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The Gazette of Puducherry

PART - II

சிறப்பு வெளியீடு

EXTRAORDINAIRE

EXTRAORDINARY

அதிகாரம் பெற்ற
வெளியீடு

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GOVERNMENT OF PUDUCHERRY
LEGISLATIVE ASSEMBLY SECRETARIAT

No. XVI-PLA/LAS/REF/2026.

Puducherry, dated 25th August 2026.

In pursuance of rule 140 of the Rules of Procedure and Conduct of Business of the Puducherry Legislative Assembly, 1966, the following Bills viz.,

1. The Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 (Bill No. 5 of 2026).

which was introduced and passed in the Legislative Assembly on the 25th August 2026, is hereby published for general information.

J. DAYALANE,
Secretary.

THE PUDUCHERRY AGRICULTURAL PRODUCE
MARKETING (PROMOTION AND FACILITATION)
BILL, 2026

(Bill No. 5 of 2026)

A

BILL

to provide for geographically restriction-free trade transaction of agricultural produce across the Union territory of Puducherry and the Country; to enhance transparency in trade operations and price settlement mechanism through adoption of electronic and other innovative form of technology; to promote emergence of multiple channels for competitive marketing, agri-processing and agricultural export; to encourage investments in development of markets and marketing infrastructure in the Union Territory of Puducherry, whereas it is expedient to put in place facilitative regulation, professional management and conducive policy framework therefor and purposes connected therewith and to lay down procedures and systems thereto.

BE it enacted by the Legislative Assembly of Puducherry in the Seventy-Seventh 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 Marketing (Promotion and Facilitation) Act, 2026.

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

(3) It shall come into force on and from the date of publication of the notification in the Official Gazette.

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

(i) "Agricultural produce" means, all produce, whether processed or unprocessed agriculture, horticulture, apiculture, sericulture, pisciculture and animal husbandry, as are specified in the Schedule to this Act or declared by the Government by notification from time to time under section 3 of this Act and also includes a mixture of two or more than two of such products;

(ii) "agriculturist" means, a person, who is engaged in production of agricultural produce by himself or by hired labour or otherwise, but does not include any market functionary; and also includes association of agriculturists by whatever name called, and registered under any law for the time being in force, and is engaged in aggregation of member agriculturists' produce;

(iii) "appellate authority" means, an authority appointed or authorised to hear appeals referred to in section 55;

(iv) "assaying lab" means, a laboratory set up, as prescribed in the Rules/Bye-laws/Guidelines/Instructions, for testing of quality parameters as per the tradable parameters or grade-standards or any other parameters notified by Government of India;

(v) "bill" means, bill issued by the traders as prescribed;

(vi) "bye-laws" means, the bye-laws made by the Market Committee under this Act and Rules;

(vii) "chief executive officer" means, the Chief Executive Officer of Market Committee appointed under Section 35 of this Act;

(viii) "collector" means, the Chief Officer in charge of the Revenue Administration of a District in 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;

(ix) "deemed market" means, warehouse/ silos/ cold storage/ or other such structure or place declared as sub-market yard under section 8 of this Act;

(x) "direct marketing" means, direct purchase of notified agricultural produce from agriculturist outside the market yard;

(xi) "director" means, the Director, Department of Agriculture and Farmers Welfare, and includes any other person or the 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;

(xii) "electronic trading" means, trading of notified agricultural produce in which registration, auctioning, billing, booking, contracting, negotiating, information exchanging, record keeping and other connected activities are done electronically on computer network/internet;

(xiii) "electronic trading platform/e-market" means, electronic platform set up either by Government or its agencies or a person licensed under section 38 of this Act for conducting trading in notified agricultural produce through electronic media or by any means of communication in which registration, buying and selling, billing, booking, contracting and negotiation are carried out through online computer network/internet or any other such electronic device;

(xiv) "government" means, the Administrator of the Union territory of Puducherry appointed by the President under Article 239 of the Constitution;

(xv) "Head load" means, bearable baggage of farm produce carried on head;

(xvi) "license" means, a license granted under sections 38, 50, 51 and 53 of this Act;

(xvii) "licensee" means, a person or association, firm, company, public sector undertaking or society holding a license issued under this Act;

(xviii) "licensing authority" means, the authority to which an application for grant and / or renewal of license is made under sections 38, 50, 51 and 53 of this Act;

(xix) "local authority" means, for the purpose of representation on the Market Committee in relation to an area within the local units of (i) any Municipal area or any notified committee or Local Authority for the area; and (ii) any rural area, the Commune Panchayat or the Village Panchayat;

(xx) "market" means, a market established under section 5 of this Act which includes market area, market yard and Market Committee;

(xxi) "market area" means, area notified under section 4 of this Act;

(xxii) "market charges" include charges on account of or in respect of weighing, measuring, labour (loading, unloading and carrying), cleaning, drying, sieving, stitching, stacking, hiring, gunny bags, stamping, bagging, storing, warehousing, grading, surveying, transporting and processing;

(xxiii) "market committee" means, the Market Committee established under the provisions of this Act;

(xxiv) "market committee fund" means, a fund created under sub-section (1) of section 80 of this Act which would be utilised to meet out the expenses incurred by the Market Committee for the purposes of this Act;

(xxv) "market fee" is the charge for the services provided to market functionaries as per section 48 of this Act;

(xxvi) "market functionary" means, a trader, buyer, mazdoor, processor, a stockist and such other person as may be declared under the rules or bye-laws, to be a market functionary;

(xxvii) "marketing" means, all activities involved in the flow of agricultural produce from the production points commencing from the stage of harvest till it reach the ultimate consumers *viz.*, assembling, sorting, grading, processing, storage, transport, channels of distribution and all other functions involved in the process;

(xxviii) "market yard" in relation to a market area means, a specified place and includes any enclosures, buildings or locality declared as such in any market area by the Government by notification in the Official Gazette and includes principal market yard and sub-market yard ;

(xxix) "mazdoor" means, a labourer or coolie engaged for dara-making, loading, unloading, filling, stitching, emptying or carrying any agricultural produce in the notified market area;

(xxx) "notification" means a notification published in the Official Gazette of Government of Puducherry;

(xxxi) "notified agricultural produce" means, any agricultural produce specified in the Schedule of this Act;

(xxxii) "other backward classes" means, the other backward classes of citizens as specified by the Government from time to time;

(xxxiii) "person" means, an individual, firm (registered / unregistered), Hindu Undivided Family (HUF), company, co-operative society, Government agency or Public undertaking or Corporation, or registered Farmer Producer Organisation;

(xxxiv) "petty trader" in relation to agricultural produce means, a non licensee trader under this Act who carries on purchasing or selling of notified agricultural produce in the quantity not exceeding of such quantity as specified in this Act and notified by the Government as retail;

(xxxv) "prescribed" means, prescribed by rules, regulations and bye-law made under this Act;

(xxxvi) "private market yard" means, market yard as established and licensed under section 7 of this Act;

(xxxvii) "processing" means, any one or more of a series of treatments relating to powdering, crushing, paste making, decorticating, cleaning, ripening, de-husking, parboiling, polishing, ginning, pressing, curing or any other manual, mechanical, chemical or physical treatment to which any raw agricultural produce or its product is subjected to make it fit for use or consumption;

(xxxviii) "processor" means, a person or a firm, who undertakes processing of any notified agricultural produce on his own accord or on payment of a charge;

(xxxix) "registration" means, registration done under this Act for the purpose as specified;

(xl) "regulation" means, regulation made by the Government / Director, in accordance with the provisions of this Act;

(xli) "retail sale" in relation to a notified agricultural produce means, the sale of any agricultural produce not exceeding such quantity as may, by rules or bye-laws made under this Act, be fixed in respect of such agricultural produce;

(xlii) "rules" means, rules made under this Act by the Government;

(xliii) "schedule" means, the Schedule to this Act;

(xliv) "scheduled castes" and "scheduled tribes" shall carry the same meaning as assigned to them under clause (24) and (25) respectively of Article 366 of the Constitution of India;

(xlv) "seller" means, a person who sells or agrees to sell any agricultural produce;

(xlvi) "sub-committee" means, a group of members appointed by the Market Committee to perform any of its duties or functions and report to the committee for decision;

(xlvii) "sub-market yard" in relation to a market area means, a specified place other than the market yard and includes any enclosure, building or locality, declared as such in any market area by the Government by notification in the Official Gazette;

(xlviii) "trader" means, a person who in his normal course of business buys or sells any notified agricultural produce and includes a person engaged in processing of agricultural produce, but does not include an agriculturist;

(xlix) "user charge" means, charge to be collected in private market yard as per the clause 7(3) on notified agricultural produce; and

(l) "year" means the year as may be notified by the Government from time to time.

CHAPTER – II

ESTABLISHMENT OF MARKETS

3. (1) Upon a representation made by any person, Local Authority or by the agriculturists or their registered organisations, within the area for which a market is proposed to be established, the Government may by notification in the Official Gazette declare its intention of developing and regulating the marketing of such agricultural produce in such area, as may be specified in the notification.

Notification of intention of developing and regulating marketing of notified agricultural produce in specified area.

(2) A notification under sub-section (1) above shall state that any objection or suggestion shall be addressed to the Director on behalf of the Government within a period of not less than thirty days and shall be considered by the Government in the manner as prescribed in rules.

4. After the expiry of the period specified in the notification issued under sub-section (2) of section 3 and after considering such objections and suggestions as may be received before expiry of the period, Government may, by notification declare the area specified in the notification to be the notified market area for the purpose of this Act.

Declaration of notified market area.

5. (1) In every market area, there may be.–

(i) Principal Market Yard(s) managed by the Market Committee;

(ii) Sub-Market Yard(s) managed by the Market Committee;

(iii) Private Market Yard(s) / Private Markets managed by a person other than the Market Committee;

(iv) e-markets/e-trading platform managed by the Market Committee or by a person other than the Market Committee; and

(v) deemed market managed and operated by a person other than the Market Committee;

Principal Market yards, sub-market yards, private market, e-market / e-trading platform, direct market.

(2) The Government shall, by notification, declare any specified place including any structure, enclosure, open place or locality in the market area to be a principal market yard or sub-market yard, as the case may be managed by a Market Committee, for the purpose of regulation of marketing of notified agricultural produce.

Declaration of commodity specific or special commodity markets.

6. The Government may, by notification, declare any existing or new market established under section 5 into commodity specific market or special commodity market of cotton, flower, fruits and vegetable, *etc.*, based on turnover and special infrastructure requirements.

Establishment of private market yard.

7. (1) A private market yard may be set up by any person with suitable infrastructure in accordance with the provisions of this Act and rules made thereunder for marketing of notified agricultural produce.

(2) Subject to such reasonable conditions, infrastructure, security and such fee as may be prescribed; the Director or the Officer authorised by him may grant a license to a Person to establish a private market yard.

(3) The private market yard licensee or its management committee, may collect user charge on notified agricultural produce transacted in the private market yard, at the rate *ad valorem* not exceeding the rate as notified by the Government and will pay certain portion of the user charge to the Director or the Officer authorised by him, as may be prescribed:

Provided that no user charge shall be collected from agriculturist-seller.

Declaring warehouse/ silos / cold storage or other such structure or place as deemed market.

8. (1) Any person, owning warehouse / cold storage, or other such structure or 'place' as the case may be, desirous of declaration of such place as deemed market shall apply to the Director or an Officer authorised by him, in such form and in such manner and with such fee; and also for such period, as may be prescribed.

