

**THE GUJARAT AGRICULTURAL PRODUCE MARKETS
(AMENDMENT) BILL, 2020.**

GUJARAT BILL NO. 28 OF 2020.

A BILL

further to amend the Gujarat Agricultural Produce Markets Act, 1963.

It is hereby enacted in the Seventy-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Gujarat Agricultural Produce Markets (Amendment) Act, 2020.

Short title and commencement.

(2) It shall be deemed to have come into force on the 6th May, 2020.

**Amendment
of section 1 of
Guj.20 of
1964.**

2. In the Gujarat Agricultural Produce Markets Act, 1963, in section 1, for sub-section (1), the following sub-section shall be substituted, namely:-

“(1) This Act may be called the Gujarat Agricultural Produce and Marketing (Promotion and Facilitation) Act, 1963.”.

**Guj.20 of
1964.**

**Amendment
of section 2 of
Guj.20 of
1964.**

3. In the Gujarat Agricultural Produce Markets and Marketing (Promotion and Facilitation) Act, 1963 as so renamed (hereinafter referred to as “the principal Act”), in section 2,-

**Guj.20 of
1964.**

(1) for clause (i), the following clause shall be substituted, namely:-

“(i) “agriculture produce” means all produce, whether processed or not, of agriculture and horticulture specified in the Schedule;”;

(2) for clause (ii), the following clause shall be substituted, namely: -

“(ii)“agriculturist” means a person who ordinarily by himself or who by his tenants or hired labour or otherwise is engaged in the production or growth of agricultural produce but does not include a trader or broker in agricultural produce although such a trader or broker may also be engaged in the production or growth of agricultural produce. It also includes association of farmers by whatever name called, registered under any law for the time being in force and is engaged in aggregation of member farmers produce;”;

(3) after clause (iii), the following clause shall be inserted, namely: -

“(iii a)“buyer” means a person, who himself or itself or on behalf of any person or agent buys or agrees to buy agricultural produce in the market;”:

(4) after clause (iv),the following clause shall be inserted, namely:-

“(iv-a) “cold storage” means a cold storage as may be declared as market sub-yard under this Act;”;

(5) after clause(v-aaa),the following clause shall be inserted, namely:-

“(v-aab) “direct marketing” in relation to agricultural produce

means direct wholesale purchase of agricultural produce from the farmers by the processors, exporters, bulk buyers and such other person outside the principal market yard, sub-market yard, private market yard and market sub-yard, or e-market established under section 31C;”;

(6) after clause (vi-a), the following clauses shall be inserted, namely:-

“(vi-ab)“electronic trading (e-trading)” means trading of notified agricultural produce in which registration, auctioning, billing, booking, contracting, negotiating, exchange of information, record keeping and such other connected activities are done electronically on computer network or internet;

(vi-ac)“electronic trading platform (e-trading platform)” means electronic platform set up either by the State Government or its agency or a person licensed under 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 negotiating are carried out online through computer network or internet or any other such electronic device;”;

(7) after clause (vi-aaa), the following clauses shall be inserted, namely:-

“(vi-aab) “farmer-consumer market” means a market yard established under section 31E;

(vi-aac)“farmer-producer company(FPC)”means a company of farmer-producer members incorporated and registered as such with the Registrar of Companies under the Companies Act, 2013;

(vi-aad)“Government agency” means Government of Gujarat or its department concerned dealing with agricultural produce marketing or the Director or the Board, as the case may be;”;

- (8) for clause (vii), the following clause shall be substituted, namely: -
“(vii)“general commission agent” a person who *bonafide* buys or sells agricultural produce on behalf of his principal, or facilitates buying or selling at primary and other level transactions on e-platform or any other mode of transaction and activities ancillary thereto, keeps it in his custody and controls it during the process of its sale or purchase and collects payment thereof, if required, from the buyer and pays it to the seller for an agreed commission, any agricultural produce on behalf of another person and does or offers to do anything necessary for completing and carrying out the transaction of such sale or purchase;”;
- (9) for clause (ix), the following clause shall be substituted, namely:-
“(ix)”licence” means the license granted under the provisions of this Act;”;
- (10) for clause (x), the following clause shall be substituted, namely:-
“(x) “licensee” means a person holding a license granted under the provisions of this Act;”;
- (11) in clause (xii-a), after the words “sub-market yard”, the words “market sub-yard” shall be inserted;
- (12) after clause (xii-a), the following clause shall be inserted, namely:-
“(xii-aa) “marketing” in relation to agriculture produce means all activities involved in the flow of agricultural produce from production point commencing at the stage of harvest till the same reaches to the ultimate consumers, viz. grading, processing, storage, transport, channels of distribution and all other functions involved in the process;”;
- (13) after clause (xiii-a), the following clause shall be inserted, namely:-
“(xiii-aa) “market sub-yard” means warehouse, silos, cold storage enclosure building or such other structure or place or locality declared to be market sub-yard or deemed to be market sub-yard under section 7A;”;
- (14) after clause (xiv-a), the following clause shall be inserted, namely:-

“(xiv-aa) “Market Yard of National Importance” means a market yard designated or notified as such under section 7AA;”;

(15) after clause (xv), the following clauses shall be inserted, namely:-

“(xv-a) “national agriculture market(NAM)”means an integrated market, without prejudice to any law for the time being in force, where buying and selling of notified agricultural produce and activities incidental thereto are carried out in India possessing marketing utility across time and space;

(xv-ab)“over trading” in relation to a trader means the amount exceeding the value of the notified agricultural produce purchased at any point of time vis-à-vis to the amount of security deposited with or the bank guarantee furnished to the market committee by the trader;

(xv-ac)“person” includes individual, a co-operative society, Hindu Undivided Family, a company or firm or an association or a body of individuals, whether incorporated or not;

(xv-ad) “petty trader” in relation to agricultural produce means a non licensee trader who carries on purchasing or selling of notified agricultural produce in the quantity not exceeding such quantity as may be notified by the Director;”;

(16) after clause (xvii-aaa) the following clause shall be inserted, namely:-

“(xvii-aab) “processing unit” means processing unit declared as market sub-yard under this Act;”;

(17) for clause (xvii-aaaa), the following clause shall be substituted, namely:-

“(xvii-aaaa) “registration” means registration made under this Act;”;

(18) after clause (xx-a), the following clauses shall be inserted, namely:-

“(xx-b) “seller” means a person who sells or agrees to sell agricultural produce for consideration of a price;

“(xx-c) “Schedule” means the Schedule appended to this Act;”;

(19) after clause (xxi), the following clause shall be inserted, namely:-

“(xxia) “silo” means silo declared as market sub-yard under section 7A;”;

(20) for clause (xxiii), the following clause shall be substituted, namely:-

“(xxiii) “trader” means a person who carries on the business of buying or selling of notified agricultural produce and includes a co-operative society, joint family or an association of persons whether incorporated or not which carries such business for the purpose of selling, processing, manufacturing, or for any other purpose, as the case may be, except for the purpose of domestic consumption by himself;”;

(21) after clause (xxiii-aa), the following clause shall be inserted, namely:-

“(xxiii-ab) “U T” means Union Territory as specified in the First Schedule to the Constitution of India;”;

(22) after clause (xxiii-aaa), the following clause shall be inserted, namely:-

“(xxiii-aab) “warehouse” means warehouse declared as a market sub-yard under section 7A;”.

**Amendment
of section 5 of
Guj.20 of
1964.**

4. In the principal Act, in section 5, after sub-section (3), the following sub-section shall be added, namely:-

“(4) The State Government may hold consultations with local authorities, including Panchayati Raj Institutions who own and operate rural periodical markets or *haats* or any other such markets for marketing of agricultural produce within their area of jurisdiction to bring such markets under the regulation of this Act, so as to develop these markets for efficiently function as marketing platform nearest to the farm gate.”.

**Insertion of
new section
5A in Guj. 20
of 1964.**

5. In the principal Act, after section 5, the following section shall be inserted, namely:-

**Declaration
of whole State
as one
Unified
Market Area.**

“**5A.**Subject to the notification made under section 5 and after considering such objections and suggestions as may be

received before the expiry of period as specified in the notification, the State Government may, by notification in the *Official Gazette*, declare the whole State as one unified market area as specified in the said notification for the purposes of regulation of marketing of all or any of the kinds of notified agricultural produce specified in the notification issued under this Act.”.

