due to it. Whether under a contract or otherwise, or any sum payable in connection therewith, if in its opinion, such fee, market fee or other amount is irrecoverable:-

Provided that the market committee shall, before writing off any such fee, market fee or amount obtain the sanction of –

- (i) the Director, if the fee, market fee or amount exceeds one hundred rupees, but does not exceed such amount as may be prescribed; and
- (ii) the Government, if such amount exceeds the amount so prescribed.

**Recovery of sums due to Government from market committee.**

25. Subject to such rules as may be prescribed the Government may recover all sums due from the market committee in the same manner as arrears of land

**Liability of Chairman, Vice-Chairman and members for loss,  
waste or misapplication of property.**

26. (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 owned by, or vested in, the market committee, if such loss, waste or misapplication is a direct consequence of his neglect or misconduct; and a suit for compensation may be instituted against him in any court of competent jurisdiction by the market committee with the previous sanction of the Director.

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

**CHAPTER - IV**

**OFFENCES AND PENALTIES.**

**Penalties.**

27. Any person who -

- (a) fraudulently evades the payment of any fee, market fees or other amount due from him under this Act or the rules or bye-laws made thereunder, or
- (b) wilfully acts in contravention of any of the provisions of this Act,

shall be punishable with fine which may extend to five hundred rupees, and in the case of a continuing evasion or contravention, with a further fine which may extend to one hundred rupees for every day during which the evasion or contravention is continued after conviction therefor.

**Trial of offences.**

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

(2) Any prosecution under this Act may be instituted by any person duly authorised in writing by the market committee in this behalf.

**Liability of accused to pay fee, market fee or other amount.**

29. Every person who is prosecuted for an offence under section 27 shall be liable on proof to the satisfaction of the Magistrate that he wilfully omitted to pay the fee, market fee or other amount due from him under this Act or the rules or bye-laws made thereunder, to pay to the market committee the amount which may be due from him on account of such fee, market fee or other amount.

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### **Composition of offences.**

30. 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, by way of composition of such offence ---

- (a) where the offence consists of the failure to pay or the evasion of any fee, market fee or other amount recoverable under this Act or the rules or bye-laws made thereunder, in addition to the fee or other amount so recoverable, a sum of money not exceeding two hundred rupees or double the amount of the fee, market fee or other amount whichever is greater; and
- (b) in other cases, a sum of money not exceeding two hundred rupees.

### **Power of Magistrate to recover summarily fee, market fee or other amount.**

31. Whenever any person is convicted of an offence under this Act or the rules or bye-laws made thereunder, the Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay over to the market committee, the amount of fee, market fee or other amount due from him under this Act or bye-laws made thereunder 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 cost of the prosecution.

## **CHAPTER – V MISCELLANEOUS.**

### **Power of Director to decide certain questions.**

32. If any question arises whether any person is a producer or not for the purposes of this Act, the Director shall decide the question after following such procedure as may be prescribed. The decision of the Director, shall, subject to the provisions of section 33, be final.

### **Power of Government to call for records and pass orders.**

33. (1) The Government may of its own motion, or on application made to it, call for and examine the record of any market committee or of the Director in respect of any proceeding to satisfy itself as to the regularity of such proceeding or the correctness, legality or propriety of any decision or order passed therein and, if in any case, it appears to the Government that any such decision or order should be modified, annulled, reversed or remitted for reconsideration, it may pass orders accordingly:

Provided that, before passing any order under this sub-section, the Government –

- (i) shall, if such order is likely to be prejudicial to any person, give such person a reasonable opportunity of making his representations; and
- (ii) may, at its discretion, consult such authority or officer as it may deem fit.

(2) The Government may stay the execution of any such decision or order pending the exercise of its powers under sub-section (1) in respect thereof.

#### **Registration of document executed on behalf of a market committee.**

34. (1) Notwithstanding anything contained in the Registration Act, 1908 (16 of 1908), it shall not be necessary for the Chairman or any member or officer or servant of a market committee or the person referred to in sub-section (1) of section 17 to appear in person or by agent at any registration office in any proceeding connected with the 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 registering officer to whom such instrument is presented for registration may, if he thinks fit, refer to such Chairman, member, officer, servant or person for information respecting the same and shall, on being satisfied of the execution thereof, register the instrument.

#### **Saving.**

35. Nothing in this Act shall apply to any place set up, established or continued by or on behalf of the Central Government or any State Government for the purchase, sale, storage, weighment, pressing or processing of any notified agricultural produce or to the purchase or sale of any notified agricultural produce by or on behalf of the Central Government or any State Government.

#### **Act to over ride other laws.**

36. Nothing in any law providing for the establishment, maintenance or regulation of 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.

#### **Exemption.**

37. 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 person from all or any of the provisions of this Act, subject to such conditions as the Government may deem fit to impose.