Explanation.— The expression 'place' under this sub-section shall include any structure, enclosure, open space, locality, street including pack house / cleaning grading and processing unit, *etc.*

(2) The licensee of such warehouse / silos / cold storage or other such structure or place, may collect user charge on notified agricultural produce transacted at the declared deemed market at the rate *ad valorem* not exceeding the rate as notified by the Government and will pay certain portion of the user charge to the Director or the Officer authorised by him, as may be prescribed:

Provided that no user charge shall be collected from agriculturist - seller.

9. (1) Permission may be granted to any person in accordance with the provisions of this Act and rules made thereunder for wholesale purchase of notified agricultural produce directly from the agriculturists outside the market yard.

D i r e c t
m a r k e t i n g
(w h o l e s a l e
direct purchase
from farmers
outside the
market yard).

(2) The licensee under sub-section (1) may establish either collection / aggregation centers in the proximity of production area with infrastructure, as may be prescribed, with linkages to retail chain, or processing / export unit / premises, or any other such unit / premises, as may be prescribed, or may make direct wholesale purchase without establishment of any permanent collection / aggregation centre, as may be prescribed.

(3) The direct marketing licensee shall be liable to pay a certain percent of the applicable market fee to the Director or the Officer authorised by him on direct wholesale purchases made from agriculturists, as may be prescribed.

CHAPTER – III

CONSTITUTION OF MARKET COMMITTEE

Establishment
of Market
Committee
and its
incorporation.

10. (1) For every market area, there shall be a Market Committee having jurisdiction over the entire market area except private market yard/private market including e-market, direct market licensed under this Act.

(2) Every Market Committee shall be a body Corporate by such name as the Government may, by notification, specify. It shall have perpetual succession and a common seal and may *sue* and be sued in its corporate name and shall subject to such restrictions as may be imposed by this Act, be competent to contract, to acquire, hold, lease, sell or otherwise transfer any property and to do all other things as may be found necessary for the purpose for which it is established:

Provided that no immovable property shall be acquired or transferred by way of sale, lease or otherwise without the prior permission of the Government.

(3) Notwithstanding anything contained in any enactment for the time being in force, every Market Committee shall, for all purposes, be deemed to be a Local Authority.

(4) The Market Committee shall be classified by the Director, subject to the prescribed guidelines, considering through put and other consideration as Director deems fit, for the purpose of laying down the norms for staff, establishment expenditure and other expenses and allowances required therefor.

Vesting of
property of
Local Authority
in Market
Committee.

11. (1) The Market Committee may require a Local Authority to transfer to it any land or building belonging to the Local Authority which is situated within the market area and which, immediately before the establishment of the Market Committee was being used by the Local

Authority for the purposes of the market and the Local Authority shall within one month of the receipt of the requisition, transfer the land and or building, as the case may be, to the Market Committee on such terms as may be agreed to between them.

(2) Where within a period of thirty days from the date of receipt of requisition from the Market Committee under sub-section (1) no agreement is reached between the Local Authority and the Market Committee under the said sub-section, the land or building required by the Market Committee shall vest in the Market Committee for the purposes of this Act and the Local Authority shall be paid such compensation as may be determined by the Collector under sub-section (4):

Provided that no compensation shall be payable to a Local Authority in respect of any land or building which had been vested in it by virtue of any provision contained in the enactment relating to the constitution of such Local Authority without payment of any amount whatsoever, for such vesting:

Provided further that any party aggrieved by the order of the Collector may within thirty days from the date of such order, shall appeal to the Government.

(3) The Local Authority shall deliver possession of the land or building vested in the Market Committee by virtue of sub-section (2) within a period of seven days from such vesting and on failure of the Local Authority to do so within the said period, the Collector shall take possession of the land or building and cause it to be delivered to the Market Committee.

(4) The Collector shall fix the amount of compensation for the land and/or building having regard to:

- (i) the annual rent for which the building might reasonably be expected to be let from year to year;
- (ii) the condition of the building;
- (iii) the amount of compensation paid by the Local Authority for the acquisition of such land; and
- (iv) the cost of the present value of any building erected or other work executed on the land by the Local Authority.

(5) The compensation fixed under sub-section (4) may, at the option of the Market Committee, be paid in *lump sum* or in such number of equal installments with interest, as the Collector may fix.

Acquisition of
land for Market
Committee.

12. (1) When any land within the market area is required for the purposes of this Act and the Market Committee is unable to acquire it by agreement, the Government may, at the request of the Market Committee, proceed to acquire such land under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and on payment of compensation awarded under that Act by the Market Committee and of any other charges incurred by the Government in connection with the acquisition and the land shall vest in the Market Committee:

Act
No.30
of
2013.

Provided that once a proposal is made by the Market Committee, it shall not be withdrawn by it except for such reasons as may be approved by the Government.

(2) The Market Committee shall not, without the previous sanction of the Government, transfer any land which has been acquired for this purpose by the Market Committee under sub-section (1) or divert such land for a purpose other than the purpose for which it has been acquired:

Provided that the premises used for market yard or sub-market yard shall not be deemed to be included in the limits of the Municipality, Notified Area, Village Panchayat /Commune Panchayat or a Special Area Development Authority, whatsoever.

13. (1) Pending constitution of a Market Committee under this Act, the Government shall by an order appoint an Officer-in-charge or a Committee-in-charge of the Market Committee for a period not exceeding two years. The Members of the Committee-in-charge may be appointed from among persons representing the same interests and in the same proportion as specified in sections 14 and 15. The Officer-in-charge or the Committee-in-charge shall be subject to the control of the Director and shall exercise all the powers and perform all the duties of the Market Committee laid down under this Act:

Appointment of Officer-in-charge or Committee-in-charge of Market Committee pending constitution of first Market Committee.

Provided that the Government may at any time during the period aforesaid appoint Committee-in-charge in place of Officer-in-charge or an Officer-in-charge in the place of Committee-in-charge, and the Officer or the Committee, so appointed shall hold office or shall function for the remaining period available to its predecessor:

Provided further that if the Market Committee is constituted before the expiry of the period aforesaid, the Officer-in-charge or the Committee-in-charge as the case may be, shall cease to hold office and function on the date appointed for the first general meeting of the newly constituted Market Committee.

(2) In the event of death, resignation, leave or suspension of the Officer-in-charge, a casual vacancy shall be deemed to have occurred in such office and such vacancy shall be filled, as soon as may be, by appointment

of a person thereto by the Government and until such appointment, a person nominated by the Director shall act as Officer-in-charge.

(3) In the event of a vacancy occurring on account of death, resignation or otherwise of the members of the Committee-in-charge, the vacancy shall be filled in by fresh appointment by the Government or by the Director.

(4) Any Officer-in-charge or any or all persons appointed to the Committee-in-charge under sub-section (1) may at any time be removed by the Government who shall have powers to appoint any other person or persons, in his or her place or their places, as the case may be.

(5) Every person appointed as Officer-in-charge under sub-section (1) shall receive from the Market Committee Fund for his services, such honorarium and allowances as may be fixed by the Government and every member of the Committee-in-charge shall be entitled to receive from the Market Committee Fund, allowances at such rate payable to the members of the Market Committee.

Constitution of
M a r k e t
Committee by
election.

14. (1) Save as otherwise, every Market Committee shall consist of members not exceeding eighteen (including the *ex officio* members provided under section 15) 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:

(i) agriculturist of the notified agricultural market area who has sold his produce at least in the preceding two successive years; and

(ii) persons licensed under section 51 to trade in respect of the notified agriculture produce.

(3) The number of members to be elected under clause (i) of sub-section (2) shall be nine and the number of members to be elected under clause (ii) of said sub-section shall be four.

(4) The Government may appoint to every Market Committee, one agriculturist residing in the notified area on the recommendation of the Registrar of Co-operative Societies to represent co-operative interests.

(5) The Government may appoint to every Market Committee, such number of other members as it thinks fit, but not exceeding three.

15. The designated Additional Director of Agriculture and Farmers Welfare, Puducherry; Additional Director of Agriculture and Farmers Welfare, Karaikal; Deputy Director of Agriculture and Farmers Welfare (Yanam) and Deputy Director of Agriculture and Farmers Welfare (Mahe) or any other Officer designated having jurisdiction over the respective notified areas shall be *ex officio* member of the Market Committee established for such area.

Additional Director of Agriculture or Deputy Director of Agriculture and Farmers Welfare of the respective notified areas to be *ex officio* member.

16. (1) The Chairperson, Vice-chairperson and members of the Market Committee shall hold office for a period of five years from the date of first meeting of the Market Committee:

Term of office of Chairperson, Vice-chairperson and members, *etc.*

Provided that if, on expiry of the term of the Market Committee, a new Market Committee is not constituted, the Market Committee shall be deemed to have been dissolved and in such an event the provisions of section 13 shall apply:

Provided further the term of office of a member appointed under sub-section (5) of section 14, shall expire on the date on which his term of office expires:

Provided also that the member nominated under clause (ii) of sub-section (2) of section 14 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 nominated by the Market Committee from among the members of the electorate by which the member was elected; and

(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 members nominated or appointed to fill a vacancy under sub-section (3) shall hold office only as 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 purpose 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 a member under sub-section (2), the Chairperson 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, duly advising reasons for his absence, the Market Committee may, at the meeting next after the receipt of such application, if satisfied that the absence is reasonable, shall restore him to his office as a member:

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

(7) Any member of the Market Committee may at any time be removed from office by the Government for any of the reasons prescribed by it.

(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 Government, to take place on such days not earlier than two months before the date on which the vacancies arise or as it thinks fit.

(9) Every Chairperson and Vice-chairperson shall vacate office if he ceases to be a member of the Market Committee.

17. Where the term of office of the members of the Market Committee has expired and the Government is of the opinion that it is not practicable to reconstitute the Market Committee forthwith, it may, by notification, shall 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.

*S p e c i a l
p r o v i s i o n
where there is
delay in the
reconstitution
of new Market
Committee.*

Meetings.

18. (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.

Division of market area for constituencies and reservation of seat.

19. (1) The Collector shall by notification divide a market area into as many numbers of constituencies equal to the number of the representatives of the agriculturists to be chosen from that area.

(2) Reservation of seats for Scheduled Castes, Scheduled Tribes, Other Backward Classes and Women shall be made as per the law for the time being in force and also as prescribed in rules.

Qualification to vote and to be representative of agriculturists.

20. (1) Every person meeting the qualifications as prescribed in rules shall be eligible to vote to elect representative of agriculturists.

(2) Any person meeting the qualifications as prescribed in rules framed under this Act shall be eligible to election of representatives of agriculturists

First meeting, resignation by Chairperson, Vice-chairperson or member and vacancy in their office.

21. (1) The first meeting of the Market Committee shall be convened by the Collector within one month from the date of publication of the result of election of Chairperson, Vice-chairperson and members in the Official Gazette.

(2) A member of the Market Committee other than *ex officio* member may resign from his membership in writing delivered or caused to be delivered to the Chairperson of the Market Committee, who shall

acknowledge the receipt of same and the seat of such member shall become vacant on the expiry of fifteen days from the date of acknowledgement of resignation unless within such period such member withdraws his resignation in writing addressed to the Chairperson.

(3) The Chairperson and Vice-chairperson may resign their office at any time in writing addressed to the Director and the Chairperson respectively; and the office shall become vacant on the expiry of fifteen clear days from the date of such resignation, unless within the said period of fifteen days, they withdraw the resignation in writing addressed to the Director or Chairperson, as the case may be.

(4) In the event of death, resignation or removal of Chairperson, Vice-chairperson or a member before the expiry of his term or on the occurrence of a vacancy, a casual vacancy shall be deemed to have arisen in such office and such vacancy shall be filled within six months by election in accordance with the provisions of this Act and the rules made thereunder and a person so elected or nominated shall hold office for the unexpired portion of the term of his predecessor:

Provided that, if the remaining term of the office is less than six months, such vacancies shall not be filled in.