6. In the principal Act, in section 7, -
 (1) in sub-section (1), for clause (ii), the following clauses shall be substituted, namely:-
 “(ii) sub-market yards,
 (ii-a) market sub-yards, if any, and;”;
 (2) in sub-section (3), after the words “sub-market yard” occurring at two places, the words “or market sub-yard” shall be inserted.

**Amendment
of section 7 of
Guj. 20 of
1964.**

7. In the principal Act, after section 7, the following sections shall be inserted, namely:-

**Insertion of
new sections
7A and 7AA
in Guj. 20 of
1964.**

**Declaration of
warehouses,
silos, cold
storage as
market sub-
yard for
notified
agricultural
produce.**

“7A. (1) The Director may by notification in the *Official Gazette*, declare any place in the market area as the principal market yard or sub-market yard or market sub-yard or farmer consumer market yard, as the case may be, managed by a market committee, for the purpose of regulation of marketing of notified agricultural produce, expressly or impliedly in physical, electronic or such other mode under this Act.

Explanation.- In this sub-section the expression “place” shall include any structure, enclosure, open space locality, street including warehouse, silos, pack house, cleaning, grading and packaging and processing unit in the market area.

- (2) The Director may by notification in the *Official Gazette*, declare a “place” to be private market yard, private market sub-yard, private farmer-consumer market yard, as the case may be, for

marketing of notified agricultural produce, expressly or impliedly in physical, electronic or other such mode under this Act.

Explanation.- In this sub-section the expression “place” shall include any structure, enclosure, open space locality, including warehouse, silos, pack house, cleaning, grading and packaging and processing unit and vested in the person licensed for the purpose under this Act.

(3) The owner of such warehouse, silos, cold storage or such other structure or place, as the case may be, desirous of declaration of such place as market sub-yard under sub-section (2) shall apply to the Director or an officer authorized in this behalf by him (hereinafter referred to as “authorized officer”) in such manner alongwith such fee; for such period which shall not be less than three years, as may be prescribed.

(4) The licensee of such warehouse, silos, cold storage or such other structure or place, may collect market fee on notified agricultural produce and may collect user charge on notified agricultural produce transacted at the market sub-yard declared under sub-section (1) at the *ad valorem rate* not exceeding the rates as notified by the State Government:

Provided that no user charge shall be collected from agriculturists seller.

(5) The Licensee of such market sub- yard shall contribute, of such market fee, user charges collected, to the separate “Development Fund” account maintained by the Board at the rate in percentage at par with market committee. The Fund shall be utilized for the purposes and in the manner as provided *mutatis mutandis* in section 34 O.

**Establishment
of “Market
yard of
National
Importance.**

7AA.The State Government may designate and notify any existing market yard established under section 7 as a “Market Yard of

National Importance” or establish and notify any market as a “Market Yard of National Importance” after consideration of such aspects as total throughput, value, upstream catchment area, downstream number of consumers served and special infrastructure requirements therefor:

Provided that the market yard handling not less than such annual tonnage or such annual value, as may be prescribed, may be considered for conferring the status as the a “Market Yard of National Importance:

Provided further that out of such annual tonnage or such annual value, 30 per cent. may arrive from not less than two other States.”.

8. In the principal Act, in section 10, in sub-section (2),-

- Bom. I of 1904.** (1) for the words and figures “the Bombay General Clauses Act, 1904”, the words and figures “the Gujarat General Clauses Act, 1904” shall be substituted;
- Bom. I of 1904.** (2) the following provisos shall be added, namely:-

Amendment of section 10 of Guj. 20 of 1964.

“Provided that no immovable property the value of which exceeds the prescribed limits shall be acquired or disposed of by the Market Committee without the prior permission of the Director:

Provided further that the Director may, for the reasons to be recorded in writing, revoke such permission before the completion of the acquisition or execution of the deed, as the case maybe:

Provided also that market committee may, with the prior approval of the Director and after obtaining valuation certificate from the officer prescribed, enter into agreement with the owner of any land or building and purchase such land or building.”.

9. In the principal Act, in section 11,-

- (1) in sub-section (1),-
- (a) in clause (i), for the word “eight agriculturists”, the word

Amendment of section 11 of Guj. 20 of 1964.

“ten agriculturists having land as such” shall be substituted;

- (b) in clause (ii), for the words “by the traders holding general licences”, the words, letters and figures “by the commission agents or traders, as the case may be whose licence granted or renewed under section 27 or 27A;” shall be substituted;
- (c) in clause (iii), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that for voting as well as for being elected to represent their respective class under clauses (i),(ii)and (iii) above, the person shall be eligible as a voter for only one market committee of the State and also eligible to represent the same market committee and no other market committee of the State in the manner as may be prescribed;”;

- (2) after sub-section (4), the following sub-section shall be inserted, namely:-

“(4A) (a) A Chairman or, as the case may be, a Vice-chairman of a market committee shall, unless he resigns or is removed earlier, be entitled to hold office continuously for not more than two terms.

(b) A person who has held the office of a Chairman or Vice-chairman continuously for two terms, shall be eligible to hold that office after a lapse of a period of not less than two terms after he ceases to hold that office.

Explanation I.—For the purpose of this sub-section, the expression, "term" means a term of two and a half years commencing from the date of the first general meeting of a committee in which a Chairman, or, as the case may be, a Vice-chairman is elected.

Explanation II.—Where any person holding the office of the Chairman or a Vice Chairman of a market committee for a period exceeding two and a half years but not exceeding five years at the commencement of the Gujarat Agricultural Produce Markets (Amendment) Act, 2020 is again elected to that office after such commencement, he shall, for the purpose of this sub-section, be deemed to have held office for one term before such election.”.

Guj. of
2020.

Insertion of
new sections
11A to 11E in
Guj.20 of
1964.

10. In the principal Act, after section 11, the following sections shall be inserted, namely:-

**Establishment
of market
committee of
Market Yard of
National
Importance.**

“11A. (1) Save as provided under section 11, the State Government may, by notification, in the *Official Gazette*, constitute a separate market committee for effective implementation of provisions of this Act for such market yard located in the State of Gujarat which is considered as the “Market Yard of National Importance (MNI) established under section 7AA.

(2) All provisions for and in relation to the Market Committee, including election of the Chairman, Vice-Chairman and members made in the Act, shall *mutatis mutandis* apply to the market committee constituted for “Market yard of National Importance.”.

(3) Save as provided under section 11, the market committee of Market Yard of National Importance shall consist of –

- (i) a Chairman;
- (ii) a Vice-Chairman;
- (iii) 10 (ten) Agriculturist;

out of which two agriculturists, one each from two other States where from arrivals are received in the MNI, to be nominated by the respective State Government on receipt of request for such nomination received from the State Government where MNI is located;

- (iv) one trader holding the single unified licence, resident of a market area, elected from amongst the licensed traders resident of such market area;
- (v) one trader holding the Inter-State trading licence nominated by the respective State Government;
- (vi) one representative of licensed commission agent as the member in the prescribed manner;
- (vii) the Adviser to the Government of India (Agricultural Marketing) or his nominee not below the rank of Under Secretary to the Government of India ;

- (viii) the Chief Executive Officer or Municipal Commissioner of the city or, as the case may be, the President of the Municipality or his nominee;
- (ix) the Chief Town Planner or the authority exercising such powers or his nominee;
- (x) the Director or his nominee *ex-officio*, not below the rank of Under Secretary to the Government of India;
- (xi) the Managing Director of the Board, *ex-officio*, or his nominee not below the rank of Under Secretary to the Government of India;
- (xii) the Executive Member, to be appointed by the State Government who shall function as the Secretary of the market committee;

Appointment and functions of market committee of MNI.

11B. The Secretary of the market committee shall be appointed by the State Government from amongst the State Civil Service Officers at least with ten years of service or from the panel of professionals so maintained or on deputation from the State Government having experience of ten years in agricultural marketing.

Executive Committee of MNI.