#### **Power to remove difficulties.**

38. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by Order in the Official Gazette, do anything not inconsistent with such provisions which appears to it to be necessary or expedient for the purpose of removing the difficulty.

(2) Every order made under this section shall be laid before the Legislative Assembly, Puducherry, as soon as may be, after it is made.

**Power to make rules.**

39. (1) The Government may, by notification, make either generally or specially for any notified area or areas, rules for carrying out all or any of the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for or regulate –

- (i) the issue by a market committee of licences to brokers, weighmen, measures and surveyors, the form in which and the conditions subject to which, such licences shall be issued or renewed, and the fees to be charged therefor;
- (ii) the provision of accommodation for storing any notified agricultural produce brought into the market;
- (iii) the kind and description of the scales, weights and measures, which alone may be used in transactions in the notified agricultural produce concerned in a notified area:
- (iv) the periodical inspection, verification and correction of all scales, weights and measures in use in a notified area and the seizure of scales, weights and measures found to be false;
- (v) the annual fees that may be levied by the market committee in respect of licences granted under section 6 and the recovery of such fees;
- (vi) the election, appointment, co-option and removal of members of a market committee, the preparation and revision of lists of electors; and the payment of all expenditure in connection with or incidental to elections;
- (vii) the election of the Chairman and Vice-Chairman of a market committee and their terms of office;
- (viii) the filling of casual vacancies in the office of the Chairman, Vice-Chairman or member of a market committee;
- (ix) the provision of facilities for the settlement of any dispute between a buyer and seller of the notified agricultural produce or their agents including disputes regarding the quality or weight of the article, the allowances for wrappings, dirt or impurities or deductions from any cause;
- (x) the prohibition of brokers from acting in any transaction on behalf of both the buyer and seller of any notified agricultural produce;
- (xi) the manner of collection of market fee;
- (xii) the maximum rates of subscriptions which may be levied by the market committee under section 19 and the recovery of such subscriptions;

order

- (xiii) 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;
- (xiv) 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;
- (xv) the form in which the accounts of a market committee shall be kept, the audit and publication of such accounts, and the charges, if any, to be made for such audit;
- (xvi) the powers of auditors and the Director to disallow and surcharge items and the recovery of sums so disallowed and surcharged;
- (xvii) the institution of provident funds;
- (xviii) the preparation and submission for sanction of an annual budget and the reports and returns to be furnished by a market committee;
- (xix) the investment and disposal of the surplus funds of a market committee;
- (xx) the trade allowance which may be made or received by any person in any transaction in the notified agricultural produce in a notified area;
- (xxi) the prevention of adulteration of notified agricultural produce;
- (xxii) the maintenance of standards of notified agricultural produce;
- (xxiii) the provision for affording facilities for settlement of debts charged on notified agricultural produce;
- (xxiv) any other matter which has to be or may be prescribed.

(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 shall be punishable with fine which may extend to two hundred rupees.

(4) Every rule made under this section shall, as soon as may be after it is made, be laid before the Legislative Assembly, Puducherry, while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid, or the session immediately following, the Legislative Assembly, makes any modification in the rule or decides that the rule should not be made or issued, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be:

Provided that any such modification or annulment shall be without prejudice to the validity or anything previously done under that rule.

#### Power to make bye-laws.

40. (1) Subject to any rules made by the Government under section 39 and with the previous sanction of the Director, a market committee may, in respect of the notified area for which it was established, make bye-laws for the regulation of the business and the conditions of trading therein:

Provided that where a market committee fails to make bye-laws under this sub-section within one month from the date of its establishment, the Director may make such bye-laws as he thinks fit and the bye-laws so made shall be deemed to be bye-laws made by the market committee and may be amended or varied, by the Director or, with his previous sanction, by the market committee.

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

### NOTES ON CLAUSES

Clause 2 seeks to insert definitions of certain new expressions in the Act. The proposed definitions are self-explanatory.

Clause 3 enables the Government to publish a draft notification regulating the purchase and sale of such agricultural produce in such area as may be specified in the notification and also to publish the final notification, after considering the objections and suggestions, declaring the area specified in the draft notification or any portion thereof to be a notified area for the purposes of the Act.

Clause 4 seeks to empower the Government to establish by notification, a Market Committee for every notified area for enforcing the provisions of the Act.

Clause 5 seeks to empower every Market Committee to establish in the notified area such number of markets as may be directed by the Government by a general or special order.

Clause 6 seeks to provide for trading in agricultural produce in a notified area after obtaining a licence granted by the Market committee. The licence granted shall be valid for a financial year and shall be renewed from year to year. This clause also empowers the Market Committee to cancel or suspend any licence so granted, after such inquiry as it deems fit, and in the case of a refusal to grant a licence or of suspension or cancellation of a licence, the applicant or the licensee shall be entitled to appeal to such officer as may be prescribed under the Act.