(5) In the event of occurrence of any vacancy in the office of the Chairperson by reason of his death, resignation or removal or otherwise, the Vice-chairperson and if the office of the Vice-chairperson is also vacant then notwithstanding anything contained in this Act, such a member of the Market Committee who is elected under clause (i) of sub-section (2) of section 14, as the Director may appoint, shall exercise powers and perform the functions of the Chairperson, till the Chairperson is duly appointed.

Election of
Chairperson,
Vice-chairperson
of Market
Committee.

22. (1) Every Market Committee shall have a Chairperson and a Vice-chairperson. The Chairperson and Vice-chairperson shall be elected by the elected members of the Market Committee from amongst those who are representatives of agriculturists.

(2) After every general election, the Market Committee shall elect the Chairperson and Vice-chairperson at its first general meeting, which shall be convened by the Director within one month of the general election. The Chairperson and Vice-chairperson so elected shall hold office for the full term from the date on which they enter upon their respective offices.

(3) The Chairperson and Vice-chairperson shall notwithstanding the expiry of their term of office, continue to hold office until their successors enter upon their office.

(4) The meeting convened for the election of the Chairperson and Vice-chairperson shall be presided over by the Director or any Officer authorised by him in this behalf. The Director or such Officer, when presiding over the meeting, has the same powers as the Chairperson when presiding over a meeting of the Market Committee, but shall not have the right to vote.

(5) If, in the election of a Chairperson and Vice-chairperson there is an equality of vote, the result of the election shall be decided by lots to be drawn in the presence of the Officer presiding in such manner as he may determine.

(6) In the event of dispute, arising as to the validity of the election of the Chairperson and Vice-chairperson, the Director, if he is the Presiding Officer shall decide the dispute himself and in any other case the Officer presiding shall refer the dispute to the Director for decision. The decision of the Director shall, subject to an appeal to the Secretary to Government

(Agriculture) shall be final and no suit or other proceedings shall lie in any Court of Law in respect of such decision.

23. (1) A motion of no confidence may be moved against the Chairperson or Vice-chairperson at a meeting specially convened for the purpose under sub-section (2), and if the motion is carried by a majority of not less than two-third of the members of the Market Committee, the Chairperson or the Vice-chairperson shall cease to hold office, as the case may be.

No confidence motion against Chairperson or Vice-chairperson.

(2) For the purpose of sub-section (1) a meeting of the Market Committee shall be held in the prescribed manner within thirty days from the date of receipt of the notice of motion of no confidence.

(3) The Chairperson or Vice-chairperson shall not preside over the meeting, but such meeting shall be presided over by an Officer of the Government as the Director may appoint for the intended purpose. However, the Chairperson or Vice-chairperson as the case may be, shall have the right to speak or otherwise to take part in the proceedings of the meeting.

(4) If, the motion of no confidence is not accorded as aforesaid or if the meeting could not be held for want of quorum, no notice of any subsequent motion expressing vote of confidence in the same Chairperson or Vice-chairperson shall be made until after the expiry of six months from the date of such scheduled meeting.

24. (1) Where the Director is satisfied that the books and records of the Market Committee are likely to be suppressed, tampered with or destroyed, or the fund and property of a Market Committee are likely to be misappropriated or misapplied, the Director may order for seizure and taking possession of the records and property of the Market Committee.

Seizure and taking possession of records and property of Market Committee under certain situations.

(2) On receipt of the Order under sub-section (1), the Police Officer not below the rank of Sub-Inspector of the local area shall enter, search any place where the records and properties are kept or are likely to be kept, seize them and handover possession thereof to the Director or the person authorised by him, as the case may be.

CHAPTER – IV

CONDUCT OF BUSINESS AND POWERS AND DUTIES OF MARKET COMMITTEE

Meeting, *etc.*,
of the Market
Committee.

25. (1) Subject to the provisions of this Act, the Market Committee shall conduct its business, as may be prescribed.

(2) The Market Committee shall meet for the transaction of its business at least once in every month:

Provided that the Market Committee may in special circumstances meet at any time and at any place in the market area as may be prescribed.

(3) Chairperson shall preside over the meetings of Market Committee and if he is absent, the Vice-chairperson shall preside over the meeting of the Market Committee and if at any meeting both the Chairperson and the Vice-chairperson are absent, any one of the members present in the meeting as may be chosen by the members present may act as the Chairperson.

Powers and
duties of the
M a r k e t
Committee.

26. (1) Subject to the provisions of this Act, it shall be the duty of the Market Committee:

(i) to implement the provisions of this Act, rules and bye-laws made thereunder;

(ii) to provide such facilities for marketing of agricultural produce therein as the Director or the Government may direct from time to time;

(iii) to do such other acts as may be required in relation to the superintendence, direction and control of market or for regulating marketing of agricultural produce in any place in the market area, and for the purposes connected with the matters aforesaid, and for that purpose may exercise such powers and discharge such functions as may be provided by or under this Act; and

(iv) to do all such other acts to bring about complete transparency in pricing system and transactions taking place in market area.

(2) Without prejudice to the generality of the forgoing provisions, the Market Committee may:

(i) maintain and manage the market yards within the market area;

(ii) provide necessary facilities for the marketing of agricultural produce within the market yards and outside the market yards in the market area;

(iii) register or refuse licence to market functionaries and renew, suspend or cancel such license, supervise the conduct of the market functionaries and enforce conditions of license;

(iv) conduct, regulate or supervise the auction of notified agricultural produce in accordance with the provisions and procedures laid down in the rules made under this Act or bye-laws of the Market Committee;

(v) regulate the marketing, carrying out and enforcement or cancellation of agreements of sales, weighment, delivery, payment and all other matters relating to the market of notified agricultural produce in the manner prescribed;

(vi) provide for the settlement of all disputes between the seller and the buyer arising out of any kind of transaction connected with the marketing of notified agricultural produce and all matters ancillary thereto;

(vii) take all possible steps to prevent adulteration of notified agricultural produce;

(viii) make arrangements for employing by rotation, weighmen and mazdoors for weighing and transporting of goods in respect of transaction held in the market yard;

(ix) take measures for the prevention of purchases and sales below the minimum support prices declared by Government of India from time to time;

(x) levy, take, recover and receive rates, charges, fees and other sums of money to which the Market Committee is entitled;

(xi) employ the necessary number of Officers and servants for the efficient implementation of the provisions of this Act, rules and bye-laws made thereunder;

(xii) regulate the entry of persons and vehicles, traffic into the market yard vesting in the Market Committee;

(xiii) prosecute persons for violating the provisions of this Act, rules and bye-laws and compound such offences;

(xiv) acquire land and dispose off any movable or immovable property for the purpose of efficiently carrying out its duties with the prior permission of the Government;

(xv) impose penalties on persons who contravene the provisions of this Act, rules or bye-laws or the orders or directions issued under this Act, rules or bye-laws by the Market Committee, its Chairperson or by any Officer duly authorised in this behalf;

(xvi) institute or defend any suit, prosecution, action, proceeding, application or arbitration and compromise such suit, action, proceeding, application or arbitration;

(xvii) pay salary, pension, allowances, gratuities, contribution towards leave allowances, pension or provident fund of the officers and servants employed by the Market Committee in the manner prescribed;

(xviii) administer Market Committee Fund referred to in section 80 and maintain the accounts thereof in the prescribed manner;

(xix) keep a set of standard weights and measures in each principal market yard and sub-market yard against which weighment and measurement may be checked;

(xx) inspect and verify scales, weights and measures in use in a market area and also the books of accounts and other documents maintained by the market functionaries in such manner as may be prescribed;

(xxi) carry out publicity about the benefits of regulation, the system of transaction, facilities provided in the market yard *etc.*, through such means as posters, pamphlets, hoardings, cinema slides, film shows, group meetings, electronic media *etc.*, or through any other means considered more effective or necessary;

(xxii) ensure payment in respect of transactions which take place in the market yard to be made on the same day to the seller or as provided in the Act and rules and in default to seize the agricultural produce in question along with other properties of

the person concerned and to arrange for re-sale thereof and in the event of loss, to recover the same from the original buyer together with charges for recovery of the losses, if any, from the original buyer and effect payment of the price of the agricultural produce to the seller;

(xxiii) recover the charges in respect of weighmen and mazdoors and distribute the same to them, if not paid by the purchaser/seller as the case may be;

(xxiv) with the prior sanction of the Government, undertake the construction of godowns, roads and such other infrastructure in the market yard and market area as may be required to facilitate movement of agricultural produce to the market for benefit of producer-sellers and traders operating in the market area;

(xxv) collect and maintain information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce and disseminate such information as directed by the Director;

(xxvi) to promote and undertake agricultural processing including activity for value addition in agricultural produce;

(3) With the prior sanction of the Government, the Market Committee may undertake the following:

(i) maintain stocks of fertilizers, pesticides, improved seeds, agricultural equipments, inputs *etc.*, for sale;

(ii) to provide on rent, storage facilities for stocking of agricultural produce to agriculturists;

(4) In addition to the above, the market committee shall also be responsible for;

(i) the maintenance of proper checks on all aspects on all receipts and payments by its Officers;

(ii) the proper execution of all works chargeable to the Marketing Committee Fund; and

(iii) keeping a copy of this Act and rules and notifications issued thereunder and of its bye-laws, open for inspection free of charge at its office;

27. The Market Committee shall publish and circulate from time to time, the data of arrivals and rates of agricultural produces standard-wise brought into the market area for sale, as may be prescribed.

Publishing and circulation of arrival of agricultural produces with rates.

28. Subject to such conditions and restrictions as may be prescribed, the Market Committee may appoint sub-committees consisting of one or more of its members for the performance of any of its duties or functions for reporting or giving opinion on any matter and may delegate to any such sub-committee such of its powers as may be found necessary.

Appointment of sub-committee and delegation of powers.

29. A Market Committee may, with the previous sanction of the Government raise money or issue debentures required for carrying out the purpose for which it is established on the security of any property vested in it and of any fees leviable by it under this Act.

Power to borrow.

30. (1) The Market Committee may accept from any person who has committed or is reasonably suspected of having committed an offence other than contravention of section 45 of this Act or rules or bye-laws made thereunder by way of compounding of such offence:

Compounding of offences.

(i) 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 the bye-laws in addition to the fee or other amount so recoverable, a sum of money not less than the amount of the fee or other amount and an amount not more than five times the amount of fee or other amount to the maximum extent of rupees five thousand; and

(ii) in other cases a sum of money not exceeding five thousand rupees.

(2) On the compounding of any offence under sub-section (1), no proceeding shall be taken or continued against the person concerned in respect of such an offence, and if any proceedings in respect of that offence have already been instituted against him in any Court, the compounding shall have effect of his acquittal.

Power to write off irrecoverable fee, *etc.*

31. The Market Committee may write off any fee or amount whatsoever due to it, whether under a contract or otherwise, or any amount payable in addition thereto, if in its opinion such a fee or an amount is irrecoverable:

Provided that the Market Committee shall, before writing off any such fee or amount, obtain the sanction of the Director, if the fee or amount exceeds rupees fifty thousand.

Power to remove encroachment on market yard.

32. (1) Any Officer or servant of the Market Committee empowered by the Government in this behalf shall have power to remove any encroachment in a space in the market yard and the expenses of such removal shall be paid by the person who has caused said encroachment and shall be recovered in the same manner as arrears of land revenue.