11C. (1) The Executive Committee for MNI shall consist of-

- (i) the Chairman of MNI;
- (ii) the Vice-Chairman of MNI;
- (iii) a trader holding the single unified licence of MNI;
- (iv) the Director or his nominee, *ex-officio*, not below the rank of Under Secretary to the Government of India;
- (v) the Managing Director of the Board, *ex-officio*, or his nominee not below the rank of the Under Secretary to the Government of India;
- (vi) the Executive Member of the market committee of MNI, who shall act as the Member-Secretary of the Executive Committee.

(2) In case of emergency, the Executive Committee may decide issues requiring approval of the market committee. However, such decision shall be approved by the market committee within forty-five days from the date such decisions are taken. In case the

decision is not taken within the said time limit, or in the event of disapproval of such decision by the market committee, such decision shall stand null and void, so however, that any such disapproval shall be without prejudice to the validity of anything previously done under the decision of the Executive Committee:

Provided that if the market committee makes any modification in such decision, the decision shall have effect to the extent of modification from the date of such decision.

(3) The Executive Committee shall meet as often as necessary but at least once in a calendar month.

Term of office of members of Executive Committee of MNI.

11D. The Executive Committee of MNI shall be constituted from time to time as may be prescribed by the State Government.

Provisions of this Act shall applied to market yard of National Importance.

11E. All other provisions of this Act, not specified for “Market yard of National Importance”, also shall *mutatis mutandis* apply to MNI established and notified under section 11A.”.

11. In the principal Act, in section 27,-

(1) in sub-section (1), for the words “trader, general commission agent” the words “general commission agent” shall be substituted;

(2) in sub-section (2), for the words “ brokers, commission agents, or traders”, the words “ brokers or commission agents” shall be substituted.

Amendment of section 27 of Guj.20 of 1964.

12. In the principal Act, after section 27, the following section shall be inserted, namely: -

Insertion of new section 27A in Guj.20 of 1964.

Grant or renewal of unified single licence.

“27A. (1) There shall be a single licence applicable to the whole of the State for the trader to be granted or 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, market sub-yard, private market yard and sub-yard, e-trading platform or any other space identified for the purpose, in the State. The existing trader licences granted by the market committees shall be converted into State wide single trader licence by the Director or the officer authorized by him, within six months from the date of commencement of the Gujarat Agricultural Produce Markets (Amendment) Act, 2020. Until then, the existing trader licences granted by the market committees shall be deemed to have been the State wide single trader licences:

Guj. of
2020.

Provided that the licence fee shall be payable to the concerned market committee.

Explanation.- Private market yard licensee or other such licensee or its management committee may, register the unified single trading licence holder whose licence has been granted by the Director or the officer authorized by him, to allow to operate in such market yards.

- (2) Any person who desires to obtain or renew the licence under sub-section (1) shall apply to the Director or the officer authorised by him for grant or renewal of the licence, as the case may be, in such form and in such manner as may be prescribed;
- (3) The Licence may be granted under sub-section (1) in such form, for such periods, on such terms and conditions and restrictions as may be prescribed and on payment of fees determined by the market committee within such maxima as may be prescribed.
- (4) An application under sub-section (2) for grant or renewal of licence may be rejected for the reasons as may be prescribed and recorded in writing by the Director or the Officer authorised by him.
- (5) The Director or the authorised officer may, after such inquiry as he deems fit to make and after giving, in the prescribed manner, the licensee a reasonable opportunity of being heard, suspend or cancel a licence issued under this section on any of the following grounds,-
 - (a) that, the licence has been obtained through wilful misrepresentation or fraud;

- (b) that, the licensee himself or in collusion with other licensee commits any act or obtains from carrying on his normal business in the market with an intention to wilfully obstruct, suspend or stop the marketing of notified agricultural produce in any type of market and in consequence where of, the marketing of notified agricultural produce has been obstructed, suspended or stopped;
- (c) that, the licensee is found to have contravened any of the provisions of this Act or the rules or bye-laws;
- (d) that, the licensee has been convicted of an offence punishable under this Act or rules or bye-laws ;
- (e) that, the licensee has become insolvent;
- (f) that, the licensee incurs any disqualification on grounds as may be prescribed.

(6) The holder of such licence shall, whose licence has been suspended or cancelled under this section shall forthwith produce the same to the Director or the authorised officer in this behalf for making endorsement in the prescribed manner; and he shall not be entitled to any claim on account of such suspension or cancellation any compensation or for the refund of the whole or any part of the licence fee.

(7) Any person aggrieved by an order refusing to grant or renew a licence or suspending or cancelling any licence may, appeal within thirty days from the date of communication of the order to him in the prescribed manner, to the State Government, if such order has been made by the Director or to the Director, if such order has been made by the Officer authorised by him.

(8) The State Government or as the case may be, the Director after giving the appellant a reasonable opportunity of being heard, shall on such appeal make such order as it deem just and proper.

(9) Notwithstanding anything contained in sub-section (1), a licence holder shall be eligible as a voter for only one market committee of the State and shall eligible to represent the same

market committee and no other market committee of the State in the manner as may be prescribed.”.

**Amendment
of section 28
of Guj. 20 of
1964.**

13. In the principal Act, in section 28,-

(1) in sub-section (1), for the words “the agricultural produce bought or sold in the market area”, the words “the agricultural produce bought or sold in the principal market yard, sub-market yard or market sub-yard either brought from outside the State or from within the State” shall be substituted;

(2) in sub-section (2), for the proviso to clause (b), the following proviso shall be substituted, namely:-

“Provided that in case any agricultural produce is found to have been processed, sold or resold or dispatched outside the principal market yard, sub-market yard or market sub-yard without payment of market fee, or user charges payable under clause (ii) of sub-section (3) of this section, on such produce, the market fee or user charges shall be levied and recovered two times of such leviable and recoverable amount.”;

(3) for the words “market area” wherever they occur, the words “the principal market yard, sub-market yard or market sub-yard” shall be substituted.

**Insertion
of new
section
28AA in
Guj. 20 of**

14. In the principal Act, after section 28, the following section shall be inserted, namely:-

**Levy of
entrance
fee on
vehicles.** “**28AA.**The market committee may levy and collect entrance fee on vehicles which may enter into market yard at such rate as may be specified in bye-laws:

Provided that no such fee shall be levied and collected from agriculturist-seller.”.

**Insertion
of new
section
28B in
Guj. 20 of
1964.**

15. In the principal Act, after section 28A, the following section shall be inserted, namely:-

**Power to
write off
irrecoverable
fees, etc.** “**28B.** The market committee may write off any fee, user charges

or the amount whatsoever due to it, whether under a contract or otherwise, or any amount payable in addition therewith if in its opinion such a fee, user charge or an amount is irrecoverable:

Provided that the market committee shall, before writing off any such fee, user charges or the amount, obtain the previous sanction of the Director, if the fee or amount exceeds rupees one lakh.”.

16. In the principal Act, after section 30, the following sections shall be inserted, namely:-

Power to remove encroachment in market yard.

“30A. An officer or employee of a market committee duly empowered by the State Government in this behalf shall have power to remove any encroachment in the areas of the principal market yard and sub-market yard and the expenses of such removal shall liable to be paid by the person who has caused the said encroachment and the same shall be recovered in the same manner as an arrear of land revenue.

Use of weighing instruments, weight and measure, their inspection.

30B.(1) The manual or electronic weighing instruments which complies the requirements of such weights and measures as are prescribed by the prevailing Act or the rules made thereunder shall be used for weighing or measuring agricultural produce as required, in the principal market yard, sub-market yard, market sub- yard, private market yard and farmer – consumer market yard:

Provided that in transactions of sale and purchase of agricultural produce, electronic balance may preferably be used.

(2) The Weighing instruments, weights and measures kept by the market committee under this section may from time to time be inspected, examined and checked by the Director or the Managing Director or the authorized officer.”.

17. In the principal Act, after section 31R, the following Chapters and sections shall be inserted, namely:-

Insertion of new sections 30A and 30B in Guj. 20 of 1964.

Insertion of new Chapters IVAA and IVAAA in Guj. 20 of 1964.