Clause 7 seeks to lay down that all agricultural produce brought to the notified market areas by a producer shall be sold only in the market.

Clause 8: The Market Committee established shall be a body corporate 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.

Clause 9 seeks to provide for the constitution of a Market Committee by election.

Clause 10: The Project Agricultural Officer having jurisdiction over the notified area shall be the ex-officio member of the Market Committee established for such area.

Clause 11 deals with the term of office, casual vacancy etc. of the elected members of the Market Committee.

Clause 12 seeks to empower the Director, where there is delay in the reconstitution of a new Market Committee due to the administrative difficulties, to extend the terms of office of the members of the Market Committee for a further period

or periods not exceeding two years in the aggregate or until the Market Committee is reconstituted, whichever is earlier.

Clause 13 seeks to empower the Market Committee to appoint one or more of its members to be sub-committee or to be a special committee for the conduct of any work or to report on any matter and to delegate its powers to such sub-committee or special committee, as it may think fit.

Clause 14 seeks to empower the Market Committee to call a general meeting of a Market Committee and also to call a meeting on requisition from the Director of such number of members or proportion of the total number of members as may be specified in the bye-laws of the Market Committee. If no meeting is called for in accordance with such requisition, the Director himself shall have power to call a general meeting of the Market Committee.

Clause 15 deals with the appointment and salaries of officers and servants of the Market Committee. The Chairman, Vice-Chairman and every officer or servant of a Market Committee shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

Clause 16 Where in the opinion of the Government, the Market Committee is not competent to perform or persistently makes default in performing the duties imposed on it by the Act or abuses its powers, the Government may, after giving a reasonable opportunity of showing cause against the proposal and after considering the explanations and objections, supersede the Market Committee for a period not exceeding one year in the first instance. This clause further empowers the Government to extend the period by one more year at a time and imposes a condition that the total period of supersession should not exceed four years.

Clause 17 deals with the execution of contracts by the Market Committee.

Clause 18 seeks to empower the Market Committee to levy a market fee on any notified agricultural produce bought or sold in the notified market area at a rate not exceeding one rupee for every hundred rupees.

Clause 19 empowers the Market Committee, subject to such rules as may be prescribed, to levy a subscription for collecting and disseminating among the subscribers information as to any matter relating to statistics or marketing in respect of the notified agricultural produce.

Clause 20 deals with the Market Committee fund.

Clause 21 deals with the purposes for which the fund may be expended.

Clause 22 provides that no trade allowance is permissible except as may be prescribed by rules or bye-laws.

Clause 23 seeks to empower the Market Committee, with the previous sanction of the Government to raise money required for carrying out the purposes for which it is established on the security of any property vested in, or belonging to, the Market Committee.

Clause 24 seeks to empower the Market Committee to write off any irrecoverable fee, etc.

Clause 25 deals with the recovery of sums due to Government from a market Committee as arrears of land revenue.

Clause 26 deals with the liability of the Chairman, Vice-Chairman and members of the Market Committee for any loss, waste or misapplication of property.

Clause 27 provides penalties for certain offences committed by any person under the Act.

Clause 28 deals with the trial of offences.

Clause 29 deals with the liability of accused to pay fee, or other amount to the Market Committee.

Clause 30 provides for the composition of offences.

Clause 31 deals with the power of Magistrate to recover summarily fee, or other amount from a person who is convicted of an offence under the Act or the rules or bye-laws.

Clause 32 empowers the Director to decide certain questions under the Act.

Clause 33 deals with the power of revision by Government and to call for records by the Government from any Market Committee or the Director in respect of any proceeding to satisfy itself as to the regularity or the correctness legality or propriety of any decision or order passed by any Market Committee or the Director.

Clause 34 deals with the registration of document executed on behalf of a Market Committee.

Clause 35 is a saving clause.

Clause 36 provides that nothing in any law providing for establishment, maintenance or regulation of a market or the levy of fees shall apply to any market established under the Act or affect in any way the powers of a Market Committee in respect of such market.

Clause 37 seeks to empower the Government, by notification for reasons to be specified therein either permanently or for any specified period, to exempt any Market Committee, or any person or class of persons from all or any of the provisions of the Act, subject to such conditions as the Government may deem fit to impose.

Clause 38 empowers the Government to make orders to remove any difficulties in the application of the Act.

Clause 39 provides for the rule making power of the Government for purposes of the Act.

Clause 40 seeks to empower the Market Committee, subject to any rules made by the Government and with the provisions sanction of the Director, to make bye-laws for the regulation of its business.

#### **STATEMENT OF OBJECTS AND REASONS FOR ACT NO.3 OF 1974**

At present, there is no enactment in this Union territory for the better regulation of buying and selling of agricultural produce and establishment and proper administration of markets for agricultural produce. Therefore, it has been decided to enact a law with suitable modification on the lines of similar Acts in force in the neighbouring States. The present Bill seeks to achieve the above objects.