(2) Existence of encroachment in the market yard will be treated as misconduct on the part of the Market Committee, if it does not resolve to remove it and also on the part of the Chairperson, Vice-chairperson or the Chief Executive Officer if, they fail to remove it after resolution of the Market Committee.

33. (1) Only such weighing instruments which satisfy the requirements of such weights and measures as prescribed by The Puducherry Legal Metrology (Enforcement) Rules, 2011 shall be used for weighing or measuring agricultural produce in a notified market area:

Use of weighing instruments, weights and measures, their inspection and seizure.

Provided that in transactions of sale and purchase of agricultural produce in the principal market yard and sub-market yards of the notified market area, the beam scale or platform scale or electronic balance shall alone be used.

(2) Every Market Committee shall keep in the market yard at least one weighing instrument of the capacity of one quintal and two sets of weights in places where measures are used for measurements. The measures shall be kept verified and stamped periodically in accordance with the provisions of The Puducherry Legal Metrology (Enforcement) Rules, 2011. The Market Committee shall cause such weights and measures to be tested and verified once in the course of each calendar year through the agency appointed and in accordance with the requirements of the said Act and Rules.

(3) The Market Committee shall allow any person to check free of charge any weight or measure in his possession against the weights and measures maintained under this section.

(4) Weighing instruments, weights and measures kept by the Market Committee under this section may at any time be inspected, examined and checked by the

Director or any other Officer duly authorised in this behalf by the Director. After inspection, the inspecting Authority may give such directions as it may deem proper. The Market Committee shall be bound to comply with such directions.

(5) The Director or any other person authorised in this behalf by the Director shall be entitled at any time and without previous notice to inspect, examine and test any weighing instruments, weights or measures used, kept or possessed within a notified market area by a licensee under this Act, and every such instrument, weights or measures shall when required, be bound to be produced before the person entitled so as to inspect, examine and test it.

(6) Any person authorised to inspect, examine and test any weighing instrument, weights or measures under sub-section (5), while so acting, shall have all the powers of a Legal Metrology Officer under rule 14 of the Puducherry Legal Metrology (Enforcement) Rules, 2011.

Mode of making contract.

34. (1) Subject to the provisions of this Act, no contract or agreement on behalf of the Market Committee for the purchase, sale, lease, mortgage or any other transfer of, or acquisition of interest in immovable property shall be executed, except with the previous sanction of the Market Committee as approved by the Government;

Provided that in such cases where the powers under this sub-section in respect of any matter are delegated to a sub-committee, sanction of sub-committee shall be obtained.

(2) The financial limits and the person(s) authorised to sign the contract shall be in accordance with the instructions issued by the Government in this regard, from time to time.

CHAPTER- V

STAFF OF MARKET COMMITTEE

35. (1) Every Market Committee shall have a Chief Executive Officer who shall be the Chief Executive of the Market Committee and the custodian of all the records and properties of the Market Committee and shall exercise the following powers and carry out duties in addition to such other duties as may be specified in this Act, rules or bye-laws, namely:

Chief Executive
Officer of
M a r k e t
Committee.

(i) convene the meetings of the Market Committee and of the sub-committees, if any, and maintain minutes of the proceedings thereof;

(ii) attend the meetings of the Market Committee and of every sub-committee and shall take part in the discussions but, shall not move any resolution or vote at any such meeting;

(iii) take action to give effect to the resolution of the Market Committee and of the sub-committees, and report about all actions taken in pursuance of such resolution, to the Market Committee as soon as possible;

(iv) prepare the budget proposal;

(v) furnish to the Market Committee such returns, statements, estimates, statistics and reports as the Market Committee may from time to time, require including reports regarding:

(a) the fines and penalties imposed on and any disciplinary action taken against the members of the staff and the market functionaries and others;

(b) contravention of this Act, rules, bye-laws and of the standing orders by any person;

- (c) the suspension or cancellation of licence by the Chairperson or the Director; and
- (d) the administration of the Market Committee and the regulation of marketing.

(vi) produce before the Market Committee such documents, books, registers and the like as may be necessary for the transaction of the business of the Market Committee or the sub-committee, and also whenever called upon by the Market Committee to do so;

(vii) exercise supervision and control over the acts of all Officers and servants of the Market Committee;

(viii) collect fees and other money leviable by or due to the Market Committee;

(ix) be responsible for all the money credited to or received on behalf of the Market Committee;

(x) make disbursement of all the money lawfully payable by the Market Committee;

(xi) report to the Chairperson and the Director as soon as possible in respect of fraud, embezzlement, theft or loss of funds or property of the Market Committee; and

(xii) prefer complaints and launch prosecutions on behalf of the Market Committee and conduct proceedings, civil or criminal, on behalf of the Market Committee.

(2) The Chief Executive Officer shall be appointed by the Market Committee from the panel maintained by the Director. Director shall have power to appoint the Chief Executive Officer from among those in the services of the Department of Agriculture and Farmers Welfare and such appointments shall be binding on the Market Committee.

36. (1) Every Market Committee shall appoint such other Officers and servants as may be necessary and proper for the efficient discharge of its duties:

Appointment
of staff by the
M a r k e t
Committee.

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

(2) The Market Committee may make bye-laws for regulating the appointment, pay, leave, leave salary and allowances, pensions, gratuities, contribution to provident fund and other conditions of service of Officers and servants appointed under sub-section (1) and for providing for delegation of powers, duties and functions to them.

(3) Notwithstanding anything contained in this Act or any rules or bye-laws made thereunder, the Director may, subject to the conditions specified in sub-section (4), transfer on deputation any Officer or servant of any Market Committee carrying the maximum scale of pay as prescribed, to any other Market Committee and it shall not be necessary for the Director to consult either the Market Committee or the Officer or servant concerned before passing an order of transfer on deputation under this sub-section, in accordance with the rules and regulations of the Government under Service Law.

(4) The Officer or servant concerned transferred under sub-section (3) shall:

(i) have his lien in the post held in the parent Market Committee;

(ii) not be put to disadvantageous position in respect of pay and allowances which he would have been entitled to, had he continued in the parent Market Committee;

(iii) be entitled to deputation allowance at such rate as the Director may by general or special order, specify; and

(iv) be governed by such other terms and conditions including disciplinary action as the Director may, by general or special orders, specify.

CHAPTER – VI

E-TRADING

Establishment/
Promotion of
e - market /
electronic
trading
platform.

37. (1) No person shall establish or run any e-market / electronic trading platform for trading in notified agricultural produce without obtaining a licence under this section.

(2) Save as provided in sub-section (1), a Market Committee may, however, establish and run e-trading platform for trading in notified agricultural produce, as may be prescribed.

Grant/Renewal
of licence to
establish
e - market /
electronic trading
platform.

38. (1) Any person desirous of establishing an e-market / e-trading platform under sub-section (1) of section 37 shall apply to the Director or the Officer authorised by him in such form and manner alongwith such fee and security / bank guarantee and fulfilling such conditions, as may be prescribed.

(2) The e-trading platform managed and operated by a person or a Market Committee, as the case may be, shall provide all infrastructures and services connected to e-trading, as may be prescribed.

(3) The licensee or its Management Committee, may collect user charge on sale transaction of notified agricultural produce on the e-trading platform:

Provided that no user charge shall be collected from agriculturist-seller:

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

(4) The e-trading platform licensee shall share such per cent of user charge to the Director or the Officer authorised by him, as may be prescribed.

39. In order to evolve a unified National Agricultural Market and to integrate various e-platforms, the applications in the e-platform(s) should be interoperable as per specifications and standards laid down by the Director or the Authority designated therefor.

Interoperability of e-trading platforms.

40. (1) Notwithstanding anything contained in this Act, payment of notified agricultural produce traded on electronic platform shall be made on the same day of the sale transaction to the seller or at the maximum next day, if procedurally so required. In procedural exigencies on electronic trading, the payment to the seller may be made as prescribed in rules and bye-laws made thereunder.

Payment to the sellers and maintenance of accounts.

(2) The licensee or Market Committee, as the case may be, shall maintain accounts of all the transactions taken place on electronic platform and submit such periodical reports and returns to the Director or the authorised Officer, at such time and in such forms, as may be specified by the Competent Authority, from time to time.

41. The Director may, for the reasons to be recorded, specify the breach of any provision of this Act/ rules/bbye-laws, instructions, orders, suspend or cancel the licence, granted under section 38, by passing a Speaking Order:

Suspension or cancellation of licence of electronic trading platform.

Provided that no order for suspension or cancellation of licence shall be passed without giving the licensee, a reasonable opportunity of being heard.

42. Any dispute arising between/among licensees of e-trading platforms under section 38, or between / among the licensees and Market Committee / its agencies,

Dispute settlement.

shall be resolved by the Director or the Officer authorised by him, in summary manner within thirty days, after giving the parties reasonable opportunity of being heard.

D i s p u t e
settlement with
r e g a r d t o
intra-State trade
transaction.

43. In case of any dispute with regard to intra-State transaction on e-platform, the redressal thereof shall be done at the level of Management Committee of the licensee or the Market Committee, as the case may be, through an administrative process, or through the process of conciliation and arbitration, or otherwise within seven working days; while in case of perishables it shall be within three working days. The Management Committee or Market Committee, as the case may be, shall dispose of the matter by issuing speaking order.

D i s p u t e
settlement with
r e g a r d t o
inter-State trade
transaction.

44. In case of any dispute arising out of inter-State trade transaction on e-platform or any other such platform, the Government can subscribe to become part Inter-State Dispute Settlement Mechanism through entering into Memorandum of Understanding (MoU) or such other instrument and the Government can also subscribe to become part of such Authority, which may be constituted by the Central Government or by the Government of Puducherry under the existing law or any law to be framed therefor.

CHAPTER – VII

REGULATION OF TRADING

Regulation of
marketing of
n o t i f i e d
agricultural
produce.

45. (1) No person shall, except in accordance with the provisions of this Act, rules and bye-laws made thereunder:

(i) use any place in the market area for the marketing of notified agricultural produce; or

(ii) operate in the market area as a market functionary.

(2) Nothing in the sub-section (1) shall apply to the following sale or purchase of such agricultural produce—

(i) where the sale is made by the producer himself to any person for his domestic consumption in quantity up to four quintals;

(ii) which is brought for sale by head load;

Provided that the Government may by notification withdraw this exemption specifying the reasons therein in respect of such market area.

(iii) purchase or sale made by a petty trader;

(iv) purchase which is made by an authorised fair price shop dealer from the Food Corporation of India, the State Commodities Trading Corporation or any other agency or institution authorised by the Government for distribution of essential commodities through the public distribution system; and

(v) The transfer of such agricultural produce to a co-operative society for the purpose of securing an advance therefrom.

46. (1) All notified agricultural produce shall ordinarily be sold in the market yards or in the private market yards and e-markets of the licence holder, subject to the provisions of sub-section (2):

Sale of notified agricultural produce in markets.

Provided that the notified agricultural produce may be sold at other places also to a licence holder especially permitted in this behalf under section 9 of this Act:

Provided further that it shall not be necessary to bring agricultural produce covered by contract farming to the market yard, private market yard, e-market and it may be directly sold to contract farming sponsor from farmers' field.

(2) The price of the notified agricultural produce, brought for sale into the market yard, shall be fixed by tender, bid or open auction or any other transparent system and no deduction shall be made from the agreed price on any account whatsoever from the seller.

Terms and
procedure of
buying and
selling.

47. (1) Except in the commercial transactions between two traders, any other person who buys notified agricultural produce in the market area, shall execute an agreement in triplicate in such form, as may be prescribed in favour of the seller. One copy of the agreement shall be kept by the buyer, one copy shall be supplied to the seller and the remaining copy shall be kept in the record of Market Committee.