**“CHAPTER-IVAA
E-TRADING**

**Establishment
and
promotion
of electronic
trading
platform.**

31S.(1) No person shall establish and run any electronic trading platform for trading in notified agricultural produce without obtaining a licence under section 31T.

(2) Save as provided in sub-section (1), the State Government or its agency may, however, establish and run e-trading platform for trading in notified agricultural produce in the manner as may be prescribed.

**Grant and
Renewal of
licence to
establish
electronic
trading
platform.**

31T.(1) Any person desirous of establishing an e-trading platform under section 31S, shall apply for grant of licence to the Director in such form and such manner along with such fee; and security or bank guarantee and subject to fulfilling such terms and conditions, as may be prescribed.

(2)The application received under sub-section (1) for grant or renewal of license may be granted or rejected for reasons to be recorded in writing:

Provided that the application received under this section may be liable to be rejected for any of the reasons *mutatis mutandis* to the reasons specified in section 31F.

(3)The e-trading platform managed and operated by a person or the State Government or its agency, as the case may be, may provide all infrastructures and services connected with e-trading, in the prescribed manner.

(4)The licensee or its management committee, may collect market fee for notified agricultural produce or user charges for those items of the agricultural produce which are not specified in the notification published under sub-section (1) of section 5 not exceeding the rates as may be prescribed by the State Government on transaction of sale on the e-trading platform:

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

(5)The licensee of e-trading platform shall contribute of such market fee or of such user charge collection, to the separate “Development Fund” maintained by the Board at the rate in percentage at par with market committee. The Fund shall be utilised for the purposes of development of common marketing infrastructure, skill development, training, research and pledge financing and such other activities as will aid in creating efficient marketing system in the State.

Integration of warehouses, silos, cold storages or such other structure or place, declared as market sub-yard to e-platform.

31U. A licence holder under section 7A for market sub-yard, desirous to link to e-platform of the Government of India, may apply, through the State Government or its agency, to the Government of India, Department of Agriculture, Co-operation and Farmers’ Welfare, in such form, along with such fee and in such manner, as may be prescribed by the Central Government.

Integration of private market.

31V. A licensee of private market yard desirous of integrating with e-trading portal, may apply through the State Government or its agency to the Central Government in such manner as may be prescribed by the Central Government.

Inter-operability of e-trading platforms.

31W. In order to evolve a unified National Agricultural Market and integrate various e-platforms, the applications in the e-platform shall be inter-operable as per specifications and standards laid down by the Director subject to the directions of the Central Government.

Payment to sellers and maintenance of accounts.

31X.(1) Notwithstanding anything contained in this Act, the payment of notified agricultural produce traded on e-platform shall be made in the same day of the sale transaction to the seller or in the maximum next day, if procedurally so required. In procedural exigencies on electronic trading, the payment to the seller may be made in such manner, as may be prescribed.

(2) The licensee or the market committee, as the case may be, shall maintain proper accounts of all the transactions taken place on electronic platform (e-platform) and submit such periodical reports and returns to the Managing Director or the authorized officer, at such time and in such forms, as may be prescribed by the Director, from time to time.

**Suspension
or
cancellation
of licence of
electronic
trading
platform.**

31Y.(1)The Director may, for the reasons to be recorded in writing suspend or cancel the licence granted under section 31T, if-

- (a) the licence has been obtained through wilful misrepresentation or fraud; or
- (b) the holder of licence or his representative or anyone acting on his behalf with his expressed or implied permission, commits a breach of any of the rules, regulations and terms or conditions of licence; or
- (c) the holder of licence himself or in combination with other licence holder commits any act or abstains from carrying on his normal business in the market area with the intention of wilfully obstructing, suspending or stopping the marketing of notified agricultural produce; or
- (d) the holder of the licence has become insolvent; or
- (e) the holder of the licence incurs any disqualification, as may be prescribed; or
- (f) the holder of the licence is convicted of any offence punishable under this Act.

(2) No licence shall be suspended or cancelled under this section without giving a reasonable opportunity of being heard to its holder.

**Redressal
of
Disputes
settlement.**

31Z.Any dispute arising between licensees of e-trading platforms, under section 31T or between the licensees and market committee or the State agency shall be referred to the Director or the authorized officer, and the Director or the authorized officer shall

in summary manner within thirty days, after giving the parties a reasonable opportunity of being heard resolve the dispute and the decision of the Director or the authorized officer shall be final.

**Dispute
settlement
with regard
to Inter-
State trade
transactions.**

31ZA. In case of any dispute arising out of inter-State trade transaction on e-platform or any other platform, the State Government may become part of such Authority, which may be constituted by the Central Government.

CHAPTER-IVAAA REGULATION OF TRADING

**Sale-
transaction of
notified
agricultural
produce.**

31ZB. (1) All notified agricultural produce shall ordinarily be sold in the principal market yards, sub-market yards and market sub-yards, private market yards or at the electronic trading platforms licenced under this Act:

Provided that the notified agricultural produce may be sold at other places also to a licence holder especially permitted by a market committee in this behalf under this Act.

(2) The market committee shall not regulate marketing of notified agricultural produce in its market area. The market committee shall enforce regulation on marketing of notified agricultural produce within the principal market yard, sub-market yard and market sub-yard and not outside the principal market yard, sub-market yard and market sub-yard.

(3) In relation to agricultural produce, nothing in the sub-section (1) shall apply to the following sale and purchase where –

(i) sale is made by the producer himself to any person for his domestic consumption in quantity up to such limits as may be prescribed;

(ii) brought for sale by head load;

- (iii) purchase and sale is made by a petty trader;
- (iv) purchase is made by an authorised fair price shop dealer from the Food Corporation of India, (FCI) “the State Civil Supplies Corporation” or any other agency or institution authorized by the Central or the State 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.

(4) The price of the notified agricultural produce, brought for sale in the principal market yards, sub-market yards , private market yards, market sub-yards, electronic trading platform shall be settled by tender bid or open auction including e-auction and no deduction shall be made from the agreed price on any account whatsoever from the seller.

(5) Weighment or measurement or counting of all the notified agricultural produce so purchased shall be done by such person and in such manner as provided in the bye-laws or, at any other place specified for the purpose by the market committee.

Terms and conditions and procedure of buying and selling.

31ZC. (1) Except in the commercial transaction between two traders, any other person who buys notified agricultural produce in the principal market yards, sub-market yards and market sub-yards, shall execute an agreement (*kabala*) in triplicate in such form, as may be prescribed. One copy of the agreement (*kabala*) 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 or as the case may be the managing body.

(2) The price of the notified agricultural produce transacted in the principal market yards, sub-market yards, private market yards, market sub-yards or at e-platforms shall be paid on the same day to the seller or in the maximum next day if procedurally so required.

Payment on notified agricultural produce shall also be made to agriculturist-seller, licensee of the direct marketing, if sold on the same day there itself.

(3) The Commission agent shall recover his commission from his principal trader at the rate not exceeding two percent *ad valorem* on transaction of non- perishable agricultural produce; while in case of perishable agricultural produce, it shall not exceed four percent *ad-valorem* on transaction of agricultural produce, including all expenses as may be incurred by him in storage of the agricultural produce and other services rendered by him:

Provided that no commission shall be collected from the farmer-seller.

**Recognition
of unified
single
trading
licence
granted/
renewed by
other States.**

31ZD.(1) Notwithstanding anything contained in this Act, the State Government may allow the holder of unified single trading license bearing unicode, issued by any other State or Union Territory to undertake trade transaction within its geographical jurisdiction on e-platform or any other format including physical that may be in operation, as a trader, in the manner as may be prescribed.

(2) Such licensee shall be liable to pay the market fee and other marketing charges at the rate applicable in the State of Gujarat for the transactions of trade taken place in the State of Gujarat in the manner as may be prescribed.

(3) In case of contravention of any of the provisions of this Act or the rules or bye-laws or any direction, the Director or the Managing Director or market committee, as the case may be, shall, after giving an opportunity to be heard, prohibit such licensee for trading purpose only within their respective jurisdiction, where a contravention has occurred, for a certain period or forever based on the gravity of breach or violation of provisions of this Act or the rules or the bye-laws or directions.