(2) (i) The price of the notified agricultural produce bought in the market yard, private market yard, e-market, direct marketing shall be paid on the same day to the seller, however, if procedurally so required, it can be paid next day. Payment on notified agricultural produce purchased shall also be made to agriculturist - seller, if sold to direct marketing licensee, on the same day there itself or as provided in the Act and rules .

(ii) In case the purchaser does not make payment as specified under clause (i), he shall be liable to make additional payment at the rate of one percent per day of the total price of the agricultural produce, payable to the seller within five days.

(iii) In case the purchaser does not make payment as specified under clause (i) along with additional payment to the seller as specified under clause (ii), his licence shall be deemed to have been cancelled on the sixth day and he shall not be granted any licence or permitted to operate under this Act for a period of one year from the date of such cancellation.

(3) No wholesale transaction of notified agricultural produce shall be entered directly by licensed traders with agriculturists except in the market yard, private market yard, e-market or in such place in accordance with the provisions in the bye-laws:

Provided that the notified agricultural produce may be sold at other place also to a licensee especially permitted for the purpose under this Act.

48. (1) Every Market Committee shall levy and collect market fee from buyer on sale and purchase of notified agricultural produce in the market area whether brought from outside or within the Union territory of Puducherry at such rates as may be fixed by the Government from time to time subject to a maximum of two rupees for every one hundred rupees of the price in the manner as prescribed:

Power to levy market fees (single point levy).

Provided that on notified agricultural produce brought whether from outside of or within the Union territory of Puducherry into the market area directly at processing plant for processing, no market fee shall be levied, if the relevant document is furnished as prescribed:

Provided further that notwithstanding anything contained in sub-section (1), rate of market fee on perishable notified agriculture produce shall not exceed one rupee for every one hundred rupees of the price and such notified perishable produce shall not be subjected to regulation on their sale-purchase outside the market yard.

(2) Market fee specified in sub-section (1) shall not be levied for the second time in any market area of the Union territory of Puducherry if the market fee has already been paid on that agricultural produce in any market of the Union territory of Puducherry and the information in this context has been furnished, as prescribed, by the concerned person that the payment of market fee has already been made in other market.

(3) The market fee shall be payable by the buyer of the notified agricultural produce and shall not be deducted from the price payable to the seller:

Provided that where the buyer of a notified agricultural produce cannot be identified, all the fees shall be payable by the person who may have sold or brought the produce for sale in the market area:

Provided further that in case of commercial transactions between traders in the market area, the market fee shall be collected and paid by the seller.

(4) Registered Farmer Producer Organization (FPO) may also be exempted from the levy of market fees.

Permission for transportation of notified agricultural produce.

49. (1) Any notified agricultural produce shall be moved out of the market area only in the manner and in accordance with the permit issued in such form, as prescribed by the Director, and not otherwise:

Provided that the bill issued by the seller shall have to be kept safely at the time of transportation of processed product of agricultural produce:

Provided further that the producer of the agricultural produce may himself take the agricultural produce from one place to another without any permit as prescribed by the Director.

(2) Any agricultural produce, shall be transported in the market area under commercial transaction as prescribed by the Director.

Grant/Renewal of licence to market functionaries other than traders.

50. (1) Every person who, in respect of notified agricultural produce, desires to operate in the market area as weighman, mazdoor, surveyor, warehouseman, owner or occupier of processing factory or such other market functionary, except trader, shall apply to the Market Committee for grant or renewal of licence in such manner and within such period as may be prescribed.

(2) Every such application shall be accompanied by such fee as the Government/Director may prescribe from time to time.

(3) The Market Committee may grant or renew the licence or refuse to grant or renew such licence on the basis of one or more of the following reasons:

- (i) the applicant is a minor or not *bona fide*;
- (ii) the applicant has been declared defaulter under this Act or rules or bye-laws made thereunder;
- (iii) the applicant has been found guilty under this Act;
- (iv) any dues relating to Market Committee and/or Department of Agriculture and Farmers Welfare are outstanding against the applicant; and
- (v) any other reason(s), as may be prescribed.

(4) (i) The applications received under sub-section (1) shall be disposed off by the Market Committee as required in sub-section (3) within fifteen working days.

(ii) On expiry of period of fifteen working days if the application is not disposed, it shall be deemed that the licence or its renewal, as the case may be, has been granted; and accordingly deemed licence or deemed renewal, as the case may be, shall be made, in the manner as prescribed.

51. (1) There shall be a single licence applicable to the whole of the Union territory of Puducherry, for the trader to be granted / renewed by the Director or the Officer authorised by him in such manner and in such form, as may be prescribed, to operate as trader in any principal market yard, sub-market yard, private market yard, e-market, *etc.*, in the Union territory of Puducherry.

Grant/Renewal
of unified
single trading
licence.

The existing trader licences granted by the Market Committees shall be converted into Union territory wide single trader licence by the Director or the Officer authorised by him, within six months from the date of commencement of this Act. Until then, the existing trader licenses granted by the Market Committees are deemed to have been the Union Territory wide single trader licences.

(2) Any person desirous of obtaining or renewing a license under sub-section (1) as trader, shall apply to the Director or the Officer authorised by him in such form with reasonable fee, as may be prescribed.

(3) Subject to provisions of this Act and the rules made in this behalf, the Director or the Officer authorised by him, on application under sub-section (2), after making such inquiries as deemed fit, may grant or renew the licence in the form and in the manner for such a period, as may be prescribed:

Provided that notwithstanding anything contained in this Act and rules, there shall be no consideration of domicile, compulsory requirement of purchase/collection centre and minimal quantity for grant/renewal of such licence:

Provided further that such license granted or renewed shall entail the licensee to carry out trade of any form *i.e.*, primary or secondary or whatsoever, without any discrimination.

(4) The licence issued by the Director or the Officer authorised by him under this section may bear Unicode, as may be prescribed.

Reciprocity of
t r a d i n g
licences.

52. (1) Notwithstanding anything contained in this Act, the holder of trading licence issued by any other State/Union Territory, under the law for the time being in force, may buy the notified agricultural produce in the

manner and procedure agreed to in Memorandum of Understanding (MoU) or in such other instruments thus framed to promote inter-state trade through e-platform.

53. (1) Any person who desires to establish a private market yard under section 7 or purchase notified agricultural produce directly from agriculturists under section 9 in one or more than one market area, shall apply to the Director or the Officer authorised in this behalf for grant or renewal of licence with such fee, surety/bank guarantee and for the period, as may be prescribed.

Grant/Renewal of licence of private market yard, direct marketing.

(2) Application received under sub-section (1) for grant/renewal of licence may either be accepted or rejected for reasons to be recorded in writing by the Director or the Officer authorised in this behalf in any of the following cases:

- (i) if, the Market Committee dues are outstanding against the applicant;
- (ii) if, the applicant is a minor or not *bona fide*;
- (iii) if, the applicant has been declared defaulter under this Act, rules or bye-laws made thereunder; and
- (iv) any other reasons; as may be prescribed.

54. (1) Subject to the proviso of sub-section (3), the licence issuing/renewing authority under sections 51, 52 and 53, as the case may be, for reasons to be communicated to the licensee in writing, suspend or cancel the licence:

Power to suspend or cancel licence.

- (i) if, the license has been obtained through willful misrepresentation or fraud; or
- (ii) if, the licensee or any servant or anyone acting on behalf of the licensee either on express or implied permission, commits a breach of any of the terms and conditions of the licence;

(iii) if, a licensee in combination with another licensee commits any act or abstains from carrying on his normal business in the market area with the intention of willfully obstructing, suspending or stopping the marketing of notified agricultural produce in the market yard / sub-market yard and in consequence whereof the marketing of any notified agricultural produce has been obstructed, suspended or stopped;

(iv) if, the licensee has become an insolvent;

(v) if, the licensee incurs any other disqualification, as may be prescribed; or

(vi) if, the licensee is convicted of any offence under this Act then within one year of the conviction, if the conviction is for the first time and within three years for subsequent conviction.

(2) Subject to the proviso under sub-section (3), the licence issuing /renewing authority as mentioned under sub-section (1) , after communicating the reasons therefor in writing to the licensee, suspend a licence for a period , as may be prescribed in rules.

(3) Notwithstanding anything contained in sub-section (1), and subject to the proviso contained in this sub-section, the licence issuing /renewing authority as mentioned under sub-section (1) may, for reasons to be communicated in writing to the licensee, by order, suspend or cancel his/its licence granted or renewed by him:

Provided that no licence shall be suspended or cancelled under this section without giving the licensee, a reasonable opportunity to show cause against such suspension or cancellation.

55. (1) Any person aggrieved by an order passed under section 50 or section 51 or section 53 or section 54, as the case may be, shall prefer an appeal:

Appeal.

(i) before the Director, where such order is passed by the Market Committee, under sections 50 and 54 within thirty days of receipt of the order; and

(ii) before the Secretary to Government (Agriculture) in respect of order passed by the Director under sections 51, 53 and 54 within thirty days of receipt of the order, in such manner as prescribed.

(2) The Appellate Authority, if it considers so necessary, grant a stay of the order appealed against for such period as it may deem fit.

(3) The order passed by the Appellate Authority shall be the final and shall not be called in question in any Court of law.

56. (1) Any dispute between the agriculturist/seller/buyer and the licensee of private market/direct market or between/among licensees of private market, direct market or between licensee of private market/direct market and the Market Committee shall be referred to the Director or any Officer authorised by him in this behalf. The Director or the Officer authorised shall resolve the dispute after giving the parties a reasonable opportunity of being heard, in the manner as may be prescribed.

Dispute
settlement.

(2) Any person aggrieved by the decision under sub-section (1) may appeal to the Secretary to Government (Agriculture) within thirty days of receipt of such order.

(3) The order passed by the Appellate Authority shall be the final and shall not be called in question in any Court of law.

Prohibition of trade allowances or any deductions other than those prescribed under this Act.

57. No trade allowance or deduction, other than those prescribed by or under this Act, shall be made or received by any person in any market area in any transaction in respect of the notified agricultural produce and no Civil Court, shall, in any suit or proceedings arising out of any such transaction, have regard to any such trade allowance or deductions not so prescribed.

Power to order production of accounts and to enter, inspect and seize.

58. (1) The Chief Executive Officer of the Market Committee or any Officer or servant of the Government, empowered by the Government in this behalf may, for the purposes of this Act, shall require any person carrying on business in any kind of notified agricultural produce to produce before him the accounts and other documents and to furnish any information relating to stocks of such agricultural produce or purchase, sale, processing, value addition and delivery of such agricultural produce by such person and also to furnish any other information relating to payment of market fee by such person.

(2) All accounts and registers maintained by any person in the ordinary course of business of any notified agricultural produce and documents relating to stocks of such agricultural produce or purchase, sale, processing, value addition of such agricultural produce in his possession and offices, establishment, godowns, vessels or vehicles of such persons shall be kept open for inspection at all reasonable times by such Officers and servants of the Government or the Market Committee, as may be authorised, by the Government in this behalf.

(3) If any, such Officer or servant has reasons to suspect that any person is attempting to evade the payment of any market fee due from him under section 48 or that any person has purchased, sold, processed or value added any notified agricultural produce in contravention of any of the provisions of this Act or rules or bye-laws in force in the market areas, he may,

by communication in writing to such person, seize such accounts, registers or documents of such a person, as may be necessary, and shall grant a receipt for the same and shall retain the same only so long as may be found necessary for examination thereof or for prosecution.

(4) For the purposes of sub-section (2) or sub-section (3), such Officer or servant may enter or search any place of business, warehouse, office, establishment, godown, vessel or vehicle where such Officer or servant has reason to believe that such person maintains or for the time being has maintained accounts, registers or documents of his business, or stock of notified agricultural produce relating to the business.

Act No.46 of 2023. (5) The provisions of sub-section 4 to 8 of section 103 of the Bharatiya Nagarik Suraksha Sanhita, 2023 shall, so far as may be, apply to a search under sub-section (4).

(6) Where any books of accounts or other documents are seized from any place and there are such entries therein making reference to quantity, quotations, rates, receipts or payment of money or sale or purchase of goods, such books of accounts or other documents shall be admitted in evidence without witness having to appear to prove the same, and such entries shall be *prima facie* evidence of matters, transactions and accounts purported to have been recorded therein.

59. (1) Every trader, processor and licensee of private market yard, e-market or direct market carrying on business of notified agricultural produce shall, before the 30th June of every year shall submit to the Chief Executive Officer, a statement of transaction undertaken by or through him during the previous financial year ending 31st March, in the prescribed manner.

Submission of annual accounts by licensees and assessment of market fee.

(2) The Chief Executive Officer shall accept or reject the statement submitted to him under sub-section (1) after necessary examination and verification on the basis of information duly available in the Market Committee and shall assess the balance amount payable by the licensee and levy the assessed amount.

(3) Any person aggrieved by the proceedings of the Chief Executive Officer, may within thirty days from the date of communication of notice to him, may appeal to the Market Committee.

(4) Any Officer authorised by the Government may, on his own motion or by an application made to the Government, shall start the process of re-verification of the statement of accounts/records, verified by the Chief Executive Officer, within two years of the date of verification and for this purpose such Officer shall exercise the powers under section 58.

(5) The re-verification made by the Officer authorised by the Government shall be the final.

Assessment of market fee by the Chief Executive Officer, on his own motion payable to M a r k e t Committee by licensees.

60. If any, person required to produce accounts or furnish information under sub-section (1) of section 59 fails to do so or knowingly furnishes incomplete or incorrect accounts or information or has not maintained proper accounts of the business of the notified agricultural produce, the Chief Executive Officer, on his own motion, shall assess such person for fee levied under section 48 on the basis of information available with the Market Committee.

Power to stop vehicles and inspect store.

61. (1) At any time when so required:

(i) by any Officer or servant of the Market Committee or any Officer or servant of the Government, empowered by the Director in this behalf in any market area, or

(ii) by any Officer or servant of the Market Committee empowered by the Market Committee in this behalf in the market area concerned, the driver or any other person in-charge of the vehicle, vessel or other conveyance shall stop the vehicle, as the case may be and keep it stationary, as long as may reasonably be necessary, and allow such person to examine the contents in the vehicle, vessel or other conveyance and inspect all records relating to notified agricultural produce carried and give his name and address; and that of the owner of the vehicle, vessel or other conveyance; and name and address of the owner of the notified agricultural produce carried in such vehicle, vessel or other conveyance.

(2) Persons empowered under sub-section (1) shall have power to seize any notified agricultural produce brought into or taken out or proposed to be taken out of the market area in any vehicle, vessel or other conveyance, if such person has reason to believe that any fee or other amount due under this Act or the value payable to the seller in respect of such produce has not been paid.

(3) If any, person empowered under sub-section (1) has reason to suspect that any person is attempting to evade the payment of any market fee due from him under section 48 or that any person has purchased or stored any notified agricultural produce in contravention of any of the provisions of this Act or rules or bye-laws in force in the market area, may enter or search any place of business, warehouse, office, establishment or godown where he has reason to believe that such person keeps or has for the time being kept stock of notified agricultural produce, may seize the stored agricultural produce and such seized notified agricultural produce may be confiscated in favour of the Market Committee as prescribed for this purpose:

Provided that a reasonable opportunity of being heard shall be given to the person concerned before confiscation of the agricultural produce.

(4) The provisions of sections 103, 503, 504 and 505 of the Bharatiya Nagarik Suraksha Sanhita, 2023 shall apply to entry, search, seizure and sell under sub-sections (1), (2) and (3) as they apply in relation to enter, search, seize and sell the property by a Police Officer. Such seizure shall forthwith be reported by the person aforesaid to the Magistrate having jurisdiction to try the offence under this Act.

Act
No.46
of
2023.

Power to grant
exemption
from market
fee.

62. (1) The Government may, by notification and subject to such conditions and restrictions, if any, as may be specified therein, exempt in whole or in part any agricultural produce brought for sale or bought or sold in the market area specified in such notification, from the payment of market fee for such period as may be specified therein.

(2) Any notification issued under this section may at any time be rescinded before the expiry of the period for which it was to have remained in force and on such rescission such notification shall cease to be in force.

CHAPTER – VIII

CONTROL

Inspection of
markets, inquiry
into the affairs
of Market
Committee and
submission of
statements, etc.

63. (1) The Director may:

(i) inspect or cause to be inspected the accounts and offices of a Market Committee;

(ii) hold enquiry into the affairs of a Market Committee;

(iii) call from a Market Committee, returns, statements, accounts or reports which he may think fit to require such Market Committee to furnish;

(iv) require a Market Committee to take into consideration:

- (a) any objection on the ground of illegality, inexpediency or impropriety which appears to him to exist, in the doing of anything or which is about to be done or is being done by or on behalf of such Market Committee; or
- (b) any information which appears to him to necessitate the doing of a certain thing by such Market Committee;

(v) direct that anything which is about to be done or is being done should not be done, pending consideration of the reply, and anything which should be done but is not being done should be done within such time as he may direct.

(2) When the affairs of a Market Committee are investigated under this section or the proceedings of any Market Committee are examined by the Director under section 69, the Chairperson, Vice-chairperson, Chief Executive Officer and all other Officers and servants and members of such Market Committee shall furnish such information in their possession with regard to the affairs or proceedings of the Market Committee as the Director, or the Officers authorised as the case may be, may require.

(3) An Officer investigating the affairs of a Market Committee under sub-section (1) or the Government examining the proceeding of any Market Committee under section 69 shall have the power to summon and enforce the attendance of Officers or members of the Market Committee and to compel them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court by the Code of Civil Procedure, 1908.

(4) Where, the Director has reason to believe that the books and records of a Market Committee are likely to be tampered with or destroyed or the funds or property of a Market Committee are likely to be misappropriated or misapplied, he may issue an order directing a person duly authorised by him in writing to seize and take possession of such books and records, funds and property of the Market Committee and the Officer or Officers of the Market Committee shall be responsible for the custody of such books, records, funds and property shall give delivery thereof to the person so authorised.

Powers to remove
Chairperson or
Vice-chairperson
or member of
the Market
Committee.

64. (1) The Government may remove a member, Chairperson or Vice-chairperson of the Market Committee where it is of the opinion that such person:

(i) has been guilty of misconduct or gross negligence of duty as a member, Chairperson or Vice-chairperson; or

(ii) ceases to hold the qualifications necessary for his being a member, Chairperson or Vice-chairperson:

Provided no such order shall be passed unless the person concerned has been given reasonable opportunity of submitting an explanation in respect of allegations against him.

(2) The Government may suspend any member or Chairperson or Vice-chairperson of a Market Committee, against whom any complaint has been received or who commits irregularities even after the service of notice, for such period from the date of receipt of the complaint or the date of noticing of such irregularities by the Director, till the final decision is taken in his case.

65. Where, the Government is of the opinion that a Market Committee has failed in the performance of its functions or discharge of its duties or has exceeded or abused the powers conferred on it by or under this Act, it may, by notification in the Official Gazette, dissolve the Market Committee:

Dissolution of
M a r k e t
Committee.

Provided that no order of dissolution shall be passed unless a reasonable opportunity of being heard was given to the Market Committee for submitting a written explanation in respect of the allegations levelled against it.

66. Upon publication of the notification dissolving, a Market Committee under section 65, the following consequences shall ensue:

Consequence of
dissolution of
M a r k e t
Committee.

(i) all the members including the Chairperson and Vice-Chairperson of the Market Committee shall, as from the date of publication of the notification, be deemed to have vacated their Offices; and

(ii) the Government shall direct that steps be taken for constitution of a new Market Committee under sections 14 and section 15 and till such time a new Market Committee is constituted as aforesaid, the Director shall make such arrangements for carrying out the functions of the Market Committee as he may deem fit for a period not exceeding six months and may, for that purpose, direct that all the functions, powers and duties of the Market Committee and its Chairperson, under this Act, shall be performed, exercised and discharged by such person or Authority as the Director may appoint in this behalf and such person or Authority shall be deemed to be the Market Committee or Chairperson, as the case may be.

Power of the Director to direct the Market Committee for amending bye-laws.

67. (1) If, it appears to the Director that it is necessary or expedient in the interest of a market or Market Committee to make any bye-law(s) or to amend any bye-law(s), he may, by order, direct the Market Committee concerned to make bye-law(s) or amend the bye-law(s) within such time as he may specify in such order.

(2) If, the Market Committee fails to make such bye-law(s) or such amendment to the bye-law(s) within the time specified, the Director may, after giving the Market Committee, a reasonable opportunity of being heard, may make such bye-law(s) or such amendment to the bye-law(s) and thereupon subject to any order under sub-section (3) such bye-law(s) or such amendment to the bye-law(s) shall be deemed to have been made or amended by the Market Committee in accordance with the provision of this Act and rules made thereunder and thereupon such bye-law(s) or amendment(s) shall be binding on the Market Committee.

(3) An appeal shall lie to the Government against any order of the Director under sub-section (2) within thirty days from the date of such order and the decision of the Government upon such appeal shall be the final.

Power of the Director to prohibit execution or further execution of resolution passed or order made by the Market Committee.

68. (1) The Director may on his own motion, or on receipt of report or complaints, by order prohibit the execution or further execution of any resolution passed or order made by the Market Committee or its Chairperson or any of its Officers or servants, if, he is of the opinion that such resolution or order is prejudicial to the public interest, or is likely to hinder efficient running of the business in any market area, principal market yards or sub-market yards or is against the provisions of this Act or rules or bye-laws made thereunder.

(2) Where the execution or further execution of a resolution or order is prohibited by an order made under sub-section (1) and is continuing to be in force, it shall be the duty of the Market Committee, if so required by the Director, to take such action which the Market Committee would have taken up if the resolution or order had never been made or passed.

69. (1) The Director may, on his own motion, or on an application made to him, shall call for and examine the proceedings of any Market Committee and the Government may on its own motion or on an application made to it, shall call for and examine the proceedings of the Director for the purpose of satisfying himself or itself, as the case may be, as to the legality or propriety of any decision taken or order passed and as to the regularity of the proceedings of the Market Committee or the Director, as the case may be. If in any case, it appears to the Director or the Government that any such decision or order or proceeding so called for should be modified, annulled, reversed, or remitted for reconsideration, the Director or the Government as the case may be, pass such order thereon as he or it may deem fit:

Power to call for proceedings of Market Committee by Director.

Provided that every application to the Government for the exercise of the powers under this section shall be preferred within sixty days from the date on which the decision or order to which the application relates was communicated to the applicant:

Provided further that no such order shall be passed under this sub-section without giving a reasonable opportunity of being heard to the parties affected thereby.

(2) The Director or Government may suspend the execution of the decision taken or order passed by the Market Committee or Director respectively until final orders are passed under sub-section (1).

Liability of
Chairperson,
Vice-Chairperson,
members and
employees for
loss, waste or
misappropriation,
etc.