(4) The Director or the Managing Director or market committee of the respective jurisdiction, wherein the contravention has occurred,

may simultaneously submit a proposal containing details of the type and nature of contravention with evidence, to the concerned authority of the licence issuing State for taking further appropriate action against the licensee.”.

**Amendment
of section
34M of
Guj. 20 of
1964.**

18. In the principal Act, for section 34M, the following section shall be substituted, namely:-

**Contribution
to be paid to
Board.**

“34M.(1) Every market committee shall pay to the Board as contribution an amount equal to such percentage of its income not exceeding two per cent. of its income derived from licence fee and market fee as may be prescribed from time to time by the State Government.

(2) Every licensee of private market yard, private market sub-yard, e-trading platform and direct marketing purchaser shall contribute of its income derived from licence fee and market fee at such rate not exceeding two per cent, in the manner as may be prescribed, to the “Development Fund” maintained by the Board. Out of the said contribution eighty per cent. shall be given to the concerned local market committee and twenty per cent. shall be retained by the Board as the Development Fund.

(3) The State Government may, every year, make payment to the Board, by way of contribution or grants of an amount not less than five percent. of the aggregate amount contributed to the Board by the market committees under this section.

(4) The Board may utilize the Development Fund for all or any of the purposes mentioned in section 34-O including development of common marketing infrastructure, skill development, training, research and pledge financing and for such other activities as would aid in creating an efficient marketing system in the State.”.

**Insertion of
new section
42A in
Guj.20 of
1964.**

19. In the principal Act, after section 42, the following section shall be inserted, namely:-

Bar of jurisdiction of civil courts.

“42A.(1) No civil court shall have jurisdiction to settle, decide or deal with any question or to determine any matter which is by or under this Act required to be settled, decided or dealt with in accordance with the provisions of this Act.

(2) No court shall take cognizance of an offence under this Chapter, except upon a complaint made by the Director or the Managing Director or by any other officer authorized by him in this behalf.”.

20. In the principal Act, after section 43, the following section shall be inserted, namely:-

Insertion of new section 43A in Guj. 20 of 1964.

Compounding of offences.

“43A. (1) The market committee may accept a sum of money as decided by it from any person who has contravened any of the provisions of this Act, the rules or the bye-laws, made thereunder by way of compounding of such offence where the offence consists of the failure to pay or the evasion of any fee, user charge, or other amount leviable and recoverable under this Act, the rules or the bye- laws in addition to the fee, user charge or other amount so leviable and recoverable, a sum of money not less than the amount of the fee or other amount and not more than two times the amount of fee or other amount.

(2) On compounding of any offence under sub- section (1), no proceedings 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 dropping of charges against him.”.

21. In the principal Act, in section 47, after sub-section (2), the following sub-sections shall be added, namely:-

Amendment of section 47 of Guj. 20 of 1964.

“(3) Where the Director is satisfied that the books of accounts and records of a market committee are likely to be suppressed, tampered with or destroyed, or the funds and property of a market committee are likely to be misappropriated or misapplied, the Director may, by an order, direct for seizure and taking possession of the books of accounts, records and property of the market committee.

(4) On receipt of the order under sub-section (3), the police officer not below the rank of Sub-Inspector of the local area shall enter and search any place where the records and property are kept or are likely to be kept and to seize them and hand over possession thereof to the Director or the person authorised by him, as the case may be.”.

**Insertion
of new
section
49A in
Guj. 20 of
1964.**

22. In the principal Act, after section 49, the following section shall be inserted, namely:-

Power to borrow. “**49A.** (1)The market committee may, with the previous sanction of the Director, raise money from banks, Government approved financial institutions, required for carrying out the purposes for which it is established on the security of any property vested in it and of any fees or user charge leviable by it under this Act.

(2) The market committee may, for the purpose of meeting the initial expenditure on lands, buildings, staff and equipments required for establishing the market, obtain a loan from the State Government or the Board or other approved financial institution.

(3) The terms and conditions subject to which money or loan shall be raised or obtained under sub-section (1) or (2) and the time limit within which the same shall be repayable shall be subject to the previous sanction of the Director.”.

- 23.** In the principal Act, in section 58, in sub-section (1), -
- (i) after the words “against a market committee”, the words “or the Director or the Managing Director or the officer of the State Government” shall be inserted;
- (ii) after the words “and in case of”, the words “the Director or the Managing Director or the officer of the State Government or” shall be inserted.
- 24.** In the principal Act, after section 58, the following sections shall be inserted, namely:-
- Power to remove difficulties in giving effect to provisions of Guj. of 2020.** **“58A.** (1) If any difficulty arises in giving effect to the provisions of the Gujarat Agricultural Produce Markets (Amendment) Act, 2020, the State Government may, by order published in the *Official Gazette*, make such provisions not inconsistent with the provisions of the said amending Act, as appears to it to be necessary or expedient for removing the difficulty:
- Provided that no such order shall be made under this section after the expiry of two years from the date of commencement of the said amending Act.
- (2) Every order made under this section shall, as soon as may be, after it is made, be laid before the State Legislature.
- Validation of certain notifications, orders, etc.** **58B.** Any notification or order issued under the principal Act and the rules made thereunder, immediately before the commencement of the Gujarat Agricultural Produce Marketing (Amendment) Act, 2020 shall be deemed to be validly issued under the relevant corresponding provisions of this Act as amended by the said amending Act.”.
- 25.** In the principal Act, in section 59, in sub-section (2), before clause

Amendment of section 58 of Guj. 20 of 1964.

Insertion of new sections 58A and 58B in Guj. 20 of 1964.

Guj. of 2020.

Guj. of 2020.

Amendment of section 59 of Guj. 20 of 1964.

(i), the following clauses shall be inserted, namely:-

- “(ia) the form, manner and fee for application by the owner of warehouse, cold storage or such other structure or place for declaration such place as market sub-yard under section 7A;
- (iaa) the value of immovable property exceeding which the market committee cannot acquire or dispose of it without the prior permission of the Director under section 10;
- (iab) the manner of electing the representative of licensed commission agent under clause (vi) of sub-section (3) of section 11A;
- (iac) the manner of establishing and running e-trading platform for trading in notified agricultural produce under sub-section (2) of section 31S;
- (iad) the form, the manner, the fee, the security or bank guarantee for granting or renewing licence to establish e-trading platform on such terms and conditions under sub-section (1) of section 31T;
- (iae) the infrastructures and the services and the manner for providing it under sub-section (3) of section 31T;
- (iaf) the manner of payment to the seller of notified agricultural produce traded on e-platform under sub-section (1) of section 31X;
- (iag) the time, manner and forms in which the licensee or the market committee shall maintain accounts and submit it to the Director or the authorised officer under sub-section (2) of section 31X;
- (iah) the disqualifications that may be incurred by the holder of the licence that may be reason to suspend or cancel the licence under clause (e) of sub-section (1) of section 31Y;
- (iai) the limit of quantity up to which the notified agricultural produce could be sold or purchased out of the principal market yards, sub-market yards and market sub-yards

private markets yards or at the e-trading platforms under clause (i) of sub-section (2) of section 31ZB;

- (iaj) the form of agreement to be executed under sub-section (1) of section 31 ZC;
- (iak) the manner to allow the holder of unified single trading licence to undertake trade transaction under section 31ZD;
- (ial) the market fee and other marketing charges payable by the licensee under section 31ZD;
- (iam) the manner of contribution to the Development Fund under section 34M;”.

**Guj. Ord.
3 of 2020.**

26. (1) The Gujarat Agricultural Produce Markets (Amendment) Ordinance, 2020 is hereby repealed.

**Repeal
and
saving.**

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Gujarat Agricultural Produce Markets Act, 1963 has been amended from time to time in the State of Gujarat with a view to keeping in mind the central idea of the welfare of farmers as well as traders. Modern trading and marketing practices have been changed a lot with the great advantages by way of electronic virtual market and a big improvement in logistic and infrastructural facilities. The Government of India had constituted a Committee in 2016 to examine and address the entire segment of post-production activities and to recommend a Model Act. The main idea behind this is to create a conducive environment for healing competition, by enabling multiple channels of marketing without letting anyone including Government led APMC to hold sway as a monopoly. With this the farmer-producer will come to be unchained to carry his produce to any market and sell to whoever offers him a better price. The model Act prepared and has been forwarded to all the State and UT. The Central Government has recommended to make all the States and UTs to adopt necessary changes to suit the local variations while all the time, ensuring that the spirit of competition is encouraged and the principle of “Farmer first” is kept in mind.

In the State of Gujarat, prior to the Gujarat Agricultural Produce Markets Act, 1963, the Bombay Agricultural Produce Markets Act 1939 and the Saurashtra Agricultural Produce Markets Act 1955 were in force. So the State of Gujarat always remains front runner in this sphere of farmer welfare legislation. Gujarat has updated its APMC Act 1963 not less than 11 times by way of amendments so as to keep space with modern requirement of co-operative marketing and for promotion and facilitating the farmers friendly environment.

In view of the suggested model draft Act by the expert committee of the Government of India, some amendments are made in the Gujarat Agricultural Produce Markets Act 1963.

As the Legislative Assembly of the State of Gujarat was not in session, at that time, the Gujarat Agricultural Produce Markets (Amendment) Ordinance, 2020 was promulgated to achieve the aforesaid objects.

This Bill seeks to replace the said Ordinance by an Act of the State Legislature.

The following notes on clauses explain in brief some of the important provisions of the Bill:-

Clause 1 :- This clause provides for short title and commencement of the amending Act.

Clause 2 :- This clause amends the short title of the existing Gujarat Agricultural Produce Markets Act, 1963.

Clause 3:- This clause defines certain terms used in the Bill.

Clause 4:- This clause provides for bringing rural periodical markets or *haats* under the regulation of this Act in the manner as provided therein.

Clause 5:- This clause proposes to insert a new section 5A in the Act, which empowers State Government to declare by notification, the whole State as one unified market area.

Clause 7:-(a) This clause proposes to insert a new sections 7A and 7AA in the Act which provides for establishment of market area as the principal market yard or sub-market yard or market sub-yard or farmer- consumer market yard by the State Government, by declaring any ‘place’ such as any structure, enclosure, open space locality, street including warehouse, silos, pack house, cleaning, grading and packaging and processing unit in the market area managed by a market committee, by issuing the notification in the *Official Gazette*, for the purpose of regulation of marketing or notified agricultural produce; as also a private market yard, private market sub-yard, private farmer consumer market yard.

(b) It also provides for the manner of making application for declaring of the places as market sub-yards to the Director, levy of user charge and contribution payable by the licensee to the ‘Development Fund’;

(c) New section 7AA also provides for establishment of any existing market yard established under section 7 as “Market Yard of National Importance” or establish and notify any market as “Market Yard of National Importance” in the manner as specified therein and after the consideration of aspects such as total throughput, value, up stream catchment area, down-stream number of consumers served and special infrastructure requirements therefor.

Clause 8:- This clause proposed to insert a proviso to section 10 of the Act whereby it is proposed that no immovable property, the value of which exceeds the prescribed limit shall be acquired or disposed of by the market committee without the prior permission of the Director; it also provides for purchase of any land or building and entering into an agreement with the owner of such land or building.

Clause 9:- This clause proposes to amend section 11 of the Act, by which the representation of the agriculturist which is at present ‘eight’ is proposed to increase to ‘ten’ members in the market committee. It also provides that no elected person shall be a Chairman or a Vice chairman of the market committee continuously for more than two terms.

Clause 10:-(a)It is proposed to insert a new section 11A by this clause which provides for constitution of a separate market committee for such market yard located in the State which may be considered as a ‘Market Yard of National Importance (MNI)’ by the State Government by notification in the *Official Gazette*. It also provides that the provisions of the election the Chairman, Vice-chairman and members of market committee as are in force shall also be applied in constitution of a separate market committee for MNI;

(b) The new sections 11B, 11C, 11D and 11E, respectively provides for appointment and functions of the market committee, constitution of Executive Committee of MNI and the term of its members. It also

provides that all other provisions of the existing Act shall apply to the market committee of MNI.

Clause 12:-This clause proposes to insert new section 27A of the Act, which provides for grant, renewal, suspension or cancellation of unified single licence.

Clause 13:- This clause proposes to amend the provision of section 28 to the effect that in case any agriculture produce is sold or dispatched outside the market area without payment of market fee payable, or for the evasion of any fee, user charges or other amount recoverable under this Act or the rules or bye-laws, in addition to the fee, user charges or other amount so recoverable, a sum of money not less than the amount of the fee or other amount so recoverable and not more than two times the amount of fee or other amount so recoverable shall be levied and recoverable.

Clause 14.—New section 28AA proposed to be inserted by this clause provides for levy and collect entrance fee on vehicles entering into market yard at the rate prescribed by bye-laws but no such fee shall be levied from agricultural seller.

Clause 15.—New section 28B proposed to be inserted by this clause provides that the market committee may write off any fee, user charges or other amount due to it, under a contract or otherwise, or any amount payable in addition therewith if in its opinion such an amount is irrecoverable by it. The previous sanction of the Director would be required, if the amount exceeds rupees one lakh

Clause 16.—(a) New section 30A proposed to be inserted by this clause provides for removing any encroachment in the principal and sub- market yard and recover the expenses incurred for such removal from the concerned person as an arrear of land revenue by the any officer or employee authorized by the State Government.

(b) New section 30B provides for use of weighing instruments, in the weighing or measuring agricultural produce in the principal market yard,

sub-market yard, market sub-yard, private market yard and farmer–consumer market yard and inspection examination and checking by the Director or the Managing Director or the authorized officer.

Clause 17.- This clause proposes to insert new ‘Chapter IVAA’ relating to e-trading and ‘Chapter IVAAA’ relating to regulation of trading. The provisions of the new Chapters, in brief, are as under:

- (i) New section 31 S provides that no person shall establish and run the electric trading platform (e-trading platform) for notified agricultural produce without obtaining a licence under section 31 T;
- (ii) New section 31 T provides for manner of grant and renewal of licence for e-trading platform under section 31 S;
- (iii) New section 31 U provides for the manner of integration of warehouses, silos, cold storages or such other structure or place as market sub-yard to e-platform;
- (iv) New section 31 V provides for manner of integration of licensee of private market yard with e-trading portal;
- (v) New section 31 W provides for the manner for inter-operability of unified National Agricultural Market with various e-platforms, applications in the e-platform as per specifications and standards laid down by the Director subject to the directions of the Central Government;
- (vi) New section 31 X provides for the manner of making payment of the notified agricultural produce and live stock trading on the e-platforms, to sellers and maintenance of proper accounts all transactions thereof;
- (vii) New Section 31 Z provides for the power of the Director or the authorized officer for redresses of disputes in summary manner between a licensee of e-trading platform or between the licensee and market committee or the State agency.
- (viii) New Section 31 ZA provides for settlement of disputes with regard to inter-State trade transactions for which the Central Government

shall constitute the authority; and the State Government may become a part of the said authority;

(ix) New Section 31 ZB provides for regulation of sale-transaction of notified agricultural produce in the principal market, sub-market yards and market sub-yards, private markets yards or e-trading platforms ;and manner of settlement of tender bid as also shall prices of the notified agricultural produces;

(x) New Section 31 ZC provides for terms and conditions and procedure of buying and selling in commercial transactions between two traders and the manner of execution of agreement for the purpose and mode of payment of the notified agricultural produce. It also provides for recovery of commission by the commission agent at the prescribed rate ad-valorem on perishable and non-perishable agricultural produce;

(xi) New section 31 ZD provides for the recognition of unified single trading license granted by other States/UT to undertake trade transactions within the State on e-platform and physical transactions in the prescribed manner; and payment of market fee and other marketing charges at the applicable rates, in the prescribed manner. It also provides for prohibiting such licensee from trading for the reasons of contraventions of the provisions of the Act or the rules or bye-laws or any directions issued in this behalf.”.