70. (1) If, in the course of enquiry or inspection under section 63 or in the course of audit under this Act, it is found that any person who is or was entrusted with the management of Market Committee or any deceased, former or present Chairperson, Vice-chairperson, Member, Officer-in-charge of Market Committee, Chief Executive Officer or any other officer or employee of Market Committee or an Officer of the Government has made or directed by assenting or concurring or participating in any affirmative vote or proceeding related thereto, any payment or application of any money or other property belonging to, or under the control of such Market Committee to any purpose contrary to the provisions of this Act or rules or bye-laws made thereunder or has caused any deficiency or loss by gross negligence or misconduct or has misappropriated or fraudulently retained any money or other property belonging to the Market Committee, the Director may, on his own motion or on the application of the Market Committee, either himself enquire or direct any Officer subordinate to him duly authorised by him by an order in writing in this behalf to enquire into the conduct of such person, within two years of the date of report of audit, enquiry or inspection as the case may be.

(2) If, on enquiry made under sub-section (1), the Director is satisfied that there are good grounds for an order under this sub-section, he may make an order requiring such person, or in the case of a deceased person, his legal representative who inherits his estate, to repay or restore the money or property or any part thereof, with interest at such rate, or to pay contribution and costs or compensation to such extent as the Director may consider just and equitable:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard in the matter:

Provided further, that the liability of a legal representative of the deceased shall be to the extent of the property of the deceased which is inherited by such legal representative.

(3) Any person aggrieved by an order made under sub-section (2) may, within thirty days from the date of communication of the order to him, shall appeal to the Government and the Order of the Government shall be the final and conclusive:

Provided that in computing the period of limitation, the time required for obtaining a copy of the order appealed against shall be excluded.

(4) No order passed under sub-section (2) or sub-section (3) shall be called in question in any Court of Law.

(5) Any order made under sub-section (2) or sub-section (3) shall, on the application of the Director, be-enforced by any Civil Court having local jurisdiction in the same manner as if it was a decree of such Court, or any sum directed to be paid by such Order shall be recovered as arrears of land revenue.

(6) If ,the Director is satisfied on enquiry of the complainants or otherwise that any person with intention to delay or obstruct the enforcement of any order that may be passed against him under this section is about to dispose of the whole or any part of his property, or is about to remove the whole or any part of his property from the State, he may, unless adequate security is furnished, direct, the conditional attachment of the said properties or such parts thereof as he thinks necessary and such attachment shall have the same effect as if it was an attachment by a Civil Court.

Power of the Government to amend schedule.

71. The Government may, by notification, add to or amend or delete any of the items of agricultural produce specified in the Schedule and thereupon the Schedule shall be deemed to have been amended accordingly:

Provided that no notification shall be issued under this section without pre-publication in the Official Gazette of not less than forty days as the Government may consider reasonable of its intention to issue such notification.

Power of the Government to issue direction.

72. (1) The Government may, for efficient functioning of the Market Committee, issue any directions from time to time to the Market Committees.

(2) The Market Committees shall be bound to comply with the directions issued by the Government under sub-section (1).

Recovery of sums due to Market Committee.

73. Any sum due to a Market Committee on account of any charge, costs, expenses, fees, rent or any other amount due under the provisions of this Act or rule or bye-laws made thereunder shall be recoverable in the same manner as arrears of land revenue.

Chairperson, Vice-Chairperson, members, Officers and servants, etc., of Market Committee to be public servants.

74. The Chairperson, Vice-Chairperson, Members, Chief Executive Officer, other Officers and servants of a Market Committee shall be deemed to be public servants within the meaning of section 2(28) of Bharatiya Nyaya Sanhita, 2023.

Delegation of powers.

75. (1) The Government may delegate to any Officer not below the rank of Director, any of the powers conferred on it by or under this Act other than the powers to make rules under section 85.

(2) The Director may delegate any of his powers to any Officer of the Government not below the rank of Deputy Director, Department of Agriculture and Farmers Welfare.

Act
No.45
of
2023.

76. No suit, prosecution or legal proceedings in respect of anything done in good faith or intended to be done under this Act or rule or bye-laws made thereunder, shall lie against the Director or Officer of the Government or any Market Committee or against any Officer or servant of the Market Committee or against any person acting under and in accordance with the directions of the Director, such officer, or such Market Committee.

Bar to Civil Suit and protection to person acting in good faith.

77. (1) It shall be the duty of every Local authority to give all the necessary information in possession of or under the control of the Officers of the Market Committee or Officers authorised in this behalf, relating to the movement of notified agricultural produce into and out of the area of the Local authority, free of charge.

Duty of Local authority to give information and assistance.

(2) It shall also be the duty of every Local Authority and its Officers and staff concerned with the collection of market fee to give all the possible assistance to any Officer of the Market Committee in exercising his powers and discharging his duties under this Act.

78. No act or proceeding under this Act by a Market Committee shall be invalidated merely on the ground of:

Act not to be invalidated by informality, vacancy, *etc.*

(i) any vacancy or defect in the constitution of the Market Committee or sub-committee; or

(ii) any defect or irregularity in the appointment of a person acting as a member thereof; or

(iii) any defect or irregularity in such act or proceeding, not affecting the substance.

CHAPTER – IX

BUDGET AND MARKET COMMITTEE FUND

Preparation and
sanction of
budget.

79. (1) Every Market Committee shall prepare and pass the budget of its income and expenditure for the ensuing financial year in the prescribed form and shall submit it to the Director for sanction before the prescribed date every year. The Director shall sanction the budget with or without modification within two months from the date of receipt thereof. If, the budget is not returned by the Director within two months, it shall be presumed to have been sanctioned.

(2) The Market Committee may sanction and cause to undertake execution of construction works, from out of its funds other than the permanent fund referred to in sub-section (6) on the basis of the plans and designs approved by the Market Committee.

(3) No expenditure except payment of pension shall be made out of pension fund.

(4) No expenditure shall be incurred by a Market Committee on any item if, there is no provision in the sanctioned budget thereof unless it can be met by re-appropriation from saving under any other head. The sanction for re-appropriation may be obtained from the Director:

Provided that in case of re-appropriation from minor heads under one major head, sanction for re-appropriation will not be required.

(5) A Market Committee at any time during the year for which any budget has been sanctioned, cause a revised or supplementary budget to be passed and sanctioned in the same manner as if it were an original budget.

(6) The Market Committee shall make provision in its budget for crediting the amount into the permanent fund at the rate of twenty percent of its gross receipt comprising of licence fee and market fee and to the pension fund as prescribed from time to time, by the Director. No expenditure from the permanent fund shall be incurred except with the prior approval or as per direction given by the Director. No expenditure from this fund or from the amount as provided under sub-section (2) of section 80 shall be proposed in the budget referred to in sub-section (1).

(7) The Director while according sanction for construction work may at his discretion, direct that the execution of the works shall be entrusted to the Public Works or any other agency authorised by the Government for this purpose.

80. (1) Save as provided in sub-section (2) all moneys received by a Market Committee shall be paid into a fund to be called "The Market Committee Fund" and all expenditure incurred by the Market Committee under or for the purposes of this Act shall be defrayed from and out of the said fund. Any surplus remaining with the Market Committee after such expenditure has been met, shall be invested in such manner as may be prescribed.

Market
Committee
fund.

(2) Any money received by the Market Committee by way of arbitration fee or as security for costs in arbitration proceedings relating to disputes or any money received by the Market Committee by way of security deposit, contribution to provident fund or for payment in respect of any notified agricultural produce, or charges payable to weighmen, mazdoor and other functionaries and such other money received by the Market Committee provided in the rules or bye-laws shall not form part of Market Committee Fund, and shall be kept in such manner as may be prescribed.

(3) Save as otherwise provided in this Act, the amount to the credit of the Market Committee Fund and also other money received by the Market Committee shall be kept in scheduled Co-operative Bank or in nationalised Bank or in Post Office saving account or in any other mode with the approval of the Director.

Application of
M a r k e t
C o m m i t t e e
Fund.

81. Subject to the provisions of section 80, the Market Committee Fund may be spent for the purposes as specified in rules.

CHAPTER – X

OFFENSES AND PENALTIES

Penalty for
contravention
of Act, rules
and bye-laws.

82. Any person, who contravenes any provision of this Act, or rules or bye-laws or order issued thereunder shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both:

Provided that in the case of a continuing contravention of the provisions under this Act, he shall be liable to be punished with a further fine which may extend to one hundred rupees per day during which the contravention is continued after the first conviction.

Recovery of
market dues.

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

Cognizance of
offences.

84. No Court shall take cognizance of any offence punishable under this Act or rule or bye-laws made thereunder except on the complaint made by the Director or the Chairperson, Vice-Chairperson, Chief Executive Officer of the Market Committee or any person duly authorised by the Market Committee.

CHAPTER – XI

RULES AND BYE-LAWS

85. (1) The Government may, after previous publication, make rules for carrying out the purposes of this Act.

Power to make rules.

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

(i) procedure for notification of developing and regulating marketing of notified agricultural produce under section 3 (2);

(ii) conditions, infrastructure, security and fee for grant a licence to establish a private market yard under section 7(2) and also sharing of user charge under section 7(3);

(iii) application form, fee, period, procedure for declaring warehouse/cold storage and other such structure or place as deemed market under section 8(1) and also sharing of user charge under section 8(2);

(iv) establishment of collection/aggregation centres under section 9(2) and also sharing of market fee under section 9(3);

(v) criteria for classification of Market Committee and markets under section 10(4);

(vi) qualification which the representatives of traders shall possess under section 14(2) (ii);

(vii) reasons for removals of a member of the Market Committee from office by the Government under section 16(7);

(viii) reservation of seats for Scheduled Castes, Scheduled Tribes, Other Backward Classes and Women for election of representatives of the agriculturists under section 19(2) ;

(ix) qualifications to be eligible to vote to elect representative of agriculturists under section 20(1) and qualifications to be eligible to election of representatives of agriculturists under section 20(2);

(x) procedure to conduct business of Market Committee as under section 25 (1) and conduct of meeting as under section 25 (2);

(xi) power and duties of Market Committee to regulate, carry out and enforce or cancel agreements of sales, weighment, delivery, payment and all other matters relating to the market of notified agricultural produce under section 26 (2)(v) and also to inspect and verify scales, weights and measures and also the books of accounts and other documents maintained under section 26(2)(xx);

(xii) publishing and circulating, the data of arrivals and rates of agricultural produces by Market Committee under section 27;

(xiii) appointment of sub-committees under section 28;

(xiv) requirements of weights and measures under section 33(1);

(xv) transfer on deputation to any Officer or servant of any Market Committee under section 36 (3);

(xvi) establishing and running e-trading platform for trading in notified agricultural produce under section 37(2);

(xvii) application form and manner along with fee and security / Bank guarantee and conditions for establishing an e-market / e-trading platform under section 38 (1) and also for providing infrastructures and services connected to e-trading under section 38 (2), and further sharing the user charges under section 38(4);

(xviii) procedural exigencies on electronic trading for delayed payment to the seller under section 40(1);

(xix) levy and collection of market fee (single point) under section 48(1) and along with the procedure therefor and information / documents required and also for the information and documents for exempting the marketing fee brought for processing;

(xx) permission for transportation of notified agricultural produce under section 49(1) and (2);

(xxi) application form, procedure, fee and security for grant / renewal of licence to market functionaries other than traders under section 50;

(xxii) application form, procedure, fee, surety / Bank guarantee, period for grant / renewal of licence to traders under section 51(1)(2) and (3);

(xxiii) application form, procedure, fee, surety/ Bank guarantee, period, infrastructure and condition for grant/renewal of licence for establishment of private market yard and direct marketing under section 53(1) and (2);

(xxiv) any other reasons to suspend or cancel the licence other than provided under section 54(1),(2) and (3);

- (xxv) period of suspension under section 54(2);
- (xxvi) procedure to appeal under section 55(1);
- (xxvii) procedure and manner to settle the dispute under section 56(1);
- (xxviii) procedure to submit the annual accounts by licensees and assessment of market fee under section 59(1);
- (xxix) procedure to enter, search and seizure under section 61(3);
- (xxx) form and procedure for preparation of budget under section 79(1);
- (xxxi) surplus and application of fund under sections 80(1) , (2) and 81;

(3) In making any rule, the Government may direct that breach thereof shall be punishable with fine which may extend to two hundred rupees and where the breach is a continuing one, with further fine which may extend to ten rupees for everyday after the first offence during which the breach persists;

(4) In addition to above, Government is also empowered to make the rules necessary for implementation of the provision(s) not included here above; and

(5) Every rule made under this Act shall be laid on the table of the Puducherry Legislative Assembly.