Clause 18.- It is proposed to amend section 34M relating to special market and special commodity market provides for,-

(a) payment by every market committee, as contribution of its income derive from licence fee and market fee at the prescribed rate by the State Government, to the Board; and

(b) payment by every licensee of private market yard, private market sub-yard, e-trading platform and direct marketing purchaser every licensee of private market yard, private market sub-yard, e-trading platform and direct marketing purchaser as contribution of its income derived from

licence fee and market fee at the prescribed at rate by the State Government in the prescribed manner to “Development Fund” maintained by the Board;

(c) utilization of the fund by the Board for development of common marketing infrastructure, skill development, training, research and pledge financing and for such other activities.

Clause 19.- Section 42A proposed to be inserted by this clause provides for bar of jurisdiction of civil courts.

Clause 20.- It is proposed to insert a new section 43A which provides for compounding of offences by the markets committee relating to payment of fees, evasion of fees, user charges and such other amount recoverable by it in the manner stated therein.

Clause 21.- Sub-section (3) and (4) proposed to be inserted in section 47 by this clause provides that the Director shall have power to seize and take possession of books of accounts of a market committee where he is satisfied that it is likely to be suppressed , tampered or destroyed the books of accounts or records of committee. It also empower the police officer to enter and search and seize the records and books of accounts.

Clause 22.- New section 49A proposed to be inserted in the said Act by this clause provides for raising money from banks, Government approved financial institutions for carrying out the purposes for which it is established or for the purpose of meeting the initial expenditure on lands, buildings, staff and equipments required for establishing the market,subject to the previous sanction and such terms and conditions as may be sanctioned by the Director.

Clause 23.- It is proposed to amend section 58 so as include the Director or the Managing Director for giving notice before any suit or proceedings are instituted for anything done or purporting to be done in good faith under this Act.

Clause 24.- New section 58A proposed to be inserted by this clause

empowers the State Government to remove any difficulty within a period of two years of commencement of the amending Act, that may arise in giving effect to the provisions of this Act.

Clause 25 .- It is proposed to amend section 59 so as to empower the State Government to make rules for the matters specified therein.

ISHWARSINH PATEL,

FINANCIAL MEMORANDUM

Sub-section (1) and sub-section (2) of section 31S proposed to be inserted in the Act by clause 17 of the Bill provide that the State Government or its agency may establish and run e-trading platform for e-trading in notified agricultural produce and also for providing all infrastructures and services connected with e-trading. The Bill, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of the State.

On account of the proposed amendment some financial liability of the State Government will arise if State Government has to establish and run e-trading platform. At present, there is no proposal under consideration with the State Government to establish any e-trading platform. Estimated cost of establishing e-trading platform, providing infrastructure and services can be calculated as and when only it is to be established. Therefore, at present, it is not possible to assess an estimate of recurring or non-recurring expenditure from the Consolidated Fund of the State.

ISHWARSINH PATEL,

MEMORANDUM REGARDING DELEGATED LEGISLATION

This Bill involves delegation of legislative powers in the following respect:-

Clause 2.- clause (xv-ad) proposed to be inserted in section 2 of the Act by sub-clause (15) of this clause empowers the Director to notify quantity not exceeding such quantity for which agricultural produce may be traded by non-licensee trader.

Clause 5.-New Section 5A proposed to be inserted by this clause empowers the State Government by notification in the *Official Gazette* to declare whole State as one 'Unified Market Area' for the purposes of marketing of all or any agricultural produce as specified in the notification.

Clause 7.- (i) Sub-section (1) of new section 7A proposed to be inserted by this clause empowers the Director to declare in the manner a warehouse, silos, cold storage and such other structure of place with infrastructure and facilities as market sub-yard;

(ii) sub-section (3) of new section 7A proposed to be inserted by this clause empowers the Director to prescribe by rules, the form, fee and manner for making application by the owner of warehouse, cold storage or other structure, to declare it as sub-market yard;

(iii) New section 7AA proposed to be inserted by this clause empowers the State Government to designate and notify any existing market yard established under section 7 as 'Market Yard of National Importance' or establish and notify any market as such after considering the aspects as specified in it in the manner prescribed for this purpose in the rules.

Clause 8.-The first and third provisos proposed to be inserted in sub-section (2) of section 10 by this clause empowers the State Government to prescribe the limits of the value of movable property exceeding which prior permission of the Director shall be required for acquiring or disposing it. It also empowers the State Government to prescribe the officer for valuation certificate.

Clause 10.-(i) Sub-section (1) of new section 11A proposed to be inserted by this clause empowers the State Government by notification in the *Official Gazette* to constitute a separate market committee for the

market yard located in the State as the 'Market Yard of National Importance (MNI);

(ii) clause (iv) of sub-section (3), of section 11A empowers the State Government to prescribe the qualifications of trader for being elected in market committee;

(iii) clauses (v) and (vi) of sub-sections (3), of section 11A empowers the State Government to prescribe the manner of electing member of the market committee;

(i) section 11D proposed to be inserted by this clause empowers the State Government to prescribe by rules for the term of office of the members of the executive committee.

Clause 12.-(i) Sub-section (2) of section 27A proposed to be inserted by this clause empowers the State Government to prescribe the forms, time, period and terms and conditions for grant or renewal of unified single licence under that section. The maximum fee for the same shall be determined by the market committee;

(ii) sub-section (4) of section 27A empowers the State Government to prescribe the manner in which endorsement on cancellation of licence shall be made;

(iii) sub-section (5) of section 27A empowers the State Government to prescribe the manner in which appeal shall be made to the State Government;

(iv) sub-section (9) of section 27A empowers the State Government to prescribe by rules, the manner in which a licence holder shall be eligible as a voter for only one market committee of the State and shall eligible to represent the same market committee.

Clause 17.- The following new sections proposed to be inserted by this clause empowers the State Government or the Director as under:

(i) Section 31 S empowers the State Government to prescribe the manner in which establishment and running of e-trading platform in notified agricultural produce can be done;

(ii) (a) sub-section (1) of section 31T empowers the State Government to prescribe the form, manner and fee; and security guarantee or bank guarantee and other terms and conditions for establishment of an

e-trading platform and making application for grant or renew of licence to the Director;

(b) sub-section (3) of section 31T empowers the Director to prescribe the manner in which all infrastructure and services connected with e-trading shall be provided;

(iii) (a) sub-section (1) of section 31X empowers the State Government to prescribe by the rules for making payment on e-trading transaction on notified agricultural produce;

(b) sub-section (2) of section 31Y empowers the Director to prescribe the form in which the accounts of transactions taken place in e-trading platform shall be maintained and the time limit within which periodical returns and reports shall be submitted to the Managing Director or the authorised officer;

(iv) clause (e) of sub-section (1) of section 31Y empowers the State Government to prescribe the disqualifications for which the licence granted under section 31T may be suspended or cancelled;

(v) clause (i) of sub-section (2) of section 31ZB empowers the State Government to prescribe the limit of quantity up to which sell can made by the producer to any person for his domestic consumption;

(vi) section 31ZC empowers the State Government to prescribe by the rules, the form of agreement to be executed by the traders;

(vi) (a) sub-section(1) of new section 31ZD empowers the State Government to prescribe the manner in which the holder of unified single trading licence can undertake trade transactions on e-trading platform and physical operation;

(b) sub-section (2) of new section 31ZD empowers the State Government to prescribe the manner and the rates of payment of market fee and other marketing charges for transactions taken place by unified single trading licence.

Clause 18.- Section 34M proposed to be substituted by this clause empowers the State Government to prescribe the rules and the manner for making payment from the income derived from licence fee

and market fee by every market committee in the 'Development Fund' at the rate not exceeding of two per cent. of its income as may be prescribed;

Clause 24.- New section 58A proposed to be inserted by this clause empowers the State Government for removing any difficulty which may arise in giving effect to the provisions of the Gujarat Agricultural Produce Markets (Amendment) Act, 2020 by order publishing in the *Official Gazette*.

The delegation of legislative powers as aforesaid is necessary and is of normal character.

Dated the 22nd September, 2020.

ISHWARSINH PATEL.

*ANNEXURE***EXTRACT FROM THE GUJARAT AGRICULTURAL PRODUCE
MARKETS ACT, 1963.****(Guj. XX of 1964)****Short title, extent
and
commencement.****1.** (1) This Act may be called the Gujarat Agricultural Produce Markets Act, 1963.

(2) to (3)

XXX

XXX

XXX

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

(i) "agricultural produce" means all produce, whether processed or not, of agriculture and horticulture, specified in the Schedule;

(ii) "agriculturist" means a person who ordinarily by himself or who by his tenants or hired labour or otherwise is engaged in the production or growth of agricultural produce, but does not include a trader or broker in agricultural produce although such a trader or broker may also be engaged in the production or growth of agricultural produce;

(ii-a) to (vii-aa)

XXX

XXX

XXX

(vii) "general commission agent" means a trader who bona fide buys or sells or offers to buy or sell for an agreed commission, any agricultural produce on behalf of another person and does or offers to do anything necessary for completing and carrying out the transaction of such sale or purchase;

(viii)

XXX

XXX

XXX

(ix) "licence" means a licence granted under section 6 or, as the case may be, a general or special licence granted under section 27;

(x) "licensee" means a person holding a general licence under this Act;

(xi) to (xii)

XXX

XXX

XXX

(xii-a) "market" means a market established and regulated under this Act for the notified market area and also includes a market proper, a principal market yard, sub-market yard, private market, e-market and such other markets as may be declared under this Act;

(xiii) to (xvii-aaa) XXX XXX XXX

(xvii-aaaa) "registration" means registration granted under section 31-B;

(xviii) to (xxii) XXX XXX XXX

(xxiii) "trader" means any person, who carries on the business of buying or selling of agricultural produce or of processing of agricultural produce for sale and includes a co-operative society, joint family or an association of persons, whether incorporated or not, which carries on such business;

(xxiii-a) to (xxv) XXX XXX XXX

7. (1) For each market area, there shall be a market which shall consist of-

- (i) one principal market yard,
- (ii) sub-market yards, if any and
- (iii) all markets proper;

notified under sub-sections (2) and (3).

(2) The Director may, by notification in the Official Gazette, declare any enclosure, building or locality in any market area to be a principal market yard and any other enclosure, building or locality to be a sub-market yard.

(3) Whenever the Director declares for any market area, the principal market yard or a sub-market yard, he shall simultaneously declare, by notification in the Official Gazette, an area within such distance of the principal market yard or sub-market yard, as the case may be, as he thinks fit, to be a market proper, and thereupon all industrial concerns in the said area with their compounds, godown and warehouses, where agricultural produce is stored shall stand included in the market proper.

**Declaration
of market,
market yard
and market
proper.**

	(4)	XXX	XXX	XXX
Incorporation of market committee.	10. (1)	XXX	XXX	XXX

(2) A market committee shall be deemed to be a local authority within the meaning of clause (26) of section 3 of the Bombay General Clauses Act, 1904.

**Bom I of
1904.**

Constitution of market committee.	11. (1) Every market committee shall consist of the following members, namely:-
--	--

(i) eight agriculturists, whose names are enlisted in the voters' list published by the Election Commission of India for such market area, shall be elected by the members of managing committee of the Primary Agricultural Credit Cooperative Societies dispensing agricultural credit in the market area;

(ii) four members to be elected in the prescribed manner from amongst themselves by the traders holding general licenses who have traded in full conformity with the terms and conditions of the licence in the previous financial year and the fees payable by them has not remained unpaid;

(iii) two representatives of the Co-operative marketing societies situate in the market area, holding general licences, engaged in the business in conformity with their respective objects and have their last accounts audited in class A, B or C, as the case may be, " , to be elected from amongst the members (other than nominal, associate or sympathiser members) of such societies by the members of the managing committees of such societies:

Provided that where the number of co-operative marketing societies so situate does not exceed two, only one representative shall be so elected;

(iv) and (v)	XXX	XXX	XXX
(1A) to (5)	XXX	XXX	XXX

27. (1) On the establishment of a market Committee may, subject to rules, made in that behalf, grant or renew a general licence or a special licence within ninety days of making an application for such licence" for the purpose of any specific transaction or transactions to a trader, general commission agent, broker, weighman, surveyor, warehouseman or any person to operate in the market area or part thereof or after recording its reasons therefore, refuse to grant or renew any such licence.

Licence, their issue, renewal, suspension or cancellation etc. and appeals against refusal, suspension etc. of licence.

Provided that the general licence shall be granted or renewed only for the purchase and sale of such agricultural produce as has been declared by the Director under section 5 of this Act.

(2) Licences may be granted under sub-section (2) in such forms, for such periods, on such terms and conditions and restrictions (including any provision for prohibiting brokers and commission agents from acting in any transaction both as buyer and seller, or on behalf of both the buyer and seller, and provision for regulating advances, if any, to be made to agriculturists by brokers, commission agents or traders and any provision for prescribing the manner in which and the places at which auctions of agricultural produce shall be conducted and the bids made and accepted and places at which weighment and delivery of agricultural produce shall be made in any market area) as may be prescribed or determined by the bye-laws and on payment of fees determined by the market committee within such maxima as may be prescribed.

(3) to (6)

XXX

XXX

XXX

28. (1) The market committee shall, subject to the provisions of the rules and the maxima and minima from time to time prescribe levy and collect fees on the agricultural produce brought or sold in the market area:

Power to levy fee.

Provided that the fees so levied may be collected by the market Committee through such agents as it may appoint.

(2) (a) The market fee specified in sub-section (1) shall not be levied for the second time in any market area from the buyer who is a processor, grader, packer, value addition centre or exporter of an agriculture produce and market fee has already been paid on that agricultural produce in any market and the information in this context has been furnished, as prescribed, by the person concerned that the payment of market fee has already been made in other market, provided such proof as may be prescribed is furnished to the Director by the buyer who is doing processing, grading, packing, value addition or export within such period as may be prescribed by the Government.

(b) On the agricultural produce brought in the market area for commercial transaction or for processing, if the permit issued under clause (e) has not been submitted, the market fee shall be deposited by the buyer or processor, as the case may be, in the office of the market committee, within fourteen days but before sale or resale or processing or export outside the market area:

Provided that in case any agricultural produce is found to have been processed, sold or resold or dispatched outside the market area without payment of market fee payable on such produce, the market fees shall be levied and recovered on five times the market value of the processed produce or value of the agricultural produce, as the case may be.

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

Provided that where the buyer of a 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.

(d) XXX XXX XXX

(e) Any agricultural produce shall be removed out of the market area only in the manner and in accordance with the permit issued in such form, as may be prescribed. The vehicle carrying agricultural produce shall be accompanied by such proofs as may be prescribed:

Provided that the producer of the agricultural produce himself may remove the agricultural produce from one place to another without such permit.

(3) (i) The market committee shall allow the trade in those items of the agricultural produce which are not specified in the notification published under sub-section (1) of section 5 for such market area.

(ii) XXX XXX XXX

34M. (1) Every market committee shall pay to the Board as contribution an amount equal to such percentage of its income as may be prescribed from time to time by the State Government.

Contributions to be paid to Board.

(2) The State Government may, every year, make payment to the Board, by way of contribution or grants of an amount not less than five percent of the aggregate amount contributed to the Board by the market committees under sub-section (1).

(3) The contribution or payment received by the Board under sub-section (1) and sub-section (2) shall be credited to the Development Fund.

58. (1) No suit or other proceedings shall be instituted against a market committee or the Board or a member, officer or servant thereof or a person action under the directions of any of them for anything done or purporting to be done in good faith under this Act, until the expiration of two months next after a notice in writing, stating the cause of action, the name and place of abode of the intending plaintiff and the relief which he claims, has been in the case of a market committee or the Board delivered or left at its

Bar of suit in absence of notice.

GUJARAT LEGISLATURE SECRETARIAT

GUJARAT BILL NO. 28 OF 2020.

A BILL

*further to amend the Gujarat Agricultural
Produce Markets Act, 1963.*

**[SHRI ISHWARSINH PATEL,
MINISTER OF STATE FOR
CO-OPERATION]**

(As published in the Gujarat Government Gazette
of the 23rd September, 2020)

D.M.PATEL,
Secretary,
Gujarat Legislative Assembly.