Power to make
bye-laws.

86. (1) Subject to the provision of this Act and rules made thereunder, a Market Committee may, in respect of a market area under its management, shall make bye-laws for:

- (i) the regulation of business of the Market Committee;

(ii) conditions of trading in a market;

(iii) delegation of powers, duties and functions to the Officers and servants; appointment, pay, punishment, pensions, gratuities, leave, leave allowances, contributions by them to any provident fund which may be established for the benefit of such Officers and servants and other conditions of service;

(iv) the delegation of powers, duties and functions to a sub-committee, if any;

(v) market functionaries who shall be required to take licence;

(vi) fixation of quantity of sale as per section and

(vii) any other matters for which bye-laws are to be made under this Act or it may be necessary to frame bye-laws for effectively implementing the provisions of this Act and rules made thereunder in the market area.

(2) No bye-laws under sub-section (1) shall take effect until it has been confirmed by the Director;

(3) In making any bye-laws, the Market Committee may direct that a breach thereof shall be punishable with fine which may extend to one hundred rupees and where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first offence during which the breach persists.

CHAPTER – XII

REPEAL AND SAVINGS

Repeal and
savings.

87. (1) The Puducherry Agricultural Produce Markets Act, 1973 (No.3 of 1974) is hereby repealed.

(2) Notwithstanding such repeal:

(i) The repeal shall not affect the previous operation of any enactment so repealed and anything done or any action taken (including any appointment, delegation or declaration made, notification under rule, direction or notice issued, bye-laws framed, market area, markets, sub-markets and yards declared, established or notified, licences granted, fees levied and collected, instruments executed, any fund established or constituted) by or under the provisions of any such enactment shall in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act and shall continue in force unless and until superseded by anything done or any action taken under this Act;

(ii) unless the Government otherwise directs, the Market Committee referred to in clause (i) and the Chairperson, Vice-chairperson and Members thereof shall continue until the expiry of their term under the repealed Act or till a Market Committee is constituted in accordance with the provisions of this Act, whichever is earlier;

(3) On issue of a direction under clause (ii) of sub-section (2), the provisions of the above section shall apply as from the date specified in the direction as if, the Market Committee stands dissolved on that date.

Power to
remove
difficulties.

88. The Government shall have powers to issue suitable orders, not inconsistent to this Act, as may be necessary to remove any difficulty arising in the implementation of this Act.

THE SCHEDULE

[see section 2(xxx) and 71]

Class of agricultural produce	Name of agricultural produce
(1)	(2)
I. Cereals	1. Paddy 2. Rice in all Forms 3. Cholam (Jowar) in all forms 4. Cumbu (Bajra) in all forms 5. Ragi in all forms 6. Maize in all forms 7. Thinai 8. Kudiraivali 9. Varagu 10. Samai
II. Pulses	1. Red gram (Thuvarai) in all forms 2. Black gram (Ulundu) in all forms 3. Green gram (Pachaipairu) in all forms. 4. Cowpea (Karamani) in all forms 5. Soya Bean in all forms 6. Horse gram (Kollu) in all forms
III. Oil seeds	1. Groundnut (Pods and Kernals) whole or sprit. 2. Gingelly or Sesamum seed or Ellu

(1)	(2)
	3. Castor (Pods or seeds) 4. Sunflower seeds or Kernals 5. Coconut (in all forms except tender coconut). 6. Cotton seed 7. Neem seeds 8. Pungam seeds
IV. Fibres	1. Cotton (Kapas, lint, waste) 2. Coconut coir
V. Tubers	Tapioca – Tubers, Tapioca chips, Tapioca flour, Tapioca Starch.
VI. Condiments and spices	1. Chillies or red chillies 2. Turmeric in all forms (Bulb in finger). 3. Coriander (Dhania seeds) 4. Cardamom 5. Arecanut (whole or splits) 6. Tamarind in all forms 7. Cashewnut in all forms 8. Ginger in all forms (Inji, sukku, <i>etc.</i>,) 9. Betel leaves or Vetrilai

STATEMENT OF OBJECTS AND REASONS

Agriculture which is the back bone of our economy is of prime importance not only from economic point of view but it has permeated the national stream in our social, political and cultural life. With limited resources at their disposal amidst fluctuating economic and climatic scenario, poor Indian farmers strive selflessly to ensure the Nation's food security. The Government of Union territory of Puducherry had enacted the Puducherry Agricultural Produce Markets Act, 1973 and protected farmers from the exploitation of intermediaries and traders and ensures better prices and timely payment for their produce. Based on the provisions of the said Act, the first Regulated Principal Market Yard was established at Thattanchavady in 1978.

Subsequently, five Regulated Sub-Market Yards at Madagadipet, Kanniakoil, Koonichampet, Karayamputhur and Maducarai were established over the years across the rural areas of Puducherry region enabling the farmers to dispose off their produce in their locality itself. Further, three more Regulated Principal Market Yards were established one each in Karaikal, Yanam and Mahe regions. These Markets regulate the purchase and sale of notified agricultural produces *viz.*, paddy, cumbu, ragi, groundnut, gingelly, cotton, black gram, green gram and coconut in the Union territory of Puducherry.

The role of agriculture markets over the years has been changing to cope up with dynamically changing marketing ecosystem and aspirations of farmers and agri.trade. In sync with the changing agriculture marketing ecosystem and progressive and trade facilitative provisions, keeping farmers' interest in centre, as made and Model APLM Act, 2017, the Department of Agriculture has framed the Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026. In the process, wide consultation has been undertaken with other States which have made similar amendments to their existing Agricultural Produce Markets Acts.

The proposed Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 provides for establishment and regulation of various innovative and efficient marketing avenues to farmers *viz.*, Private Market, e-market and Direct Marketing envisaging hassle-free trade and promotion of Public Private Partnership in the management and development of agricultural markets in the State. Further, it also provides for constitution of Special Markets considering the turnover, extent of area served and special infrastructure requirements of particular commodity.

While, necessary provisions have been made for granting Unified Single Licence / Registration to the wholesale traders valid across the Union territory of Puducherry and single point levy of market fee for agricultural products, the bill has proposed to exempt the regulation of fruits and vegetables from its purview when traded outside the market-yards in order to pave the way for moderating the prices of these highly inflation-sensitive perishable commodities and encourage development of post-harvest management and marketing infrastructure with private sector participation.

Hence, with the hope to enable nationwide integration of agricultural markets, facilitate emergence of competitive agricultural markets in private and co-operative sectors, create environment conducive to massive investments in marketing related infrastructure and lead to modernisation and strengthening of existing markets. The Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 is proposed to replace the existing the Puducherry Agricultural Produce Markets Act, 1973 by repealing the same.

AGRICULTURE MINISTER.

FINANCIAL MEMORANDUM

The functional three Market Committees of the State, *viz.* Pondicherry Market Committee, Karaikal Market Committee and Yanam Market Committee are recognised as service organisations and therefore not commercially strive to mobilize revenue in order to meet out their expenditures. Hence, the Government of Puducherry meets out all the establishment and developmental expenditures of these Market Committees in the form of Grant-in-Aid.

Under such circumstance, the reformative provisions made in the proposed Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 is expected to impose additional financial implication on the Government of Puducherry. But, except for establishing e-market, implementation of all other new marketing platforms, *viz.*, Private Market and Direct Marketing, need more a developmental regulation sort of intervention by the Government than the funding. Hence, these marketing reforms can be implemented by the State within the existing funding mechanism.

Presently, the agricultural produce brought by farmers to the Regulated Market are transferred into standard gunny bags by licensed weighmen, arranged orderly and given lot numbers. Then, the licensed traders inspect the lots personally and propose their bid value individually in a slip provided by the Committee. After such a closed tender system, the bids are read out in the presence of all traders and the highest bidder of each lot is declared the winner. If, the concerned farmer accepts the proposed price, then the winning bidder makes the payment in cash to the Committee by 4.00 PM on the same day which is in turn settled to the farmer.

Under the above system, there is no monitoring of vehicles and commodities in the entry and exit to the Regulated Market; the commodities are not graded scientifically; only the licensed traders of the concerned Regulated Market are participating in the bidding; traders have to inspect the commodities in person to ascertain their quality; bidding is done manually; auction is also done manually and payment is done by cash only.

But, in an e-market, the one-time registration of farmers, recording the commodity details at the entry gate, weighment, quality assaying, bidding, auction, payment by traders to farmers and other market functionaries will take place online through a pan-India electronic trading portal. The said portal is managed centrally by Small Farmers' Agribusiness Consortium (SFAC) which networks all the Regulated Markets across the country to create a unified national market for agricultural commodities.

Hence, the upgrading of existing Regulated Markets into e-markets under the Central Sector Scheme for Promotion of National Agriculture Market (NAM) through Agri-Tech Infrastructure Fund (ATIF) needs considerable IT and physical infrastructure. In this regard, Government of India will provide the centralised e-NAM software to States free of cost. Further, one-time fixed grant of 'total of ₹ 75 lakh per market will be provided for purchase of hardware, internet connection, assaying equipments and related infrastructure and also cleaning, grading & packaging infrastructure and compost unit to make the market ready for integration with e-NAM platform and make the produce more marketable. M/s. Nagarjuna Fertilizers and Chemicals Limited (NFCL), the Strategic Partner will design, develop, test, implement, maintain, manage, enhance and modify the set of applications and modules of e-NAM platform.

The Union territory of Puducherry has to meet the balance fund requirement if any, over and above the grant and has to bear all future escalations and annual maintenance provisions for the software, as may arise after 5 years upon expiry of service agreement with Strategic Partner.

Hence, apart from the existing infrastructure and human resource available with the Agriculture Department and the Market Committees, implementation of e-market consequent upon enacting the Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 will require financial support from the Government of Puducherry with regard to construction and maintenance of data entry rooms at entry and exit, electronic weigh bridge, assaying lab, e-auction hall, warehouse, bitumen roads across the market, utility space for farmers, traders and other market functionaries, vehicle parking area and compound wall. Further, it also requires appointment of assayer and attendants to assaying lab; and maintenance of assaying equipments, hardware and software beyond service agreement with Strategic Partner. This will be managed within the Budget outlay of the Agriculture Department.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 85 of the Puducherry Agricultural Produce Marketing (Promotion and Facilitation) Bill, 2026 empowers the Government of Puducherry to make Rules for carrying out the purposes of the Act. Similarly, section 86 of the Bill empowers the Market Committee to make Bye-laws in respect of a marketing area under its management.

Every Rule made under the Act shall be laid before the Puducherry Legislative Assembly.

The delegated legislation is, therefore, of a normal character.